

ADVANCED MEDICAL OPTICS INC

Form S-4/A

February 09, 2005

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As filed with the Securities and Exchange Commission on February 8, 2005

Registration No. 333-121009

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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**Amendment No. 3 to**  
**FORM S-4**  
**REGISTRATION STATEMENT**

*UNDER*  
*THE SECURITIES ACT OF 1933*

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**ADVANCED MEDICAL OPTICS, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**3841**  
(Primary Standard Industrial  
Classification Code Number)

**33-0986820**  
(I.R.S. Employer  
Identification No.)

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1700 E. St. Andrew Place

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Santa Ana, California 92705

(714) 247-8200

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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Aimee S. Weisner, Esq.

Corporate Vice President, General Counsel and Secretary

1700 E. St. Andrew Place

Santa Ana, California 92705

(714) 247-8200

(Name, address, including zip code, and telephone number, including area code, of agent for service)

---

*Copies to:*

Brian J. McCarthy, Esq.

Skadden, Arps, Slate, Meagher

& Flom LLP

300 South Grand Avenue

Los Angeles, California 90071

(213) 687-5000

John F. Runkel, Jr., Esq.

Senior Vice President of Business

Development & General Counsel

VISX, Incorporated

3400 Central Expressway

Santa Clara, California 95051

(408) 773-2020

John V. Roos, Esq.

Page Mailliard, Esq.

Michael S. Ringler, Esq.

Wilson Sonsini Goodrich & Rosati,

Professional Corporation

650 Page Mill Road

Palo Alto, California 94304-1050

(650) 493-9300

**Approximate date of commencement of proposed sale to the public:** As soon as practicable after the effectiveness of this registration statement and the satisfaction or waiver of all other conditions under the merger agreement described herein.

If the securities being registered on this form are to be offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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**The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment that specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until the registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

**The information in this joint proxy statement/prospectus is not complete and may be changed. AMO may not sell these securities until the registration statement filed with the Securities and Exchange Commission, of which this document is a part, is declared effective. This joint proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. Any representation to the contrary is a criminal offense.**

**Subject to completion, dated February 8, 2005**

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Santa Ana, California 92705

Santa Clara, California 95051

**Your vote is very important.** Whether or not you plan to attend your respective company's special meeting, please take the time to vote by completing and mailing to us the enclosed proxy card or, if the option is available to you, by granting your proxy electronically over the Internet or by telephone. If your shares are held in street name, you must instruct your broker in order to vote.

Sincerely,

James V. Mazzo  
President and Chief Executive Officer  
Advanced Medical Optics, Inc.

Elizabeth H. Dávila  
Chairman and Chief Executive Officer  
VISX, Incorporated

None of the Securities and Exchange Commission, any state securities regulator or any regulatory authority has approved or disapproved of these transactions or the securities to be issued under this joint proxy statement/prospectus or determined if the disclosure in this joint proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated \_\_\_\_\_, \_\_\_\_\_, and is being mailed to stockholders of AMO and VISX on or about \_\_\_\_\_, \_\_\_\_\_.

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**ADDITIONAL INFORMATION**

This joint proxy statement/prospectus incorporates by reference important business and financial information about AMO and VISX from documents that are not included in or delivered with this joint proxy statement/prospectus. For a more detailed description of the information incorporated by reference into this joint proxy statement/prospectus and how you may obtain it, see **Additional Information Where You Can Find More Information** beginning on page 160.

You can obtain any of the documents incorporated by reference into this joint proxy statement/prospectus from AMO or VISX, as applicable, or from the Securities and Exchange Commission, which is referred to as the SEC, through the SEC's website at [www.sec.gov](http://www.sec.gov). Documents incorporated by reference are available from AMO and VISX without charge, excluding any exhibits to those documents, unless the exhibit is specifically incorporated by reference as an exhibit in this joint proxy statement/prospectus. AMO stockholders and VISX stockholders may request a copy of such documents by contacting the applicable department at:

Advanced Medical Optics, Inc.  
1700 East St. Andrew Place  
Santa Ana, California 92705  
Attn: Investor Relations

VISX, Incorporated  
3400 Central Expressway  
Santa Clara, California 95051  
Attn: Investor Relations

In addition, you may obtain copies of the information relating to AMO, without charge, by sending an e-mail to [investors@AMO-inc.com](mailto:investors@AMO-inc.com) or by calling (714) 247-8348.

You may obtain copies of the information relating to VISX, without charge, by sending an e-mail to [ir@VISX.com](mailto:ir@VISX.com) or by calling (408) 773-7600.

We are not incorporating the contents of the websites of the SEC, AMO, VISX or any other person into this document. We are only providing the information about how you can obtain certain documents that are incorporated by reference into this joint proxy statement/prospectus at these websites for your convenience.

**In order for you to receive timely delivery of the documents in advance of the AMO and VISX special meetings, AMO or VISX, as applicable, should receive your request no later than** , .

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**ADVANCED MEDICAL OPTICS, INC.**

**1700 East St. Andrew Place**

**Santa Ana, California 92705**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON \_\_\_\_\_, 2005**

---

To the Stockholders of Advanced Medical Optics, Inc.:

We will hold a special meeting of stockholders of AMO at AMO's principal executive offices located at 1700 East St. Andrew Place, Santa Ana, California 92705, on \_\_\_\_\_, 2005, at \_\_\_\_\_ a.m. local time, for the following purposes:

1. To consider and vote upon a proposal to approve the issuance of shares of AMO common stock in the merger, pursuant to the Agreement and Plan of Merger, dated as of November 9, 2004, by and among Advanced Medical Optics, Inc., Vault Merger Corporation, a wholly owned subsidiary of AMO, and VISX, Incorporated, as amended.
2. To consider and vote upon a proposal to approve an amendment to the AMO certificate of incorporation to increase the number of authorized shares of AMO common stock from 120,000,000 to 240,000,000.
3. To consider and vote upon a proposal to approve the AMO 2005 Incentive Compensation Plan.
4. To consider and vote upon a proposal to approve the Amended and Restated AMO 2002 Employee Stock Purchase Plan.
5. To consider and vote upon a proposal to approve the Amended and Restated AMO 2002 International Stock Purchase Plan.

AMO stockholders will also be asked to consider and vote upon any other business as may properly come before the special meeting or any adjournments or postponements of the special meeting.

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These items of business are described in this joint proxy statement/prospectus. Only AMO stockholders of record at the close of business on Wednesday, January 26, 2005, the record date for the special meeting, are entitled to notice of and to vote at the special meeting and any adjournments or postponements of the special meeting. A list of stockholders eligible to vote at the AMO special meeting will be available for inspection at the special meeting and at the executive offices of AMO during regular business hours for a period of no less than ten days prior to the special meeting.

**The AMO board of directors unanimously recommends that you vote FOR the proposal to approve the issuance of shares of AMO common stock in the merger, FOR the proposal to amend the AMO certificate of incorporation to increase the number of authorized shares of AMO common stock, FOR the proposal to approve the AMO 2005 Incentive Compensation Plan, FOR the proposal to approve the Amended and Restated AMO 2002 Employee Stock Purchase Plan and FOR the proposal to approve the Amended and Restated AMO 2002 International Stock Purchase Plan.**

**Your vote is very important.** If you are the record holder of your shares, whether or not you plan to attend the special meeting, please complete, date and sign the enclosed proxy card as soon as possible and return it in the postage-prepaid envelope provided, or use our 24-hour a day telephone or Internet voting options to submit a proxy. If you hold your shares through a broker or nominee (*i.e.*, in street name), whether or not you plan to attend the special meeting, please complete, sign and return the voting instruction form provided to you by the record holder of your shares. In addition, you should check the voting instruction form provided to you by the record holder of your shares to determine whether you will be able to submit voting instructions by telephone or the Internet. Submitting a proxy over the Internet, by telephone or by mailing the enclosed proxy card will ensure your shares are represented at the special meeting, but will not prevent you from attending and voting in person at the special meeting. However, if you do not submit a proxy or voting instructions now, or if you do not vote in person at the special meeting, the effect may be the same as a vote against the proposals being submitted to AMO stockholders at the special meeting or may have a negative effect on AMO's ability to obtain the necessary quorum or the number of votes necessary to be cast on a particular proposal. For more detailed instructions on how to vote your shares, please refer to the section of this joint proxy statement/prospectus entitled "The AMO Special Meeting" beginning on page 48.

By Order of the Board of Directors,

AIMEE S. WEISNER

*Corporate Vice President,*

*General Counsel and Secretary*

Advanced Medical Optics, Inc.



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**VISX, INCORPORATED**

**3400 Central Expressway**

**Santa Clara, California 95051**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**TO BE HELD ON \_\_\_\_\_, 2005**

To the Stockholders of VISX, Incorporated:

We will hold a special meeting of stockholders of VISX at VISX's principal executive offices located at 3400 Central Expressway, Santa Clara, California 95051, on \_\_\_\_\_, 2005 at \_\_\_\_\_ a.m. local time, to consider and vote upon a proposal to approve and adopt the Agreement and Plan of Merger, dated as of November 9, 2004, by and among Advanced Medical Optics, Inc., Vault Merger Corporation, a wholly owned subsidiary of AMO, and VISX, Incorporated, as amended, and the merger contemplated by the merger agreement, pursuant to which Vault Merger Corporation would merge with VISX and each outstanding share of VISX common stock is expected to be converted into the right to receive 0.552 of a share of AMO common stock and \$3.50 in cash, subject to adjustment as more fully described in the attached joint proxy statement/prospectus.

