

ALLERGAN INC
Form 11-K
June 17, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

(Mark One):

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2013

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-10269

ALLERGAN, INC.
SAVINGS AND INVESTMENT PLAN

(Full title of the plan)

ALLERGAN, INC.

2525 Dupont Drive

Irvine, California 92612

(Name of issuer of the securities held pursuant to the plan and the address of its principal executive office)

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REQUIRED INFORMATION

4. ERISA Financial Statements and Schedule and Exhibits:

(a) Financial Statements and Schedule:

Report of Independent Registered Public Accounting Firm of Lesley, Thomas, Schwarz & Postma, Inc., dated June 17, 2014, on the Statements of Net Assets Available for Benefits as of December 31, 2013 and 2012 and the related Statements of Changes in Net Assets Available for Benefits for the Years Then Ended Allergan, Inc. Savings and Investment Plan.

Statements of Net Assets Available for Benefits as of December 31, 2013 and 2012 Allergan, Inc. Savings and Investment Plan.

Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2013 and 2012 Allergan, Inc. Savings and Investment Plan.

Notes to Financial Statements Allergan, Inc. Savings and Investment Plan.

Schedule H, Line 4i Schedule of Assets (Held at End of Year) December 31, 2013 Allergan, Inc. Savings and Investment Plan.

(b) Exhibits

Exhibit 23 Consent of Lesley, Thomas, Schwarz & Postma, Inc.

SIGNATURE

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

ALLERGAN, INC. SAVINGS

AND INVESTMENT PLAN

Date: June 17, 2014

By: /s/ Scott D. Sherman
Scott D. Sherman

Allergan, Inc.

Executive Committee

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AND SUPPLEMENTAL SCHEDULE

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<i>All other schedules are omitted because they are not required or applicable pursuant to ERISA and Department of Labor regulations.</i>	

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Report of Independent Registered Public Accounting Firm

To the Global Investments and Benefits Subcommittee of Allergan, Inc.

Irvine, California

We have audited the accompanying statements of net assets available for benefits of the Allergan, Inc. Savings and Investment Plan as of December 31, 2013 and 2012, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Allergan, Inc. Savings and Investment Plan as of December 31, 2013 and 2012, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedule of Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2013 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Lesley, Thomas, Schwarz & Postma, Inc.

Lesley, Thomas, Schwarz & Postma, Inc.
Newport Beach, California
June 17, 2014

Table of Contents**ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN****STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS****DECEMBER 31, 2013 AND 2012**

	2013	2012
ASSETS		
Investments in master trust at fair value (Note 3)	\$ 1,080,477,412	\$ 852,328,623
Receivables		
Participant contributions	5,648	
Employer contributions	26,792,335	24,051,460
Notes receivable from participants	11,961,054	10,929,084
Total receivables	38,759,037	34,980,544
Total assets	1,119,236,449	887,309,167
LIABILITIES		
Return of excess contributions payable	101,218	
Net assets available for benefits before adjustment to contract value	1,119,135,231	887,309,167
Adjustment from fair value to contract value for fully benefit-responsive investment contract (Note 2)	184,788	(1,605,762)
NET ASSETS AVAILABLE FOR BENEFITS	\$ 1,119,320,019	\$ 885,703,405

See the accompanying notes to these financial statements

Table of Contents**ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN****STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS****FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	2013	2012
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Net investment income from the Master Trust (Note 3)	\$ 187,795,885	\$ 89,523,961
Interest from notes receivable from participants	506,471	462,969
Contributions		
Employer - match	21,894,971	19,992,265
Employer - retirement	25,516,271	22,846,650
Participant - before tax	50,760,144	45,160,101
Participant - after tax	2,672,328	2,132,538
Rollovers	12,073,367	7,120,268
	112,917,081	97,251,822
Total additions to net assets	301,219,437	187,238,752
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to participants	67,486,766	45,231,847
Corrective distributions	122,297	13,086
Deemed distributions	56,892	36,735
Administrative expenses	41,600	30,954
Total deductions from net assets	67,707,555	45,312,622
NET INCREASE	233,511,882	141,926,130
TRANSFERS FROM OTHER QUALIFIED PLANS (Note 1)	104,732	
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	885,703,405	743,777,275
NET ASSETS AVAILABLE FOR BENEFITS, end of year	\$ 1,119,320,019	\$ 885,703,405

See the accompanying notes to these financial statements

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ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1 DESCRIPTION OF THE PLAN

The following description of the Allergan, Inc. Savings and Investment Plan (Restated 2013) (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

General The Plan, established on July 26, 1989, is a defined contribution plan sponsored by Allergan, Inc. (the Company or the Employer). The Plan covers eligible employees of the Company as defined below. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA) and is qualified under the Internal Revenue Code (the Code). The administrator for the Plan is the Allergan, Inc. Global Investments and Benefits Subcommittee. The trustee for the Plan is JPMorgan Chase Bank.