VISX stockholders will also be asked to consider and vote upon such other business as may properly come before the special meeting, or any adjournment or postponement of the special meeting.

**The VISX board of directors has unanimously approved the merger agreement and the merger contemplated by the merger agreement, and recommends that you vote FOR the proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement, as described in this joint proxy statement/prospectus.**

Only VISX stockholders of record at the close of business on Wednesday, January 26, 2005, the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting and any adjournments or postponements of the special meeting. A complete list of VISX stockholders entitled to vote at the VISX special meeting will be available for inspection at the executive offices of VISX during regular business hours for a period of no less than ten days before the special meeting. You should be prepared to present photo identification for admittance to the special meeting (including adjournments or postponements). In addition, if you are a record holder, your name is subject to verification against the list of record holders on the record date prior to being admitted to the meeting. If you are not a record holder but hold shares through a broker or nominee (*i.e.*, in street name), you should be prepared to provide proof of beneficial ownership on the record date, such as your most recent account statement prior to January 26, 2005, or similar evidence of ownership. If you do not comply with the procedures outlined above, you may not be admitted to the special meeting.

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**Your vote is very important.** If you are the record holder of your shares, whether or not you plan to attend the special meeting, please complete, date and sign the enclosed proxy card as soon as possible and return it in the postage-prepaid envelope provided, or use our 24-hour a day telephone or Internet voting options to submit a proxy. If you hold your shares through a broker or nominee (*i.e.*, in street name), whether or not you plan to attend the special meeting, please complete, sign and return the voting instruction form provided to you by the record holder of your shares. In addition, you should check the voting instruction form provided to you by the record holder of your shares to determine whether you will be able to submit voting instructions by telephone or the Internet. Submitting a proxy over the Internet, by telephone or by mailing the enclosed proxy card will ensure your shares are represented at the special meeting, but will not prevent you from attending and voting in person at the special meeting. However, if you do not submit a proxy or voting instructions now, or if you do not vote in person at the special meeting, the effect will be the same as a vote against the proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement. For more detailed instructions on how to vote your shares, please refer to the section of this joint proxy statement/prospectus entitled "The VISX Special Meeting" beginning on page 68.

By Order of the Board of Directors,

JOHN F. RUNKEL, JR.

*Senior Vice President of Business Development, General Counsel and Secretary*

VISX, Incorporated

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**QUESTIONS AND ANSWERS ABOUT THE MERGER**

*The following are some questions that you, as a stockholder of AMO or VISX, may have regarding the merger and the other matters being considered at the respective special meetings of AMO and VISX stockholders and brief answers to those questions. AMO and VISX urge you to read carefully the remainder of this joint proxy statement/prospectus because the information in this section does not provide all the information that might be important to you with respect to the merger and the other matters being considered at their respective special meetings of stockholders. Additional important information is also contained in the annexes to and the documents incorporated by reference into this joint proxy statement/prospectus.*

**Q: Why am I receiving this joint proxy statement/prospectus?**

A: AMO and VISX have agreed to the merger of VISX with a wholly owned subsidiary of AMO under the terms of a merger agreement that is described in this joint proxy statement/prospectus. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Annex A.

In order to complete the merger, AMO stockholders must vote to approve the issuance of shares of AMO common stock in the merger and VISX stockholders must approve and adopt the merger agreement and the merger contemplated by the merger agreement. AMO and VISX will hold separate special meetings of their respective stockholders to obtain these approvals.

This joint proxy statement/prospectus contains important information about the merger, the merger agreement and the special meetings of the respective stockholders of AMO and VISX, which you should read carefully.

Your vote is very important. We encourage you to vote as soon as possible. The enclosed voting materials allow you to vote your shares without attending your respective company's special meeting. For more specific information on how to vote, please see the questions and answers for each of the AMO and VISX stockholders below.

**Q: Why are AMO and VISX proposing the merger?**

A: AMO and VISX both believe that the merger will provide substantial strategic and financial benefits to the stockholders of both companies because the merger will allow stockholders of both companies the opportunity to participate in a larger, more diversified company. We both also believe that the combination will create a stronger and more competitive provider of ophthalmic medical devices that we believe to be well positioned to create more stockholder value than either AMO or VISX could on its own. VISX is also proposing the merger to provide its stockholders with the opportunity to receive a premium for their shares as well as the opportunity to participate in the growth and opportunities of the combined company and to realize cash for the value of a portion of their shares in the merger. The AMO and VISX boards of directors also considered various negative factors including the incremental debt associated with the merger, the costs and challenges of integrating the businesses of AMO and VISX, and the risk that the potential benefits sought in the merger might not be fully realized. To review the reasons for the merger as well as the negative factors considered by the AMO and VISX boards of directors in greater detail, see *The Merger Recommendation of the AMO Board of Directors* beginning on page 80, *The Merger Recommendation of the VISX Board of Directors* beginning on page 82, *The Merger Reasons for the Merger* beginning on page 84 and *Risk Factors Risks Relating to the Merger* beginning on page 26.

**Q: What will happen in the merger?**

A: In the merger, Vault Merger Corporation, a wholly owned subsidiary of AMO, will merge with VISX, with VISX surviving as a wholly owned subsidiary of AMO.



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**Q: What consideration will VISX stockholders receive in the merger?**

A: VISX stockholders are expected to receive 0.552 of a share of AMO common stock and \$3.50 in cash for each share of VISX common stock they own at the completion of the merger, but this mixture of AMO common stock and cash is subject to adjustment as more fully described below. Until the completion of the merger the trading price of AMO common stock could fluctuate. Because you will receive a fixed number of shares of AMO common stock in the merger, the value of AMO common stock you will receive could fluctuate as well. Therefore, you will not know the precise overall economic value of the merger consideration you will receive until the closing date of the merger. In this joint proxy statement/prospectus, we refer to the stock and cash consideration to be paid to VISX stockholders by AMO as the merger consideration. Each VISX stockholder will receive cash for any fractional share of AMO common stock that the stockholder would otherwise be entitled to receive in the merger after aggregating all fractional shares to be received by the stockholder.

**Q: Under what circumstances would the mix of cash and stock consideration to be received by VISX stockholders in the merger change?**

A: As more fully described below, the merger is expected to qualify as a reorganization under the Internal Revenue Code of 1986, as amended, which we refer to as the Internal Revenue Code. If neither counsel to AMO nor counsel to VISX is able to render an opinion at the completion of the merger that the merger qualifies as a reorganization (based on the mix of cash and stock consideration described above in the preceding answer) within the meaning of Section 368(a) of the Internal Revenue Code, then the amount of the cash merger consideration will be reduced and the amount of the stock merger consideration will be increased, in each case to the minimum extent necessary to enable either counsel to render this opinion at the completion of the merger. See Risk Factors Risks Relating to the Merger beginning on page 26. Based upon the number of shares of VISX common stock outstanding on November 8, 2004, this would occur if the trading price of AMO common stock on the closing date is below approximately \$25.37.

In the event of any such adjustment, the overall economic value of the merger consideration issuable and payable for each share of VISX common stock in the merger as of the closing date will still be calculated based on the trading price of AMO common stock at the closing and therefore will not change. In other words, if an adjustment is made to the mix of cash and stock consideration, the total value of the stock consideration and the cash consideration after any adjustment will still be calculated on the closing date and will be equal to the total value of the stock consideration and the cash consideration prior to the adjustment, but the specific amounts of stock and cash consideration would change. For a full description of the possible adjustment, see The Merger Agreement Alternative Merger Consideration beginning on page 114. AMO and VISX will not know, however, whether any such adjustment is necessary until immediately prior to the completion of the merger. As a result, at the time of the VISX special meeting, VISX stockholders will not know the exact number of shares of AMO common stock to be issued and cash to be paid in the merger for each share of VISX common stock.

**Q: How will AMO stockholders be affected by the merger and issuance of AMO common stock in the merger?**

A: After the merger, AMO stockholders will continue to own their existing shares of AMO common stock. Accordingly, AMO stockholders will hold the same number of shares of AMO common stock that they held immediately prior to the merger. However, because AMO will be issuing new shares of AMO common stock to VISX stockholders in the merger, each outstanding share of AMO common stock immediately prior to the merger will represent a smaller percentage of the total number of shares of AMO common stock outstanding after the merger. Based on the number of shares of AMO and VISX common stock outstanding on November 9, 2004, we expect that AMO stockholders before the merger will hold approximately 58.5% of the fully diluted shares of AMO common stock immediately following the merger.

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**Q: When do AMO and VISX expect the merger to be completed?**

A: AMO and VISX are working to complete the merger as quickly as practicable and currently expect that the merger would be completed in the first quarter of 2005 within two business days following the approval and adoption by the VISX stockholders of the merger agreement and the merger contemplated by the merger agreement and approval by the AMO stockholders of the issuance of shares of AMO common stock in the merger.

**Q: What are the United States federal income tax consequences of the merger?**

A: We expect the merger to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. If the merger qualifies as a reorganization, VISX stockholders will generally recognize gain, but not loss, equal to the lesser of:

the amount of cash they receive in the merger; or

the amount equal to the excess, if any, of (i) the sum of the amount of cash and the fair market value of AMO common stock they receive in the merger, over (ii) the adjusted tax basis of their VISX common stock exchanged.

No gain or loss will be recognized by VISX, AMO or AMO stockholders as a result of the merger.

Tax matters are complicated, and the tax consequences of the merger to each VISX stockholder will depend on the facts of each stockholder's situation. VISX stockholders are urged to read carefully the discussion in the section entitled "The Merger Material United States Federal Income Tax Consequences of the Merger" beginning on page 99 and to consult their tax advisors for a full understanding of the tax consequences of their participation in the merger.

**Q: What are AMO stockholders voting on?**

A: AMO stockholders are voting on a proposal to approve the issuance of shares of AMO common stock in the merger. **The approval of this proposal by AMO stockholders is a condition to the effectiveness of the merger.**

AMO stockholders are also voting on a proposal to approve an amendment to the AMO certificate of incorporation to increase the number of authorized shares of AMO common stock from 120,000,000 to 240,000,000. **Approval of this proposal is not a condition to the effectiveness of the merger. However, as long as AMO stockholders approve the amendment to the AMO certificate of incorporation, even if AMO stockholders do not approve the proposal to issue shares of AMO common stock in the merger or any of the other proposals, the amendment to the AMO certificate of incorporation could be implemented.** A copy of the amendment to the AMO certificate of incorporation is attached to this joint proxy statement/prospectus as Annex B.

In addition, AMO stockholders are voting on a proposal to approve the AMO 2005 Incentive Compensation Plan. **Approval of this proposal is not a condition to the effectiveness of the merger. If AMO stockholders approve the AMO 2005 Incentive Compensation Plan but do not approve the proposal to issue shares of AMO common stock in the merger or any of the other proposals, the 2005 Incentive Compensation Plan will not be implemented.** A copy of the AMO 2005 Incentive Compensation Plan is attached to this joint proxy statement/prospectus as Annex C.

AMO stockholders are also voting on a proposal to approve the amendment to the AMO 2002 Employee Stock Purchase Plan. **Approval of this proposal is not a condition to the effectiveness of the merger. If AMO stockholders approve the Amended and Restated AMO 2002 Employee Stock Purchase Plan but do not approve the proposal to issue shares of AMO common stock in the merger, the Amended and Restated AMO 2002 Employee Stock Purchase Plan will not be implemented.** A copy of the Amended and Restated AMO 2002 Employee Stock Purchase Plan is attached to this joint proxy statement/prospectus as Annex D.

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Further, AMO stockholders are voting on a proposal to approve the amendment to the AMO 2002 International Stock Purchase Plan. **Approval of this proposal is not a condition to the effectiveness of the merger. If AMO stockholders approve the Amended and Restated AMO 2002 International Stock Purchase Plan but do not approve the proposal to issue shares of AMO common stock in the merger, the Amended and Restated AMO 2002 International Stock Purchase Plan will not be implemented.** A copy of the Amended and Restated AMO 2002 International Stock Purchase Plan is attached to this joint proxy statement/prospectus as Annex E.

AMO stockholders are voting on each proposal separately. Except as described above, the vote of an AMO stockholder on one proposal has no bearing on any of the other proposals, or any other matter that may come before the special meeting.

**Q: What vote of AMO stockholders is required to approve the issuance of shares of AMO common stock in the merger?**

A: Approval of the issuance of shares of AMO common stock in the merger requires the affirmative vote of the holders of a majority of shares of AMO common stock cast on such proposal, in person or by proxy, provided that the total vote cast on the proposal represents over 50% of the outstanding shares of AMO common stock entitled to vote on the proposal.

**Q: What vote of AMO stockholders is required to approve the amendment to the AMO certificate of incorporation to increase the number of authorized shares of AMO common stock?**

A: The proposal to approve the amendment to the AMO certificate of incorporation to increase the number of authorized shares of AMO common stock requires the affirmative vote of the holders of a majority of the outstanding shares of AMO common stock entitled to vote at the AMO special meeting.

**Q: What vote of AMO stockholders is required to approve the separate proposals to adopt the AMO 2005 Incentive Compensation Plan, the Amended and Restated AMO 2002 Employee Stock Purchase Plan and the Amended and Restated AMO 2002 International Stock Purchase Plan?**

A: The separate proposals to approve the adoption of the AMO 2005 Incentive Compensation Plan and the Amended and Restated AMO 2002 Employee Stock Purchase Plan each requires the affirmative vote of the holders of a majority of shares of AMO common stock cast on such proposal, in person or by proxy, provided that the total vote cast on the proposal represents over 50% of the outstanding shares of AMO common stock entitled to vote on the proposal. The vote of AMO stockholders is not required to approve the Amended and Restated AMO 2002 International Stock Purchase Plan, but as a matter of good corporate governance, AMO is seeking the approval of the affirmative vote of the holders of a majority of shares of AMO common stock cast on this proposal, in person or by proxy, provided that the total vote cast on the proposal represents over 50% of the outstanding shares of AMO common stock entitled to vote on the proposal.

**Q: How does the AMO board of directors recommend that AMO stockholders vote?**

A: The AMO board of directors believes that the merger is advisable to and in the best interests of AMO and its stockholders and unanimously recommends that AMO stockholders vote **FOR** the proposal to approve the issuance of shares of AMO common stock in the merger.

The AMO board of directors also unanimously recommends that AMO stockholders vote **FOR** the proposal to amend the AMO certificate of incorporation to increase the number of authorized shares of AMO common stock, **FOR** the proposal to approve the AMO 2005 Incentive Compensation Plan, **FOR** the proposal to approve the Amended and Restated AMO 2002 Employee Stock Purchase Plan and **FOR** the proposal to approve the Amended and Restated AMO 2002 International Stock Purchase Plan.



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For a more complete description of the recommendations of the AMO board of directors, see The AMO Special Meeting Recommendation of the AMO Board of Directors beginning on page 48.

**Q: What are VISX stockholders voting on?**

A: VISX stockholders are voting on a proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement. **The approval of this proposal by VISX stockholders is a condition to the effectiveness of the merger.**

**Q: What vote of VISX stockholders is required to approve and adopt the merger agreement and the merger contemplated by the merger agreement?**

A: The affirmative vote of the holders of a majority of the outstanding shares of VISX common stock entitled to vote at the VISX special meeting is required to approve and adopt the merger agreement and the merger contemplated by the merger agreement.

**Q: How does the VISX board of directors recommend that VISX stockholders vote?**

A: The VISX board of directors unanimously recommends that VISX stockholders vote **FOR** the proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement. The VISX board of directors has determined that the merger agreement and the merger contemplated by the merger agreement are advisable, and fair to and in the best interests of VISX and its stockholders. Accordingly, the VISX board of directors has approved the merger agreement and the merger contemplated by the merger agreement. For a more complete description of the recommendation of the VISX board of directors, see The VISX Special Meeting Recommendation of the VISX Board of Directors beginning on page 68.

**Q: When and where will the special meetings of stockholders be held?**

A: The AMO special meeting will take place at 1700 East St. Andrew Place, Santa Ana, California 92705, on \_\_\_\_\_, 2005, at \_\_\_\_\_ a.m. local time. The VISX special meeting will take place at VISX's principal executive offices located at 3400 Central Expressway, Santa Clara, California 95051, on \_\_\_\_\_, 2005, at \_\_\_\_\_ a.m. local time.

**Q: Who can attend and vote at the special meetings?**

A: All AMO stockholders of record as of the close of business on Wednesday, January 26, 2005, the AMO record date, are entitled to receive notice of and to vote at the AMO special meeting. All VISX stockholders of record as of the close of business on Wednesday, January 26, 2005, the VISX record date, are entitled to receive notice of and to vote at the VISX special meeting. You may cast one vote for each share of your respective company's common stock that you owned on your respective company's record date.

**Q: What should I do now in order to vote on the proposals being considered at my company's special meeting?**

A: AMO stockholders of record as of the AMO record date (including participants in the AMO Company Stock Fund of the AMO 401(k) Plan), and VISX stockholders of record as of the VISX record date may vote by proxy by completing, signing, dating and returning the enclosed proxy card in the accompanying pre-addressed postage paid envelope or by submitting a proxy over the Internet or by telephone by following the instructions on the enclosed proxy card. If you hold AMO common stock or VISX common stock in street name, which means your shares are held of record by a broker, bank or nominee, you must complete, sign, date and return the enclosed voting instruction form to the record holder of your shares with instructions on how to vote your shares. Please refer to the voting instruction form

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used by your broker, bank or nominee to see if you may submit voting instructions using the Internet or telephone.

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Additionally, you may also vote in person by attending your respective company's special meeting. If you plan to attend your respective company's special meeting and wish to vote in person, you will be given a ballot at the special meeting. Please note, however, that if your shares are held in street name, and you wish to vote at your respective company's special meeting, you must bring a proxy from the record holder of the shares authorizing you to vote at the special meeting. Whether or not you plan to attend your company's special meeting, you should submit your proxy card or voting instruction form as described in this joint proxy statement/prospectus.

### **Q: What will happen if I abstain from voting or fail to vote?**

A: An abstention occurs when a stockholder attends a meeting, either in person or by proxy, but abstains from voting.