During 2012 and 2013, the Company completed the acquisitions of SkinMedica, Inc., MAP Pharmaceuticals, Inc., and Exemplar Pharma, LLC. Pursuant to Plan amendments, employees of the aforementioned companies became eligible to participate in the Plan during 2013. In connection with the acquisitions, participants could elect to rollover their individual account balances into the Plan. These amounts are included in rollovers on the Statements of Changes in Net Assets Available for Benefits. Additionally, the Plan was amended to allow participant loans from their prior plans to be transferred into the Plan. During the year ended December 31, 2013, \$104,732 of the loan balances were transferred into the Plan.

Employee Contributions The Plan provides for immediate eligibility to participate in the Plan. The Company's eligible United States employees may contribute a portion of their defined compensation, on a before tax, or after tax basis (including Roth 401(k)), or a combination thereof, subject to the limitations as defined by the Code.

The Company's eligible Puerto Rico employees may contribute a portion of their defined compensation, either before tax, after tax, or a combination thereof, subject to the limitations as defined by the Puerto Rico Internal Revenue Code.

Participants direct the investment of their contributions into various investment options offered by the Plan through the Master Trust. The plan administrator, or its delegate, regularly consults with an investment advisor to evaluate investment performance and, based thereon, will add or remove investment options. Prior to June 29, 2012, participant contributions could be invested in the Allergan, Inc. Common Stock Fund, Dodge & Cox Balanced Fund, Dodge & Cox Stock Fund, Columbia Marsico Focused Equities Fund, Times Square Small Cap Growth Fund, TIAA-CREF Small Cap Blend Index Fund, Pimco Total Return-Inst Fund, American Funds EuroPacific Growth R6 Fund, American Funds New Perspective R6 Fund, JPMorgan U.S. Equity Fund, Nuveen Winslow Large Cap Growth Fund, Wells Fargo Advantage Special Small Cap Value Fund, BlackRock Equity Index Fund, JPMCB Stable Asset Income Fund. Select or any combination of the 14 funds at the participant's discretion.

Effective June 29, 2012, JPMCB Stable Asset Income Fund - Select was removed from the investment options and JPMCB Stable Asset Income Fund - G was added to the investment options.

Effective December 28, 2012, Columbia Marsico Focused Equities Fund and Dodge & Cox Balanced Fund were removed from the investment options and LifePath Index Retirement Fund, LifePath Index 2015 Fund, LifePath Index

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2020 Fund, LifePath Index 2025 Fund, LifePath Index 2030 Fund, LifePath Index 2035 Fund, LifePath Index 2040 Fund, LifePath Index 2045 Fund, LifePath Index 2050 Fund, and LifePath Index 2055 Fund were added to the investment options.

Effective November 22, 2013, Nuveen Winslow Large Cap Growth Fund was removed from the investment options and Dreyfus Research Growth I Fund was added to the investment options.

Certain limitations imposed by the Code may have the effect of reducing the level of contributions initially selected by participants who fall within the classification of highly compensated employees as defined in the Code.

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ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1 DESCRIPTION OF THE PLAN (CONTINUED)

Employer Matching Contributions The Plan authorizes the Company's Board of Directors, or its delegate, to change the Company's matching contribution levels from time to time in an amount not to exceed 4% of each employee's defined compensation. For the years ended December 31, 2013 and 2012, the Employer made matching contributions equal to 100% of each employee's contribution up to 4% of defined compensation.

Employer Retirement Contributions Effective January 1, 2003, the Company makes an annual retirement contribution equal to 5% of each participant's defined compensation if they are eligible for the Retirement Contribution feature of the Plan, have completed at least six months of service, and are employed on the last business day of the year (or terminated employment during the year due to death, disability or retirement, defined as age 55+). In addition, the Company has discretion to make supplemental retirement contributions in the future years as necessary to satisfy applicable non-discrimination requirements set forth under the Code.

Investment Options Participants have the right to elect investment options upon enrollment or re-enrollment into the Plan. Additionally, participants may elect to change their investment options and transfer their account balances among the different investment funds at any time, subject to the Company's insider trading policy.

Participant Accounts Each participant's account is credited for the participant's contributions, employer match and employer retirement contributions and allocations of fund earnings and charged with an allocation of administrative expenses and fund losses. The earnings and losses of each of the funds are allocated daily to the individual accounts of participants based on their relative interest in the fair value of the assets held in each fund, except for dividends and unrealized appreciation (depreciation) on the common stock of Allergan, Inc., which is allocated based upon the number of shares held in the individual accounts of participants.

Notes Receivable from Participants Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance excluding retirement contributions. Loan terms range from one to five years or, for the purchase of a primary residence, up to 15 years. The loans are secured by the balance in the participant's account and bear interest at prime plus one percent as determined on the date of the loan application. The interest rate is fixed for the term of the loan. Principal and interest is paid through payroll deductions each pay period. Participants requesting a loan are subject to certain conditions as defined by the Plan. Defaults on participant loans are considered to be deemed distributions. The Plan classified participant loans as notes receivable from participants in the Statements of Net Assets Available for Benefits and measured them at their unpaid principal balance plus any accrued interest.

Vesting and Forfeitures Participant contributions are fully vested at all times. Participants forfeit their share of non-vested employer contributions if they terminate their employment before becoming 100% vested. Employer matching contributions vest based on a cliff vesting of three years of service. After three years of service, all employer

matching contributions are fully vested. Employer retirement contributions vest on a graduated basis, 20% per year until fully vested at the end of the fifth year of service. Forfeitures are used by the Company to offset future employer contribution requirements and to reinstate rehired employee accounts. During the Plan years ended December 31, 2013 and 2012, \$3,510,737 and \$2,986,559, respectively, of forfeitures were used to offset contributions. At December 31, 2013 and 2012, unutilized forfeitures totaled \$94,970 and \$146,103, respectively.

Payment of Benefits Participants may withdraw their employee after-tax and rollover contributions at any time. After withdrawing all after-tax and rollover contributions, vested employer matching contributions can also be withdrawn at any time by a participant who has at least three years of credited service provided that the matching contributions were credited at least two years prior to withdrawal. Withdrawals of employee after-tax contributions during employment may cause the participant to become ineligible to receive certain employer matching contributions and be suspended from contributing to the Plan for a period of six months following the withdrawal.

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ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1 DESCRIPTION OF THE PLAN (CONTINUED)

After the permitted withdrawal of employee after-tax contributions, rollover contributions and vested employer matching contributions in accordance with the prior paragraph, and upon receipt of any loans available under the Plan, an employee may withdraw his or her before-tax contributions and any remaining after-tax contributions and vested employer matching contributions in the event of financial hardship. Hardship withdrawals cause the employee to become ineligible to contribute to the Plan for a period of six months following the withdrawal for U.S. employees and 12 months for Puerto Rico employees. Hardship withdrawals of employer retirement contributions are not permitted.

Participants become entitled to payment of the total value of their accounts at the time of termination (if fully vested), attainment of age 59-1/2 (if fully vested), permanent and total disability, or death. Under certain circumstances set forth in the Plan, the participant may elect to receive the distribution in a lump sum or may elect partial distributions. If the participant's vested account value is \$1,000 or more, withdrawals may be postponed until as late as attaining age 70-1/2. After death, payment is made in the form of a lump sum to the designated beneficiary.

Special rules apply to Roth 401(k) contributions. While they are subject to the same distribution restrictions applicable to before-tax contributions, the participant must meet two conditions to have a qualified distribution that allows the Roth 401(k) earnings to be tax free. First, the Roth 401(k) source must have been in existence in the account for at least five years. Second, the distributions must be after age 59-1/2, death or disability.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting The accompanying financial statements have been prepared on the accrual basis of accounting. Except for unutilized forfeitures (see Note 1), the net assets of the Plan are allocated entirely to individual participants accounts.

The Statements of Net Assets Available for Benefits present the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statements of Changes in Net Assets Available for Benefits are prepared on a contract value basis.

Accounting Estimates The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the plan administrator to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation and Income Recognition On June 20, 2007, the Plan, along with the Allergan, Inc. Employee Stock Ownership Plan, entered into the Allergan, Inc. Master Trust (the Master Trust). See Note 3, for further

discussion of the Master Trust. The Plan's investments in the Master Trust are stated at fair value with the exception of the JPMCB Stable Asset Income Fund - G which is stated at fair value with the related adjustment amounts to the contract value.

The following presentation relates to the fully benefit-responsive investment contract (JPMCB Stable Asset Income Fund - G) held in the Master Trust for the years ended December 31, 2013 and 2012:

(a) The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The contract is included in the financial statements at fair value with an adjustment to contract value as reported to the Plan by JPMorgan Chase Bank.