An abstention or the failure of an AMO stockholder to vote will have the same effect as voting against the issuance of shares of AMO common stock in the merger, the approval of the amendment to the AMO certificate of incorporation to increase the number of authorized shares of AMO common stock, the approval of the AMO 2005 Incentive Compensation Plan, the approval of the Amended and Restated AMO 2002 Employee Stock Purchase Plan and the approval of the Amended and Restated AMO 2002 International Stock Purchase Plan. The failure of an AMO stockholder to vote or to instruct your broker to vote if your shares are held in street name may have a negative effect on AMO's ability to obtain the number of votes necessary to be cast for approval of the issuance of shares of AMO common stock in the merger in accordance with the listing requirements of the New York Stock Exchange, which is referred to as the NYSE, the approval of the Amended and Restated AMO certificate of incorporation to increase the number of authorized shares of AMO common stock, the approval of the AMO 2005 Incentive Compensation Plan, the approval of the Amended and Restated AMO 2002 Employee Stock Purchase Plan and the approval of the amendment to the AMO 2002 International Stock Purchase Plan.

An abstention or the failure of a VISX stockholder to vote or to instruct your broker to vote if your shares are held in street name will have the same effect as voting against the proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement.

### **Q: Can I change my vote after I have delivered my proxy?**

A: Yes. If you are a holder of record, you can change your vote at any time before your proxy is voted at the special meeting by:

delivering a signed written notice of revocation to the Secretary of your respective company;

signing and delivering a new, valid proxy bearing a later date;

submitting another proxy by telephone or on the Internet (your latest telephone or Internet voting instructions will be followed); or

attending the special meeting and voting in person, although your attendance alone will not revoke your proxy.

If your shares are held in street name you must contact your broker, bank or other nominee to change your vote.

### **Q: What should I do if I receive more than one set of voting materials for my company's special meeting?**



A: You may receive more than one set of voting materials for your company's special meeting, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction forms. For example, if you hold your shares in more than one brokerage account, you will receive a separate voting instruction form for each brokerage account in which you hold shares. If you are a holder of record and your shares are registered in more than one name, you will receive more than one proxy card. Please complete, sign, date and return each proxy card and voting instruction form that you receive.

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**Q: Am I entitled to appraisal rights?**

A: Under Delaware law, holders of VISX common stock have the right to dissent from the merger and obtain payment in cash for the fair value of their shares of common stock, as determined by the Delaware Chancery Court, rather than the merger consideration. The fair value determined by the court could be more than, less than or equal to the value of the merger consideration. To exercise appraisal rights, VISX stockholders must strictly follow the procedures prescribed by Delaware law. These procedures are summarized under the section entitled "The Merger Dissenters or Appraisal Rights" beginning on page 102. In addition, the text of the applicable provisions of Delaware General Corporation Law, or the DGCL, is included as Annex F to this joint proxy statement/prospectus. Any VISX stockholder wishing to exercise appraisal rights is urged to consult with legal counsel before attempting to exercise those rights.

Holders of AMO common stock are not entitled to appraisal rights in connection with the issuance of AMO common stock in the merger.

**Q: Who can help answer my questions?**

A: If you have any questions about the merger or how to submit your proxy, or if you need additional copies of this joint proxy statement/prospectus or the enclosed proxy card or voting instructions, you should contact:

MacKenzie Partners, Inc.

105 Madison Avenue

New York, New York 10016

Toll-Free: (800) 322-2885

Collect: (212) 929-5500

Email: [proxy@mackenziepartners.com](mailto:proxy@mackenziepartners.com)

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**SUMMARY**

*The following is a summary that highlights information contained in this joint proxy statement/prospectus. This summary may not contain all of the information that may be important to you. For a more complete description of the merger agreement and the merger contemplated by the merger agreement, we encourage you to read carefully this entire joint proxy statement/prospectus, including the attached annexes. In addition, we encourage you to read the information incorporated by reference into this joint proxy statement/prospectus, which includes important business and financial information about AMO and VISX that has been filed with the SEC. You may obtain the information incorporated by reference into this joint proxy statement/prospectus without charge by following the instructions in the section entitled *Additional Information Where You Can Find More Information* beginning on page 160.*

**The Companies**

**AMO**

Advanced Medical Optics, Inc.

1700 E. St. Andrew Place

Santa Ana, California 92705

(714) 247-8200

*AMO's Business*

AMO is a global leader in the development, manufacturing and marketing of ophthalmic surgical and eye care products. AMO focuses on developing a broad suite of innovative technologies and devices to address a wide range of eye disorders. Products in the ophthalmic surgical line include foldable intraocular lenses, phacoemulsification systems, viscoelastics and related products used in cataract and refractive surgery, and microkeratomes used in LASIK procedures. Products in the contact lens care line include disinfecting solutions, daily cleaners, enzymatic cleaners and lens rewetting drops.

AMO owns or has the rights to such well-known ophthalmic surgical product brands as Phacoflex<sup>®</sup>, Clariflex<sup>®</sup>, Array<sup>®</sup>, Sensar<sup>®</sup>, Tecnis<sup>®</sup>, CeeOn<sup>®</sup> and Verisyse<sup>®</sup> intraocular lenses, the Sovereign<sup>®</sup> and Sovereign<sup>®</sup> Compact phacoemulsification systems with WhiteStar technology, the Healon<sup>®</sup> family of viscoelastics, the Baerveldt<sup>®</sup> glaucoma shunt and the Amadeus microkeratome. Among the well-known contact lens care product brands the company possesses are COMPLETE<sup>®</sup>, COMPLETE<sup>®</sup> Blink-N-Clean<sup>®</sup>, COMPLETE<sup>®</sup> Moisture PLUS, Consept<sup>®</sup>F, Consept<sup>®</sup> 1 Step, Oxysept<sup>®</sup> 1 Step, UltraCare<sup>®</sup>, Ultrazyme<sup>®</sup>, Total Care<sup>®</sup> and blink branded products. Amadeus is a licensed product of, and a trademark of SIS, Ltd.

AMO became an independent company in June 2002 following a spin-off from Allergan, Inc. AMO is based in Santa Ana, California, employs approximately 2,800 people worldwide and has operations in approximately 20 countries and markets products in approximately 60 countries.

*Recent Developments*

On February 8, 2005, AMO announced its results for the fourth quarter and full year ended December 31, 2004. Reported net earnings for the fourth quarter were \$10.1 million, or \$0.26 per fully diluted share, compared to \$9.7 million, or \$0.28 per fully diluted share, in the same quarter one year ago. For the full year, AMO recorded a loss of \$129.4 million, or a loss of \$3.89 per share, compared to net earnings of \$10.4 million, or \$0.35 per fully diluted share, for 2003. Net revenue for the fourth quarter rose 34.6 percent, including a 5.3 percent increase related to foreign currency, to \$224.7 million, compared to the fourth quarter of 2003, reflecting continued growth in the company's ophthalmic surgical and eye care franchises, and the benefits of the Pfizer acquisition. For 2004, net revenue was \$742.1 million, compared to \$601.5 million in 2003, representing a 23.4 percent increase, including a 6.2 percent increase related to foreign currency.

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### *Ophthalmic Surgical*

Ophthalmic surgical revenue grew 56.0 percent in the fourth quarter, including a 5.9 percent increase related to foreign currency, to \$135.0 million, compared to \$86.5 million in the year-ago quarter. Quarterly highlights included:

Total intraocular lens (IOL) sales rose 20.2 percent to \$68.4 million, compared to \$56.9 million in the fourth quarter of 2003. The increase reflects primarily the acquisition of the Pfizer ophthalmic surgical business and the strength of AMO's promoted IOL technologies, the Tecnis® and Sensar® lenses.

Sales of viscoelastics rose more than nine-fold during the quarter to \$37.1 million, compared to \$4.0 million one year ago. This rise reflected the addition of the Healon® family of viscoelastics, which AMO acquired as part of the Pfizer transaction, as well as continued growth of AMO's existing VitraX® brand.

Sales of phacoemulsification products grew 4.4 percent during the quarter to \$20.9 million, compared to \$20.0 million one year ago. Growth was led by AMO's Sovereign Compact system with WhiteStar technology, as well as recurring revenue from the consumable surgical packs used during every phacoemulsification procedure performed with an AMO machine.

For the full year 2004, ophthalmic surgical revenue grew 34.9 percent, including a 6.3 percent increase related to foreign currency, to \$413.4 million, compared to \$306.5 million in 2003.

### *Eye Care*

Eye care revenue growth remained strong in the fourth quarter, rising 11.5 percent, including a 4.6 percent increase related to foreign currency, to \$89.7 million, compared to \$80.5 million in 2003's fourth quarter. Sales of AMO's flagship COMPLETE® branded product line were up 4.9 percent for the quarter and 17.6 percent for the full year.

For the full year 2004, eye care revenue grew 11.4 percent, including a 6.2 percent increase related to foreign currency, to \$328.7 million, compared to \$294.9 million in 2003.

### *Additional Operating Results*

The following are additional operating highlights for the fourth quarter and full year of 2004.

Gross profit for the fourth quarter of 2004 was \$131.1 million and included a \$14.1 million manufacturing profit capitalized in inventory and expensed related to the Pfizer ophthalmic surgical acquisition. In 2003's fourth quarter, the company's gross profit was \$102.9 million. For 2004, the gross profit was \$435.9 million and included a \$28.1 million manufacturing profit capitalized in

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inventory and expensed related to the Pfizer ophthalmic surgical acquisition. In 2003, AMO's gross profit was \$373.6 million. The year-over-year growth in gross profit reflected the increase in revenue and continued execution of AMO's manufacturing strategy.