(b) The fair value of the Plan's investment contract in the Master Trust at December 31, 2013 and 2012 was \$88,152,206 and \$89,721,362, respectively. The contract value of the investment contract at December 31, 2013 and 2012 was \$88,336,994 and \$88,115,600, respectively.

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ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) There are no reserves against the contract value for credit risk of the contract issuer or otherwise. The average yields at December 31, 2013 and 2012 were approximately 1.77% and 1.78%, respectively. The crediting interest rate is based on an agreed-upon formula with the insurer, but cannot be less than zero. This rate is reset each calendar quarter based on the data as of the last business day of the month prior to the end of the quarter. The crediting interest rates in effect at December 31, 2013 and 2012 were approximately 1.77% and 1.81%, respectively. Participant initiated transactions occur at contract value.

Purchases and sales of investments held in the Master Trust are reflected on the trade-date basis. Dividend income is recorded on the ex-dividend date.

The Plan presents, in the Statements of Changes in Net Assets Available for Benefits, the net appreciation (depreciation) in the contract value of its investments held in the Master Trust, which consist of the realized gains or losses and the unrealized appreciation (depreciation) on those investments held in the Master Trust.

Contribution Funding The participant deferrals and employer matching contributions are funded on a consistent basis following the issuance of each Company payroll. Employer retirement contributions and matching contribution true-ups are funded on an annual basis.

Non-Discrimination for Employee and Employer Contributions The Plan, as required by the Code, performs annual tests between participants who are highly compensated employees and those who are non-highly compensated employees to ensure that highly compensated employees are not disproportionately favored under the Plan. If the Plan fails the tests, it must refund some of the excess contributions made on behalf of highly compensated employees during the applicable year. In addition, occasionally employee deferrals may be over the maximum allowed under other Plan provisions and are considered excess contributions. Excess contributions that are refunded are accrued as a liability of the Plan in the year to which they relate. At December 31, 2013, excess contributions to be refunded were \$101,218. No such accrual existed at December 31, 2012.

Non-Distributed Benefits The Plan does not accrue non-distributed benefits related to participants who have withdrawn from the Plan, but recognizes such benefits as a deduction from net assets in the period in which such benefits are paid.

Continuation of the Plan The Company anticipates and believes the Plan will continue without interruption, but reserves the right to discontinue the Plan. If the Plan is terminated by the Company, the accounts of all affected participants shall become 100% vested and non-forfeitable without regard to the years of service of such participants.

Administrative Expenses Expenses incurred in the administration and operation of the Plan are paid by the Plan, except to the extent paid by the Company. Certain administrative expenses of the Plan are paid by the Company. Master Trust administrative expenses, including trustee, recordkeeping and investment management fees, are allocated in proportion to the investment balances of the underlying plans and are netted against investment income. Certain participant initiated administration fees are charged directly to the account balance of the participant requesting the service. Administrative expenses are reflected as a reduction of Master Trust investment income and are included in Net investment income from the Master Trust in the accompanying Statements of Changes in Net Assets Available for Benefits.

Subsequent Events The Plan was restated in its entirety on January 1, 2014 to incorporate the provisions of all amendments made since the last restatement of the Plan in 2013 and provide for improved clarification within the Plan document.

The Company has evaluated subsequent events through the date which the financial statements were available to be issued.

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The Master Trust was created pursuant to a trust agreement dated June 20, 2007, between the Company and JPMorgan Chase Bank, as trustee of the funds, to permit the commingling of trust assets of both the Allergan, Inc. Savings and Investment Plan and Allergan, Inc. Employee Stock Ownership Plan, for investment and administrative purposes. The assets of the Master Trust are held by JPMorgan Chase Bank.

The following tables summarize the net assets at fair value and net investment income of the Master Trust.

A) NET ASSETS OF THE MASTER TRUST

	December 31, 2013	December 31, 2012
INVESTMENTS:		
Mutual Funds	\$ 565,316,509	\$ 418,368,982
Common/Collective Trusts	353,677,240	296,226,295
Employer Securities	364,980,023	317,420,055
NET ASSETS OF THE MASTER TRUST	\$ 1,283,973,772	\$ 1,032,015,332

NET INVESTMENT IN MASTER TRUST - BY PLAN

Allergan, Inc. Savings and Investment Plan		
Investment in Master Trust	\$ 1,080,477,412	\$ 852,328,623
Plan's percentage interest in net assets of the Master Trust	84.2%	82.6%
Allergan, Inc. Employee Stock Ownership Plan		
Investment in Master Trust	\$ 203,496,360	\$ 179,686,709
Plan's percentage interest in net assets of the Master Trust	15.8%	17.4%

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	Year Ended December 31, 2013	Year Ended December 31, 2012
INVESTMENT INCOME:		
Net appreciation in fair value of investments		
Common Stock	\$ 65,026,785	\$ 14,563,255
Mutual Funds	90,227,404	56,199,119
Common/Collective Trusts	44,217,381	14,369,384
	199,471,570	85,131,758
Change in adjustment from fair value to contract value for fully benefit-responsive investment contract	1,941,471	(1,526,952)
Dividends	21,861,465	17,463,507
NET INVESTMENT INCOME OF THE MASTER TRUST	\$ 223,274,506	\$ 101,068,313
NET INVESTMENT INCOME FROM MASTER TRUST - BY PLAN		
Allergan, Inc. Savings and Investment Plan	\$ 187,795,885	\$ 89,523,961
Allergan, Inc. Employee Stock Ownership Plan	\$ 35,478,621	\$ 11,544,352

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The following table presents the fair value of the Plan's investments held in the Master Trust. Investments that represent five percent or more of the Plan's net assets available for benefits at December 31, 2013 and 2012 are separately identified.

	December 31, 2013	
	Number of Shares, Units or Principal Amounts	Fair Value
PARTICIPANT DIRECTED INVESTMENTS		
At fair value as determined by quoted market prices (held in Master Trust):		
Common Stock:		
Allergan, Inc.*	1,860,519	\$ 206,668,491
Mutual Funds:		
Dodge & Cox Stock Fund	233,472	39,426,498
Times Square Small Cap Growth Fund	1,759,528	31,812,258
TIAA-CREF Small Cap Blend Index Fund	2,045,960	38,504,959
Pimco Total Return-Inst Fund*	7,049,185	75,355,792
American Funds EuroPacific Growth R6 Fund*	2,244,852	110,065,135
American Funds New Perspective R6 Fund*	3,320,093	124,735,912
JPMorgan U.S. Equity Fund	3,603,894	50,851,163
Wells Fargo Advantage Special Small Cap Value Fund	921,745	29,468,463
Dreyfus Research Growth I Fund	2,853,267	39,782,619
Total mutual funds		540,002,799
At fair value as reported by the fund (held in Master Trust):		
Common/Collective Trusts:		
JPMCB Stable Asset Income Fund - G *	205,076	88,152,206
BlackRock Equity Index Fund*	2,024,234	133,508,733
LifePath Index Retirement Fund	720,976	7,790,650

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LifePath Index 2015 Fund	739,140	8,083,676
LifePath Index 2020 Fund	1,596,557	17,913,046
LifePath Index 2025 Fund	1,692,369	19,411,306
LifePath Index 2030 Fund	1,382,586	16,159,113
LifePath Index 2035 Fund	1,654,862	19,669,852
LifePath Index 2040 Fund	1,227,395	14,804,596
LifePath Index 2045 Fund	465,756	5,702,208
LifePath Index 2050 Fund	152,052	1,885,592
LifePath Index 2055 Fund	57,816	725,144
Total common/collective trusts		333,806,122
Total investments held in Master Trust		\$ 1,080,477,412

* Investments that represent five percent or more of the Plan's net assets available for benefits.

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	December 31, 2012	
	Number of Shares, Units or Principal Amounts	Fair Value
PARTICIPANT DIRECTED INVESTMENTS		
At fair value as determined by quoted market prices (held in Master Trust):		
Common Stock:		
Allergan, Inc.*	1,939,824	\$ 177,940,048
Mutual Funds:		
Dodge & Cox Stock Fund	188,734	23,006,652
Times Square Small Cap Growth Fund	1,496,591	19,455,688
TIAA-CREF Small Cap Blend Index Fund	1,824,549	25,872,108
Pimco Total Return-Inst Fund*	6,463,378	72,648,368
American Funds EuroPacific Growth R6 Fund*	1,948,447	80,237,063
American Funds New Perspective R6 Fund*	2,805,432	87,669,765
JPMorgan U.S. Equity Fund	3,300,187	37,061,104
Nuveen Winslow Large Cap Growth Fund	883,102	30,087,273
Wells Fargo Advantage Special Small Cap Value Fund	893,009	21,959,089
Total mutual funds		397,997,110
At fair value as reported by the fund (held in Master Trust):		
Common/Collective Trusts:		
JPMCB Stable Asset Income Fund - G *	207,815	89,721,362
BlackRock Equity Index Fund*	1,756,609	87,602,105
LifePath Index Retirement Fund	759,920	7,705,589
LifePath Index 2015 Fund	834,795	8,481,515
LifePath Index 2020 Fund	1,865,854	19,013,057
LifePath Index 2025 Fund	1,639,761	16,758,352
LifePath Index 2030 Fund	1,410,810	14,446,693
LifePath Index 2035 Fund	1,591,985	16,349,683
LifePath Index 2040 Fund	1,167,745	12,004,414

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LifePath Index 2045 Fund	385,752	3,973,247
LifePath Index 2050 Fund	31,623	326,354
LifePath Index 2055 Fund	879	9,094
Total common/collective trusts		276,391,465
Total investments held in Master Trust		\$ 852,328,623

* Investments that represent five percent or more of the Plan's net assets available for benefits.