Research and development expense in the fourth quarter of 2004 was \$14.6 million, up 40 percent from \$10.4 million in the same period last year. For 2004, R&D expense was \$73.7 million and included a \$28.1 million in-process R&D charge related to the Pfizer ophthalmic surgical acquisition. For 2003, AMO recorded R&D expenses of \$37.4 million.

SG&A expense for the fourth quarter was \$92.6 million, or 41.2 percent of sales. In the fourth quarter of 2003, AMO had SG&A expenses of \$71.6 million, or 42.9 percent of sales. For 2004, SG&A expense stood at \$329.2 million and included \$2.3 million in certain charges related to the Pfizer ophthalmic surgical acquisition. SG&A expense for 2003 was \$276.7 million.

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Operating income for the fourth quarter was \$23.9 million and included \$14.1 million in certain charges related to the Pfizer ophthalmic surgical acquisition. In the fourth quarter of 2003, operating income was \$20.9 million. For 2004, operating income was \$33.0 million and included \$58.5 million in certain charges related to the Pfizer ophthalmic surgical acquisition. In 2003, AMO reported \$59.5 million in operating income.

During the quarter, AMO reduced its total debt outstanding to \$552.6 million, from \$568.4 million at the end of the third quarter. This reduction reflects the repayment of a portion of the \$250 million Term B loan and the exchange of approximately \$4.8 million principal amount of 3.5 percent convertible bonds during the quarter.

## ***VISX***

VISX, Incorporated

3400 Central Expressway

Santa Clara, California 95051

(408) 773-2020

## ***VISX's Business***

VISX is a leader in the design and development of proprietary technologies and systems for laser vision correction of refractive vision disorders. Laser vision correction treats refractive vision disorders by removing sub-micron layers of tissue from the surface of the cornea and reshaping the eye, thereby eliminating or reducing a patient's reliance on eyeglasses or contact lenses. VISX products include the VISX STAR Excimer Laser System, which is a fully integrated ophthalmic medical device incorporating an excimer laser and a computer-driven workstation; the VISX WaveScan<sup>®</sup> System, which is a diagnostic device that uses laser beam technology to measure comprehensive refractive errors of the eye and derive comprehensive refractive information about a patient's individual optical system; and VISX treatment cards, which provide the user with specific access to proprietary software and are required to operate the VISX STAR Excimer Laser System.

VISX sells products worldwide and generates the majority of its revenues through licensing fees charged for the performance of laser vision correction using the VISX STAR Excimer Laser System. The license fee charged for a particular procedure depends on whether the procedure is performed in the United States or internationally, and the type of procedure involved. VISX has also licensed its technology to other laser system companies and generally receives royalties for the sale of its systems or for procedures that are performed in the United States using its systems.

VISX is a Delaware corporation organized in 1988. VISX is headquartered in Santa Clara, California and employs approximately 350 people on a full-time basis.

## **The Merger (see page 72)**

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AMO and VISX have agreed to the acquisition of VISX by AMO under the terms of the merger agreement that is described in this joint proxy statement/prospectus. In the merger, Vault Merger Corporation, a wholly owned subsidiary of AMO, will merge with VISX, with VISX surviving as a wholly owned subsidiary of AMO. We have attached the merger agreement to this joint proxy statement/prospectus as Annex A. We encourage you to carefully read the merger agreement in its entirety because it is the legal document that governs the merger.

### *Merger Consideration*

VISX stockholders are expected to receive 0.552 of a share of AMO common stock and \$3.50 in cash for each share of VISX common stock they own at the completion of the merger, but this mixture of AMO common



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stock and cash is subject to adjustment as more fully described below. Until the completion of the merger the trading price of AMO common stock could fluctuate. Because you will receive a fixed number of shares of AMO common stock in the merger, the value of AMO common stock you will receive could fluctuate as well. Therefore, you will not know the precise overall economic value of the merger consideration you will receive until the closing date of the merger. If the merger is completed, we expect that up to approximately 29.2 million shares of AMO common stock will be issued on a fully diluted basis to VISX stockholders and holders of assumed options and phantom units.

The merger is expected to qualify as a reorganization under the Internal Revenue Code. If neither counsel to AMO nor counsel to VISX is able to render an opinion at the completion of the merger that the merger qualifies as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, based on the negotiated mixture of cash and stock consideration, then the amount of the cash merger consideration will be reduced and the amount of the stock merger consideration will be increased, in each case to the minimum extent necessary, to enable either counsel to render this opinion at the completion of the merger. In the event of any such adjustment, the number of shares of AMO common stock and amount of cash received by a VISX stockholder may change, but the overall economic value of the merger consideration issuable and payable for each share of VISX common stock in the merger as of the closing date will still be calculated based on the trading price of AMO common stock at the closing and therefore will remain the same. See Risk Factors Risks Relating to the Merger beginning on page 26.

For a full description of the merger consideration and the possible adjustment to the merger consideration, see The Merger Agreement Treatment of Securities beginning on page 111 and The Merger Agreement Alternative Merger Consideration beginning on page 114.

### *Fractional Shares*

AMO will not issue fractional shares of AMO common stock in the merger. As a result, each VISX stockholder will receive cash for any fractional share of AMO common stock the stockholder would otherwise be entitled to receive in the merger after aggregating all fractional shares to be received by the stockholder.

For a full description of the treatment of fractional shares, see The Merger Agreement Fractional Shares beginning on page 112.

### *Treatment of VISX Stock Options, Deferred Phantom Stock and ESPP*

Each outstanding option to purchase VISX common stock that has an exercise price equal to or less than \$26.93 will be converted at the effective time of the merger into an option to acquire AMO common stock and will become fully vested and immediately exercisable and assumed by AMO. Each VISX stock option that has an exercise price in excess of \$26.93 will become fully vested and immediately exercisable upon the receipt of notice that if the option is not exercised within 15 days (30 days for options granted under VISX's 1995 Director Option and Stock Deferral Plan), the option will expire and be of no further force or effect. Each outstanding deferral account under VISX's 1995 Director Option and Stock Deferral Plan with respect to phantom units of VISX common stock will be assumed and converted at the effective time of the merger into a deferral account with respect to phantom units of AMO common stock.

Each outstanding purchase right under the 1993 VISX Employee Stock Purchase Plan will be automatically exercised prior to the effective time of the merger and each share of VISX common stock purchased under those exercised rights will be cancelled and converted into the right to receive 0.552 of a share of AMO common stock and \$3.50 in cash, subject to adjustment in the event that the mixture of AMO common stock to be issued and



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cash to be paid in the merger for each share of VISX common stock is adjusted as more fully described beginning on page 114.

For a full description of the treatment of VISX equity awards, see *The Merger Agreement Treatment of VISX Stock Options, Deferred Phantom Stock and ESPP* beginning on page 112.

## **AMO Board of Directors after the Merger (see page 122)**

Upon completion of the merger, the AMO board of directors will be increased by one member. The directors of AMO prior to the completion of the merger will continue to serve as the directors of AMO after the merger and the vacancy created by the increase in the size of AMO board of directors will be filled by the appointment of Elizabeth H. Dávila, Chairman and Chief Executive Officer of VISX.

## **Ownership of AMO after the Merger**

Based on the number of shares of AMO and VISX common stock outstanding on January 26, 2005, VISX stockholders will hold approximately 41.5% of the fully diluted shares of AMO common stock immediately after the merger and will receive an aggregate of approximately \$185 million in cash. In addition, the amount of AMO common stock issuable for each share of VISX common stock may be increased, and the amount of cash payable for each share of VISX common stock may be decreased. In the event of any such adjustment, VISX stockholders as a whole will hold a larger percentage of the fully diluted AMO common stock immediately after giving effect to the merger.

For a full description of the possible adjustment, see *The Merger Alternative Merger Consideration* beginning on page 114.

## **Opinions of Financial Advisors (see pages 85 and 91)**

### *AMO*

On November 9, 2004, Morgan Stanley & Co. Incorporated, or Morgan Stanley, financial advisor to AMO, delivered to the AMO board of directors its oral opinion, which was subsequently confirmed by delivery of a written opinion dated November 9, 2004, that, as of that date, the merger consideration to be paid by AMO pursuant to the merger agreement was fair from a financial point of view to AMO. The full text of Morgan Stanley's written opinion is attached to this joint proxy statement/prospectus as Annex G. We encourage you to read this opinion carefully in its entirety for a description of the procedures followed, assumptions made, matters considered and limitations on the review undertaken. Morgan Stanley's opinion is directed to the AMO board of directors and addresses only the fairness from a financial point of view of the merger consideration to be paid by AMO pursuant to the merger agreement as of the date of the opinion. Morgan Stanley's opinion does not constitute a recommendation to any AMO stockholder as to how such stockholder should vote with respect to the proposed transaction. Pursuant to an engagement letter between AMO and Morgan Stanley, AMO has agreed to pay Morgan Stanley a transaction fee equal to the lesser of 0.75% of the aggregate value of the transaction (which, calculated on the basis of market data as of February 4, 2005 would have been \$11.1 million) or \$11.5 million. Of this transaction fee, \$2 million was payable upon the announcement of the transaction with the remaining \$9.1 million (calculated on the basis of market data as of January 21, 2005) to be payable upon the completion of the transaction.

VISX

On November 9, 2004, Goldman, Sachs & Co., or Goldman Sachs, financial advisor to VISX, delivered its opinion to the VISX board of directors that, as of the date of the written fairness opinion and based upon and

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subject to the factors and assumptions set forth in its opinion, the consideration to be received by holders of VISX common stock pursuant to the merger agreement, taken in the aggregate, is fair from a financial point of view to the VISX stockholders.