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ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 3 INVESTMENTS (CONTINUED)

The Plan's investments held in the Master Trust (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value during the years ended December 31, 2013 and 2012 by \$165,293,279 and \$74,747,154, respectively. Included in net investment income from the Master Trust on the Statements of Changes in Net Assets Available for Benefits is \$1,790,550 and (\$1,409,553) representing the change in the fair value to contract value adjustment for the fully benefit-responsive contract for the years ended December 31, 2013 and 2012, respectively.

During the years ended December 31, 2013 and 2012, \$20,712,056 and \$16,186,361, respectively, of dividends were earned by the Plan's investments held in the Master Trust and are included in net investment income from the Master Trust on the Statements of Changes in Net Assets Available for Benefits.

NOTE 4 FAIR VALUE MEASUREMENTS

Fair value measurements are based on a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2013 and 2012.

Employer Securities: Valued at the closing price reported on the active market on which the individual securities are traded.

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Mutual Funds: Valued at the net asset value of shares held by the Plan at year end. The share value is based on the quoted price at the end of the day on the active market in which the individual mutual funds are traded.

Common/Collective Trust Funds: Valued at the net asset value per unit as determined by the collective trust at year end. Each fund may consist of a commingled trust that invests in a diversified portfolio of equity index, fixed income index and/or short-term investments.

Table of Contents**ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN****NOTES TO FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012****NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)**

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Master Trust's assets as of December 31, 2013 and 2012.

Description	Total Fair Value	Fair Value Measurements as of December 31, 2013		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Employer Securities	\$ 364,980,023	\$ 364,980,023	\$	\$
Mutual Funds:				
Value Funds	70,708,928	70,708,928		
Blend Funds	209,994,574	209,994,574		
Growth Funds	204,370,862	204,370,862		
Intermediate Term Bonds	80,242,145	80,242,145		
Total Mutual Funds	565,316,509	565,316,509		
Common/Collective Trusts:				
Stable Value	94,842,526		94,842,526	
Target Date	120,241,692		120,241,692	
Large Blend	138,593,022		138,593,022	
Total Common/Collective Trusts	353,677,240		353,677,240	
Total Assets at Fair Value	\$ 1,283,973,772	\$ 930,296,532	\$ 353,677,240	\$

Table of Contents**ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN****NOTES TO FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012****NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)**

Description	Total Fair Value	Fair Value Measurements as of December 31, 2012		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Employer Securities	\$ 317,420,055	\$ 317,420,055	\$	\$
Mutual Funds:				
Value Funds	45,883,341	45,883,341		
Blend Funds	151,638,289	151,638,289		
Growth Funds	143,226,602	143,226,602		
Intermediate Term Bonds	77,620,750	77,620,750		
Total Mutual Funds	418,368,982	418,368,982		
Common/Collective Trusts:				
Stable Value	97,370,409		97,370,409	
Target Date	107,740,768		107,740,768	
Large Blend	91,115,118		91,115,118	
Total Common/Collective Trusts	296,226,295		296,226,295	
Total Assets at Fair Value	\$ 1,032,015,332	\$ 735,789,037	\$ 296,226,295	\$

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value as of December 31, 2013 and 2012.

Description	Total Fair Value	Fair Value Measurements as of December 31, 2013		
		Quoted Prices in Active Markets for Identical	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs

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		Assets (Level 1)		(Level 3)
Investments Held in Master Trust	\$ 1,080,477,412	\$	\$ 1,080,477,412	\$

Description	Fair Value Measurements as of December 31, 2012				
	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Other Inputs (Level 3)	Significant Unobservable Inputs (Level 3)
Investments Held in Master Trust	\$ 852,328,623	\$	\$ 852,328,623	\$	\$

Table of Contents**ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN****NOTES TO FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012****NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)**

The following table for December 31, 2013 and 2012 presents additional information relative to Plan investments reported at net asset value associated with common/collective trust funds.

December 31, 2013:

	Fair value	Unfunded commitment	Redemption frequency	Other redemption restrictions	Redemption notice period
JPMCB Stable Asset	\$ 88,152,206	\$	Immediate	Participating plans may terminate their interest in the fund at any time. Requests for complete or partial withdrawals must be given in writing not less than 30 days prior to the valuation date, upon which the withdrawal is to be effected, and such withdrawals shall be paid at the lesser of book or market value, as determined by the Trustee.	None
Income Fund - G (a)					None
BlackRock Equity Index	\$ 133,508,733	\$	Immediate	None	None
Fund (b)					
LifePath Index	\$ 7,790,650	\$	Immediate	None	None
Retirement Fund (c)					
LifePath Index 2015	\$ 8,083,676	\$	Immediate	None	None
Fund (c)					
LifePath Index 2020	\$ 17,913,046	\$	Immediate	None	None
Fund (c)					
LifePath Index 2025	\$ 19,411,306	\$	Immediate	None	None

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Fund (c)

LifePath Index 2030	\$ 16,159,113	\$	Immediate	None	None
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Fund (c)

LifePath Index 2035	\$ 19,669,852	\$	Immediate	None	None
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Fund (c)

LifePath Index 2040	\$ 14,804,596	\$	Immediate	None	None
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Fund (c)

LifePath Index 2045	\$ 5,702,208	\$	Immediate	None	None
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Fund (c)

LifePath Index 2050	\$ 1,885,592	\$	Immediate	None	None
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Fund (c)

LifePath Index 2055	\$ 725,144	\$	Immediate	None	None
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Fund (c)

Table of Contents**ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN****NOTES TO FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012****NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)**

December 31, 2012:

	Fair value	Unfunded commitment	Redemption frequency	Other redemption restrictions	Redemption notice period
JPMCB Stable Asset Income Fund - G (a)	\$ 89,721,362	\$	Immediate	Prior to February 15, 2012, the Trustee reserves the right to pay out terminating plans anytime within 12 months of receiving the notice at book value. Effective February 15, 2012, requests for complete or partial withdrawals must be given in writing not less than 30 days prior to the valuation date, upon which the withdrawal is to be effected, and such withdrawals shall be paid at the lesser of book or market value, as determined by the Trustee.	None
BlackRock Equity Index	\$ 87,602,105	\$	Immediate	None	None
Fund (b) LifePath Index Retirement	\$ 7,705,589	\$	Immediate	None	None
Fund (c) LifePath Index 2015	\$ 8,481,515	\$	Immediate	None	None
Fund (c) LifePath Index 2020	\$ 19,013,057	\$	Immediate	None	None
Fund (c) LifePath Index 2025	\$ 16,758,352	\$	Immediate	None	None

Fund (c)

LifePath Index 2030	\$ 14,446,693	\$	Immediate	None	None
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Fund (c)

LifePath Index 2035	\$ 16,349,683	\$	Immediate	None	None
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Fund (c)

LifePath Index 2040	\$ 12,004,414	\$	Immediate	None	None
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Fund (c)

LifePath Index 2045	\$ 3,973,247	\$	Immediate	None	None
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Fund (c)

LifePath Index 2050	\$ 326,354	\$	Immediate	None	None
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Fund (c)

LifePath Index 2055	\$ 9,094	\$	Immediate	None	None
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Fund (c)

(a) JPMCB Stable Asset Income Fund G strategies seek to preserve the value of money invested, perform better than the average money market fund and earn consistent reliable returns. The fund invests in a variety of high quality interest paying securities offered with a companion investment contract called a benefit responsive wrap.

(b) BlackRock Equity Index Fund strategies seek to capture earnings and growth through investing in the same stocks held in the Standard & Poor's 500 Index.

(c) LifePath Index Funds are target date retirement funds made up of multiple asset classes. They are professionally managed and offer a diversified investment in a single fund. These funds are meant to align with an expected retirement date. The funds will become increasingly more conservative as the target retirement date approaches. The principal value of the fund is not guaranteed at any time, including at the target date. The funds provide long-term investors with an asset allocation strategy designed to maximize assets for retirement, or for other purposes, consistent with the risk that investors, on average, may be willing to accept given their investment time horizon.

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ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 5 INCOME TAX STATUS

The Plan obtained its latest determination letter on September 22, 2010, in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Code. The Plan has been amended and restated since receiving the determination letter. However, the Plan's administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code and constitutes a qualified plan under Section 401(a) of the Code and that the Plan's trust is exempt from federal income taxes under provisions of Section 501(a).