The full text of the written opinion of Goldman Sachs, dated November 9, 2004, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached to this joint proxy statement/prospectus as Annex H. Goldman Sachs provided its opinion for the information and assistance of the VISX board of directors in connection with its consideration of the merger. The Goldman Sachs opinion is not a recommendation as to how any holder of VISX common stock should vote with respect to the merger. Pursuant to an engagement letter between VISX and Goldman Sachs, VISX has agreed to pay Goldman Sachs a transaction fee equal to the greater of \$10 million or 0.75% of the aggregate consideration paid to VISX stockholders in connection with the transaction, which represents a fee of approximately \$10.1 million calculated on the basis of market data as of February 4, 2005, all of which is payable upon consummation of the transaction.

## **Share Ownership of Directors and Executive Officers**

At the close of business on the AMO record date, directors and executive officers of AMO and their affiliates beneficially owned and were entitled to vote approximately 114,692 shares of AMO common stock, collectively representing approximately 0.3% of the shares of AMO common stock outstanding on that date.

At the close of business on the VISX record date, directors and executive officers of VISX and their affiliates beneficially owned and were entitled to vote approximately 3,163,435 shares of VISX common stock, collectively representing approximately 6.3% of the shares of VISX common stock outstanding on that date.

## **Interests of Directors and Executive Officers of VISX in the Merger (see page 106)**

In considering the recommendation of the VISX board of directors with respect to the merger agreement and the merger contemplated by the merger agreement, you should be aware that members of the VISX board of directors and VISX executive officers have interests in the merger contemplated by the merger agreement that may be different than, or in addition to, the interests of VISX stockholders, generally. These interests include:

the continued indemnification of, and provision of directors and officers insurance coverage to, current directors and officers of VISX following the merger;

the appointment of Elizabeth H. Dávila, currently the Chairman and Chief Executive Officer of VISX, to the AMO board of directors upon completion of the merger;

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the potential receipt of severance payments, payable to the following executive officers in the following respective amounts if he or she were to be terminated without cause or were to resign pursuant to an involuntary termination at any time within the 24-month period following the completion of the merger:

<u>Name and Title</u>	<u>Total Severance Payment</u>
Elizabeth H. Dávila Chairman of the Board and Chief Executive Officer	\$ 2,662,878.06
Douglas H. Post President and Chief Operation Officer	\$ 2,874,855.15
John F. Runkel, Jr. Senior Vice President of Business Development and General Counsel	\$ 2,092,245.39
Derek A. Bertocci Senior Vice President and Chief Financial Officer	\$ 1,911,805.45
Carol F. H. Harner Senior Vice President, Research and Development	\$ 1,266,107.66
Donald L. Fagen Vice President, Global Sales	\$ 1,011,263.83
Alan F. Russell Vice President of Regulatory & Clinical Affairs	\$ 1,575,251.77
Joaquin V. Wolff Vice President, Global Marketing	\$ 990,867.12
Catherine E. Murphy Vice President, Human Resources	\$ 1,476,537.52
Theresa A. Johnson Vice President, Operations	\$ 1,507,972.92

and

the accelerated vesting of officers and directors outstanding stock options and phantom units of VISX common stock, as a result of which the following directors and executive officers will hold fully vested options and phantom units as set forth below, assuming the value of the merger consideration paid in the merger in respect of each share of VISX common stock is \$26.52:

<u>Non-Employee Directors</u>	Aggregate Shares Subject to Outstanding	Aggregate Shares Subject to Unvested	Weighted Average Exercise Price of	Value of All Options**	Phantom Units	Unvested Phantom Units
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	<u>Options*</u>	<u>Options</u>	<u>All Options</u>			
Laureen De Buono	50,000	27,188	\$ 12.25	\$ 713,600.00	1,537	328
Glendon E. French	54,000	3,000	\$ 23.51	\$ 423,777.50	880	
John W. Galiardo	104,612	3,986	\$ 16.89	\$ 1,269,116.36		
Jay T. Holmes	123,000	3,000	\$ 26.35	\$ 1,067,815.00	3,074	656
Gary S. Petersmeyer	39,043	13,125	\$ 16.67	\$ 384,481.47	1,537	328
Richard B. Sayford	60,000	3,000	\$ 21.73	\$ 548,585.00	880	

\* Each aggregate share amount includes an option grant exercisable for 10,000 shares (11,972 solely in the case of Mr. Galiardo). These grants were made on May 13, 2004 in connection with the planned annual increase for members of the VISX board of directors.

\*\* Illustrates the economic value of all options held by each non-employee director assuming the acceleration of all such options in the merger and the exercise of all options with exercise prices below \$26.52, or in-the-money options, immediately upon completion of the merger. Calculated for each non-employee director by multiplying the shares subject to in-the-money options by the difference between the value of the merger consideration as of November 9, 2004 (\$26.52) and the exercise price of such in-the-money options.

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<b>Executive Officers and Employee Director</b>	<b>Aggregate Shares Subject to Outstanding Options</b>	<b>Aggregate Shares Subject to Unvested Options</b>	<b>Weighted Average Exercise Price of All Options</b>	<b>Value of All Options*</b>
Elizabeth H. Dávila	1,900,108	466,668	\$ 17.26	\$ 18,318,889.07
Chairman of the Board and Chief Executive Officer				
Douglas H. Post	471,959	232,713	\$ 18.97	\$ 3,723,547.93
President and Chief Operating Officer				
John F. Runkel, Jr.	128,000**	108,126	\$ 16.41	\$ 1,294,692.27
Senior Vice President of Business Development and General Counsel				
Derek A. Bertocci	335,821	103,128	\$ 17.90	\$ 2,895,083.50
Senior Vice President and Chief Financial Officer				
Carol F.H. Harner	205,681	84,752	\$ 21.01	\$ 1,317,430.52
Senior Vice President, Research and Development				
Donald L. Fagen	104,500	68,751	\$ 15.09	\$ 1,194,677.50
Vice President, Global Sales				
Alan F. Russell	142,500	71,877	\$ 16.67	\$ 1,403,988.75
Vice President of Regulatory & Clinical Affairs				
Joaquin V. Wolff	98,440	44,898	\$ 16.16	\$ 1,060,263.31
Vice President, Global Marketing				
Catherine E. Murphy	103,000	71,251	\$ 14.43	\$ 1,245,076.25
Vice President, Human Resources				
Theresa A. Johnson	132,000	62,459	\$ 21.83	\$ 971,885.84
Vice President, Operations				

\* Illustrates the economic value of all options held by each executive officer assuming the acceleration of all such options in the merger and the exercise of all options with exercise prices below \$26.52, or in-the-money options, immediately upon completion of the merger. Calculated for each executive officer by multiplying the shares subject to in-the-money options by the difference between the value of the merger consideration as of November 9, 2004 (\$26.52) and the exercise price of such in-the-money options.

\*\* Includes options exercisable for 35,000 shares issued to Mr. Runkel on August 19, 2004 in connection with his promotion to senior vice president of business development.

The VISX board of directors was aware of these interests and considered them, among other matters, in making its recommendation.

**Listing of AMO Common Stock and Delisting and Deregistration of VISX Common Stock (see page 105)**

Application will be made to have the shares of AMO common stock issued in the merger approved for listing on the NYSE. If the merger is completed, VISX common stock will no longer be listed on the NYSE and will be deregistered under the Securities Exchange Act of 1934, as amended, which is referred to as the Exchange Act, and VISX will no longer file periodic reports with the SEC.



Merely voting against the merger will not preserve the right of VISX stockholders to appraisal under the DGCL. Also, because a submitted proxy not marked `against` or `abstain` will be voted `FOR` the proposal to approve and adopt the merger agreement and the merger contemplated by the merger agreement, the submission of a proxy not marked `against` or `abstain` will result in the waiver of appraisal rights. VISX stockholders who hold shares in the name of a broker or other nominee must instruct their nominee to take the steps necessary to enable them to demand appraisal of their shares.

Annex F to this joint proxy statement/prospectus contains the full text of Section 262 of the DGCL, which relates to the rights of appraisal. We encourage you to read these provisions carefully and in their entirety.

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### **Conditions to Completion of the Merger (see page 124)**

A number of conditions must be satisfied before the merger will be completed. These include among others:

the receipt of the approval of the issuance of shares of AMO common stock in the merger by AMO stockholders, and the approval and adoption of the merger agreement and the merger contemplated by the merger agreement by VISX stockholders;

the expiration or termination of the waiting period, or any extension of the waiting period, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which is referred to as the HSR Act, and receipt of all clearances, consents and approvals necessary for completion of the merger under United States and foreign antitrust laws;

the absence of any legal restraints or prohibitions preventing the completion of the merger;

the authorization for listing on the NYSE of the shares of AMO common stock to be issued in the merger;

the delivery of tax opinions of legal counsel to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code;

the representations and warranties of each party contained in the merger agreement being true and correct, except to the extent that breaches of these representations and warranties would not result in a material adverse effect on the representing party;

the performance or compliance in all material respects of each party with all agreements and covenants contained in the merger agreement at the completion of the merger; and

the absence of events or developments since the date of the merger agreement that would reasonably be expected to have a material adverse effect with respect to either party.

Each of AMO, Vault Merger Corporation and VISX may waive the conditions to the performance of its respective obligations under the merger agreement and complete the merger even though one or more of these conditions has not been met. If either AMO or VISX were to waive the condition that the parties receive legal opinions that the transaction will qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code, both companies would re-solicit stockholder approval of the merger prior to completing the merger. Neither AMO nor VISX can give any assurance that all of the conditions to the merger will be either satisfied or waived or that the merger will occur.

### **Financing (see page 129)**

AMO has obtained commitments from Morgan Stanley Senior Funding, Inc. and Bank of America, N.A. to provide financing in connection with the merger under AMO's existing senior secured credit facilities for revolving credit loans and/or term loans in an aggregate amount of \$200 million, or a new senior secured credit facility in an aggregate amount of \$500 million. Borrowings under the facilities are subject to the execution of definitive agreements and are expected to be collateralized by substantially all the assets of AMO and its domestic subsidiaries.

**Regulatory Matters (see page 101)**

The merger is subject to antitrust laws. AMO and VISX have made all required filings under applicable antitrust laws with the Antitrust Division of the United States Department of Justice, referred to as the Antitrust Division, and the United States Federal Trade Commission, referred to as the FTC. The applicable waiting periods associated with those filings have expired and applicable regulatory clearances have been obtained. AMO and VISX are also required to make, and have made, applicable foreign antitrust filings and all foreign antitrust clearances, consents or approvals necessary for the completion of the merger have been obtained. Under the terms of the merger agreement, AMO is not required to sell, dispose of or hold separately any assets or

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businesses or interests in any assets or businesses of AMO, VISX or their respective affiliates, or make any other change in any portion of the businesses of VISX or AMO or incur any limitation on the conduct of the business of VISX or AMO in order to obtain any clearances, consents or approvals in connection with the merger.

### **Agreement to Complete the Merger (see page 123)**

Each of AMO and VISX has agreed to cooperate fully with the other party and, subject to provisions in the merger agreement discussed above under Regulatory Matters, use its reasonable best efforts to take, or cause to be taken, all actions necessary, proper or advisable under applicable law and regulations to complete the merger as promptly as practicable, but in no event later than June 30, 2005.

### **No Solicitation (see page 119)**

The merger agreement contains detailed provisions that prohibit AMO and VISX and the subsidiaries of each of them, and their officers, directors and representatives from taking any action to solicit or engage in discussions or negotiations with any person or group with respect to an acquisition proposal as defined in the merger agreement, including an acquisition that would result in the person or group acquiring more than a 25% interest in the party's total outstanding securities, a sale of more than 25% of the party's assets or a merger or other business combination. The merger agreement does not, however, prohibit either party or its board of directors from considering and recommending to the party's stockholders an unsolicited acquisition proposal from a third party if specified conditions are met.

### **Termination of the Merger Agreement (see page 126)**

Under circumstances specified in the merger agreement, either AMO or VISX may terminate the merger agreement. Subject to the limitations set forth in the merger agreement, the circumstances generally include if:

the other party consents to termination;

the merger is not completed by June 30, 2005;

a non-appealable final order of a court or other action of any governmental authority has the effect of permanently prohibiting completion of the merger;

the required approval of the stockholders of each of AMO and VISX has not been obtained at its special meeting;

the other party breaches its representations, warranties or covenants in the merger agreement such that its conditions to completion of the merger regarding representations, warranties or covenants would not be satisfied;

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the other party has not complied with the provisions of the merger agreement relating to non-solicitation and board recommendations; or

if there is an increase in the stock portion of the merger consideration that would cause the total number of shares of AMO common stock to be issued by AMO in connection with the merger to constitute more than 44.9% of the outstanding shares of AMO common stock following the merger, which we refer to as the walk away right.

We currently estimate that if the trading price of AMO common stock falls below approximately \$17.75, then the walk away right would be triggered. In fulfilling their fiduciary duties, the AMO and VISX boards would each need to consider a number of factors in determining whether to exercise its walk away right, including in particular, whether the prior stockholder approvals remained valid in light of any such decrease in

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the trading price of AMO common stock and the facts and circumstances at that time, and whether re-solicitation of stockholder approval of the merger would be required under applicable law prior to completing the merger.

### **Break-up Fees (see page 127)**

If the merger is not completed under certain circumstances specified in the merger agreement, AMO or VISX may be required to pay the other expenses in the amount of \$8 million or a break-up fee of \$45 million.

### **Material United States Federal Income Tax Consequences of the Merger (see page 99)**

Counsel to AMO and counsel to VISX have each rendered opinions, based upon certain facts, representations and assumptions, that the merger will qualify as a reorganization under Section 368(a) of the Internal Revenue Code. No gain or loss will be recognized for United States federal income tax purposes by VISX, AMO, or AMO stockholders. VISX stockholders who receive the merger consideration will recognize gain, but not loss, equal to the lesser of:

the amount of cash they receive in the merger; or

the amount equal to the excess, if any, of (i) the sum of the amount of cash and the fair market value of AMO common stock they receive in the merger, over (ii) the adjusted tax basis of their VISX common stock exchanged.

Under certain circumstances, the merger agreement requires AMO and VISX to reduce the amount of the cash to be received by VISX stockholders in the merger to the minimum extent necessary, and increase the amount of stock to be received by VISX stockholders in the merger to the minimum extent necessary, to enable legal counsel to render their respective opinion or opinions, as the case may be, that the merger qualifies as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. AMO and VISX will not know whether any such adjustment is necessary until immediately prior to the completion of the merger because any determination regarding the tax qualification of the merger as a reorganization cannot be made until the date upon which AMO and VISX intend to complete the merger. For a full description of the possible adjustment, see *The Merger Agreement Alternative Merger Consideration* beginning on page 114.

Tax matters are complicated, and the tax consequences of the merger to each VISX stockholder will depend on the facts of each stockholder's situation. VISX stockholders are urged to read carefully the discussion in the section entitled *The Merger Material United States Federal Income Tax Consequences* and to consult their tax advisors for a full understanding of the tax consequences of their participation in the merger.

### **Accounting Treatment (see page 101)**

AMO will account for the merger as a business combination under United States generally accepted accounting principles.

**Risk Factors**

In evaluating the merger agreement and the merger, in the case of VISX stockholders, or the issuance of shares of AMO common stock in the merger, in the case of AMO stockholders, you should carefully read this joint proxy statement/prospectus and especially consider the factors discussed in the section entitled "Risk Factors" beginning on page 26.

**Legal Proceedings Regarding the Merger (see page 110)**

As of the date of this joint proxy statement/prospectus, VISX and AMO are aware of a consolidated class action lawsuit that has been filed against VISX, its board of directors and certain executive officers in connection

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with the merger. Among other things, the lawsuit seeks to prevent the completion of the merger. While it is not feasible to predict or determine with certainty the final outcome of this lawsuit, we believe this lawsuit is without merit, and is not likely to give rise to any liability that would materially affect VISX's financial condition or results of operations. VISX intends to contest the lawsuit vigorously.

### **Material Differences in Rights of AMO Stockholders and VISX Stockholders (see page 144)**

VISX stockholders receiving merger consideration in the form of shares of AMO common stock will have different rights once they become AMO stockholders due to differences between the governing documents of AMO and VISX. These differences are described in detail under *Comparison of Stockholder Rights and Corporate Governance Matters* beginning on page 144.

### **Summary Selected Historical Financial Data**

AMO and VISX are providing the following information to aid you in your analysis of the financial aspects of the merger.

#### *AMO*

The selected consolidated financial data below as of and for each of the years in the five-year period ended December 31, 2003 has been derived from AMO's audited consolidated financial statements as of December 31, 2003, 2002, 2001 and 2000 and for the years ended December 31, 2003, 2002, 2001, 2000 and 1999 and from AMO's unaudited consolidated financial statement as of December 31, 1999, except for the financial data for the nine months ended September 24, 2003 and 2004, which is derived from AMO unaudited condensed consolidated financial statements. The unaudited results reflect all the adjustments (consisting only of normal recurring adjustments) that AMO management considers necessary for a fair statement of operating results. The information is only a summary and should be read in conjunction with AMO consolidated financial statements, accompanying notes and management's discussion and analysis of results of operations and financial condition, all of which can be found in publicly available documents, including those incorporated by reference into this joint proxy statement/prospectus. See *Additional Information Where You Can Find More Information* beginning on page 160.