Management determined that employees who received an in-service withdrawal of after-tax contributions were allowed to continue making elective deferrals, which is contrary to the terms of the Plan. The Company will correct this issue by adopting a retroactive amendment to the Plan terms to allow participants to continue making elective deferrals after an in-service withdrawal of after-tax contributions and file under the Internal Revenue Service Voluntary Correction Program. Management does not believe this issue will have any negative impact on the Plan's status as a qualified retirement plan under the Internal Revenue Code.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan's administrator has analyzed the positions taken by the Plan, and has concluded that as of December 31, 2013, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Plan has recognized no interest or penalties related to uncertain tax positions. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan's administrator believes it is no longer subject to income tax examinations for years prior to 2010.

NOTE 6 RELATED PARTY AND PARTY-IN-INTEREST TRANSACTIONS

The Plan allows participants to purchase employer securities held in the Master Trust. As of December 31, 2013 and 2012, the Plan's allocation of Allergan, Inc. common stock was 1,860,519 and 1,939,824 shares, respectively, which were held in the Master Trust. During 2013 and 2012, total purchases by the Plan through the Master Trust of Allergan, Inc. common stock were \$24,829,984 and \$20,103,451, respectively, and total sales by the Plan through the Master Trust of Allergan, Inc. common stock were \$18,112,875 and \$16,077,836, respectively. The investment in Allergan, Inc. common stock qualifies as party-in-interest transactions for which there is a statutory exemption.

Certain Plan investments held in the Master Trust and allocated to the Plan are invested in mutual funds that are managed by an affiliate of JPMorgan Chase Bank, the trustee. Fees incurred by the Plan for investment management services are included in net appreciation in fair value of investments. These fees are paid to the investment fund manager and may include certain revenue sharing fees that are paid to JP Morgan Chase Bank. Additionally, as noted in Note 2, certain administrative expenses related to participant initiated activity and certain record keeping fees are paid to an affiliate of JP Morgan Chase Bank. During the years ended December 31, 2013 and 2012, \$41,600 and

\$30,954, respectively, in fees were paid to this affiliate. These transactions qualify as party-in-interest transactions for which there is a statutory exemption.

The Plan also allows for the issuance of notes receivable to participants in accordance with the related regulations. These transactions also qualify as party-in-interest transactions for which there is a statutory exemption.

NOTE 7 RISKS AND UNCERTAINTIES

The Plan through the Master Trust provides for various investment options in mutual funds, common and collective trusts and common stock. Investment securities are exposed to various risks such as interest rate, market, and credit. Due to the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the various risk factors, in the near term, could materially affect participants' account balances and the amounts reported in the financial statements.

Table of Contents**ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN****NOTES TO FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012****NOTE 8 CONCENTRATIONS**

Investments in the common stock of Allergan, Inc. held in the Master Trust comprised approximately 19% and 21% of the Plan's total investments as of December 31, 2013 and 2012, respectively. For risks and uncertainties regarding Allergan, Inc., please refer to the risk factors presented in Allergan, Inc.'s most recent Form 10-K and Form 10-Q filed with the Securities and Exchange Commission.

NOTE 9 RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	December 31, 2013	December 31, 2012
Net assets available for benefits per the financial statements	\$ 1,119,320,019	\$885,703,405
Plus (Less): Adjustment from fair value to contract value for fully benefit-responsive investment contract	(184,788)	1,605,762
Net assets available for benefits per the Form 5500	\$ 1,119,135,231	\$887,309,167

The following is a reconciliation of investment income per the financial statements to the Form 5500:

	Year Ended December 31, 2013
Total investment income per the financial statements	\$ 187,795,885
Less: Adjustment from fair value to contract value for fully benefit-responsive investment contract	(1,790,550)
Total investment income per the Form 5500	\$ 186,005,335

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SUPPLEMENTAL SCHEDULE

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ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN

EMPLOYER ID NUMBER 95-1622442, PLAN NUMBER 002

SCHEDULE OF ASSETS (HELD AT END OF YEAR)

SCHEDULE H, LINE 4i

DECEMBER 31, 2013

	(b)	(c)	(d)	(e)
	Identity of Issue	Description of Investment		Current
	Borrower	Including Maturity Date,		Value
(a)	Lessors or Similar Party	Rate of Interest, Collateral,	Cost	
		Par or Maturity Value		
*	Participant loans	Interest rates ranging from 4.25% to 9.25%	\$0	\$11,961,054

* *Party-in-interest*

See Report of Independent Registered Public Accounting Firm and
the accompanying notes to the financial statements

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Exhibit Index

Exhibit No.	Description
Exhibit 23	Consent of Lesley, Thomas, Schwarz & Postma, Inc.