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	Nine Months Ended								
	September 24,		September 26,		Year Ended December 31,				
	Pro Forma for Pfizer Acquisition		Pro Forma for Pfizer Acquisition						
	2004(1)	2004(2)	2003(3)	2003(1)(3)	2003(3)	2002(3)	2001	2000	1999
(in thousands, except per share amounts)									
<b>Statement of Operations:</b>									
Net sales	\$ 592,291	\$ 517,414	\$ 434,464	\$ 748,433	\$ 601,453	\$ 538,087	\$ 543,095	\$ 570,573	\$ 577,644
Cost of sales	221,392	212,577	163,763	299,370	227,811	204,338	212,090	231,426	236,002
Gross profit	370,899	304,837	270,701	449,063	373,642	333,749	331,005	339,147	341,642
Selling, general and administrative	265,204	236,620	205,106	334,615	276,695	235,977	222,885	241,047	255,666
Research and development	32,467	31,043	26,996	40,201	37,413	29,917	28,990	29,878	27,765
In-process research and development		28,100							
Restructuring/impairment (reversal)								(2,237)	(6,527)
Operating income	73,228	9,074	38,599	74,247	59,534	67,855	79,130	70,459	64,738
Interest expense	23,832	19,327	20,442	36,359	24,224	13,764	3,302	3,625	6,500
Loss (gain) on investments, net						3,935	793	(231)	
Unrealized loss (gain) on derivative instruments	(830)	(830)	(59)	246	246	3,199	(1,294)		
Other, net	1,775	127,977	17,161	17,802	17,802	2,385	385	(1,135)	441
Earnings (loss) before income taxes	48,451	(137,400)	1,055	19,840	17,262	44,572	75,944	68,200	57,797
Provision for income taxes	16,958	2,103	443	7,936	6,905	18,662	20,594	19,020	13,347
Earnings (loss) before cumulative effect of change in accounting principle	31,493	(139,503)	612	11,904	10,357	25,910	55,350	49,180	44,450
Cumulative effect of change in accounting principle, net of \$160 of tax							(391)		
Net earnings	\$ 31,493	\$ (139,503)	\$ 612	\$ 11,904	\$ 10,357	\$ 25,910	\$ 54,959	\$ 49,180	\$ 44,450
Basic earnings (loss) per share	\$ 0.81	\$ (4.36)	\$ 0.02	\$ 0.33	\$ 0.36				
Diluted earnings (loss) per share	\$ 0.77	\$ (4.36)	\$ 0.02	\$ 0.33	\$ 0.35				

- Pro forma results have been adjusted to give pro forma effect to the acquisition of Pfizer's surgical ophthalmic business as if that transaction had occurred on January 1, 2003.
- Results include incremental cost of sales of \$14.1 million from the sale of acquired inventory adjusted to fair value, a \$28.1 million in-process research and development charge, and \$131.4 million in charges associated with the early extinguishment of debt. Such costs and charges have been excluded from the pro forma results related to the acquisition of Pfizer's surgical ophthalmic business.
- Other, net includes early debt extinguishment costs of \$3.5 million incurred in connection with AMO's spin-off from Allergan, Inc. in 2002 and, in 2003, the impact of a non-recurring charge of \$16.8 million, consisting of the aggregate premium of \$19.4 million paid in connection with the July 2003 modified dutch auction tender offer for, and the subsequent repurchase in September 2003 of, AMO's 9 1/4% senior subordinated notes and a foreign currency gain of \$2.6 million resulting from the settlement of certain intercompany amounts and related transfer of cash utilized to repurchase the 9 1/4% senior subordinated notes in the modified dutch auction tender offer and for the prepayment of the AMO term loan during 2003.

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	At	At December 31,				
	September 24,	2003	2002	2001	2000	1999
	2004					
(in thousands)						
<b>Balance Sheet Data:</b>						
Cash and cash equivalents	\$ 34,098	\$ 46,104	\$ 80,578	\$ 6,957	\$ 12,641	\$ 2,250
Current assets	341,604	252,492	274,494	210,552	228,942	234,538
Total assets	981,261	461,345	463,206	377,466	404,655	436,532
Current liabilities	167,753	115,301	108,204	85,551	87,165	113,177
Long term debt, net of current portion	566,392	233,611	277,559	75,809	100,364	83,232

**VISX**

VISX has derived the following historical information from VISX audited consolidated financial statements for each of the five years ended December 31, 1999 through 2003 contained in VISX's annual reports on Form 10-K for the years ended December 31, 2001, 2002 and 2003, except for the financial data for the nine months ended September 30, 2003 and 2004, which is derived from VISX's unaudited condensed consolidated financial statements. The unaudited results reflect all the adjustments (consisting only of normal recurring adjustments) that VISX's management considers necessary for a fair statement of operating results. The information is only a summary and should be read in conjunction with VISX's consolidated financial statements and accompanying notes, as well as management's discussion and analysis of results of operations and financial condition, all of which can be found in publicly available documents, including those incorporated by reference into this joint proxy statement/prospectus. See [Additional Information Where You Can Find More Information](#) beginning on page 160.

	Nine Months Ended						
	September 30,		Year Ended December 31,				
	2004	2003	2003	2002	2001	2000	1999
(in thousands, except share and per share amounts)							
<b>Statement of Operations Data:</b>							
Total revenues	\$ 125,452	\$ 105,687	\$ 143,905	\$ 139,926	\$ 165,016	\$ 190,154	\$ 268,691
Cost of revenues	30,856	40,549	52,070	50,805	58,440	62,684	57,513
Total costs and expenses	76,617	85,044	109,300	112,056	119,844	134,162	126,593
Income from operations	48,835	20,643	34,605	27,870	45,172	55,992	142,098
Litigation settlement				9,000	37,821	11,856	
Net income	32,592	14,439	23,251	15,342	10,909	35,221	91,768
Earnings per share:							
Basic	\$ 0.66	\$ 0.29	\$ 0.47	\$ 0.29	\$ 0.19	\$ 0.57	\$ 1.45
Diluted	\$ 0.64	\$ 0.28	\$ 0.46	\$ 0.29	\$ 0.19	\$ 0.55	\$ 1.35
Shares used for earnings per share:							
Basic	49,066	49,816	49,471	53,096	56,660	61,431	63,474
Diluted	50,739	50,995	50,937	53,816	58,081	63,778	68,119

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	At	At December 31,				
	September 30,	2003	2002	2001	2000	1999
	2004					
(in thousands)						
<b>Balance Sheet Data:</b>						
Cash, cash equivalents and short-term investments	\$ 121,046	\$ 86,076	\$ 122,955	\$ 123,807	\$ 229,453	\$ 258,359
Working capital	149,535	107,040	140,173	159,935	245,662	303,546
Total assets	210,321	163,963	200,592	219,925	321,507	362,721
Retained earnings	214,510	181,918	158,667	143,325	132,416	97,195
Stockholders' equity	166,781	125,799	155,190	176,278	268,772	316,793

**Selected Unaudited Pro Forma Condensed Combined Financial Data**

The following selected unaudited pro forma condensed combined financial data for the year ended December 31, 2003 and the nine months ended September 24, 2004 gives effect to the merger and AMO's acquisition of Pfizer's surgical ophthalmic business as if each had occurred on January 1, 2003. The selected unaudited pro forma condensed combined financial data as of September 24, 2004 gives effect to the merger as if it had occurred on September 24, 2004. The pro forma adjustments are based upon available information and assumptions that AMO's management believes are reasonable. The selected unaudited pro forma condensed combined financial data are presented for illustrative purposes only. The companies may have performed differently had they always been combined. Stockholders should not rely on this information as being indicative of the historical results that would have been achieved had the companies always been combined or the future results that the combined company will experience after the merger.

The pro forma adjustments are based upon available information and certain assumptions that AMO believes are reasonable under the circumstances. A final determination of fair values relating to the merger, which cannot be made prior to the completion of the merger, may differ materially from the preliminary estimates and will include management's final valuation of the fair value of assets acquired and liabilities assumed. This final valuation will be based on the actual net tangible assets of VISX that exist as of the date of the completion of the merger. The final valuation may change the allocations of the purchase price, which could affect the fair value assigned to the assets and liabilities and could result in a change to the unaudited pro forma condensed combined financial statements data. These adjustments are more fully described in the notes to the unaudited pro forma condensed combined financial statements under the heading "Unaudited Pro Forma Condensed Combined Financial Statements." beginning on page 131.

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The selected unaudited pro forma condensed combined financial data (i) have been derived from and should be read in conjunction with the unaudited pro forma condensed combined financial statements and accompanying notes included in this joint proxy statement/prospectus as described under **Unaudited Pro Forma Condensed Combined Financial Statements** beginning on page 131, and (ii) should be read in conjunction with the consolidated financial statements of AMO and VISX and other information filed by AMO and VISX with the SEC and incorporated by reference into this joint proxy statement/prospectus. See **Additional Information Where You Can Find More Information** beginning on page 160.

	<b>Nine Months Ended September 24, 2004</b>	<b>Year Ended December 31, 2003</b>
	<b>(in thousands, except per share amounts)</b>	
<b>Income Statement Data:</b>		
Net sales	\$ 717,743	\$ 892,338
Operating income	99,693	79,026
Net earnings	44,804	10,939
Net earnings per share		
Basic	\$ 0.68	\$ 0.17
Diluted	\$ 0.65	\$ 0.17
		<b>At September 24, 2004</b>
		<b>(in thousands)</b>
<b>Balance Sheet Data:</b>		
Total assets		\$ 2,134,388
Total debt, including current portion		768,442
Stockholders' equity		927,952

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**Comparative Per Share Information**

The following tables set forth historical per share information of AMO and VISX and unaudited pro forma condensed combined per share information after giving effect to the merger under the purchase method of accounting, based on an average price per share of AMO common stock of \$40.90. The unaudited pro forma combined financial data are not necessarily indicative of the financial position had the merger occurred on September 24, 2004, or operating results that would have been achieved had the merger been in effect as of January 1, 2003 and should not be construed as representative of future financial position or operating results. The unaudited pro forma condensed combined per share information is derived from, and should be read in conjunction with, the unaudited pro forma condensed combined financial statements and accompanying notes included in this joint proxy statement/prospectus as described under Unaudited Pro Forma Condensed Combined Financial Statements beginning on page 131. The historical per share information is derived from the audited financial statements as of and for the year ended December 31, 2003 for each of AMO and VISX, except for the financial data for the nine months ended September 24, 2004, which is derived from AMO's and VISX's unaudited financial statements.