UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

[x] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30,	1996
OF	8
[] TRANSITION REPORT PURSUANT TO EXCHANGE ACT OF 1934.	O SECTION 13 OR 15(d) OF THE SECURITIES
FOR THE QUARTER ENDED JUNE 30, 1996	COMMISSION FILE NUMBER 1-10269
ALLERGAN	I, INC.
A DELAWARE CORPORATION	IRS EMPLOYER IDENTIFICATION 95-1622442

2525 DUPONT DRIVE, IRVINE, CALIFORNIA 92612

TELEPHONE NUMBER 714/752-4500

Indicate by a check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

(1) no	X	yes	
(2) no	Х	yes	
		-	

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date.

As of July 31, 1996 there were 65,231,226 shares of common stock outstanding.

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ALLERGAN, INC.

FORM 10-Q FOR THE QUARTER ENDED JUNE 30, 1996

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PART I - FINANCIAL INFORMATION

Allergan, Inc.

Consolidated Statements of Earnings (In millions, except per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	1996 	1995	1996	1995
Net Sales	\$289.6	\$262.2	\$547.7	\$490.5
Operating costs and expenses: Cost of sales Selling, general and	97.3	81.7	183.0	152.8
administrative Research and development Restructuring charge	123.2 27.5 34.2	116.4 26.4 	237.5 54.3 34.2	219.9 52.0
Asset write-offs Contribution to ALRT	6.7 	50.0	6.7 	50.0
	288.9	274.5 	515.7 	474.7
Operating income (loss)	0.7	(12.3)	32.0	15.8
Nonoperating income (expense): Interest income Interest expense Other, net	2.6 (3.5) 0.7	1.9 (3.2) 2.4	4.9 (6.8) 2.9	5.0 (5.5) 4.8
	(0.2)	1.1	1.0	4.3
Earnings (loss) from operations before income taxes and	0.5	(11.0)	22.0	00.1
minority interest	0.5	(11.2)	33.0	20.1
Provision for income taxes	0.2	11.4	9.6	20.6
Minority interest	(0.4)	0.4	(0.4)	0.8
Net Earnings (Loss)	\$ 0.7 =====	\$(23.0) =====	\$23.8 ====	\$ (1.3) =====
Net Earnings (Loss) Per Common Share	\$ 0.01 =====	\$(0.36) =====	\$0.36 ====	\$(0.02) =====
Weighted Average Common Shares Outstanding	65.9	64.1	65.7	64.0

See accompanying notes to consolidated financial statements.

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Allergan, Inc.

Consolidated Balance Sheets

(In millions, except share data)

	June 30,	December
31,	1996	1995
ASSETS		
Current assets:	A 116 B	å 100 D
Cash and equivalents Trade receivables, net	\$ 116.7 217.2	\$ 102.3 205.7
Inventories	131.0	120.8
Other current assets	102.2	93.5
Total current assets	567.1	522.3
Investments and other assets	167.1	160.8
Property, plant and equipment, net	345.0	357.5
Goodwill and intangibles, net	254.8 	275.7
Total assets	\$1,334.0	\$1,316.3
	======	======
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable	\$ 65.1	\$ 58.5
Accounts payable Accrued expenses	60.8 170.6	58.7 173.1
Income taxes	34.2	41.3
Total current liabilities	220.7	221 6
Long-term debt	330.7 252.8	331.6 266.7
Other liabilities	54.5	49.1
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 par value; authorized		
5,000,000 shares; none issued Common stock, \$.01 par value; authorized		
150,000,000 shares; issued 67,279,000		
and 67,336,000 shares	0.7	0.7
Additional paid-in capital	201.0	199.7
Foreign currency translation adjustment	1.4	4.7
Other	4.1	(1.4)
Retained earnings	536.8	527.4
	744.0	731.1
Less - treasury stock, at cost		
(2,162,000 and 3,147,000 shares)	(48.0)	(62.2)
Total stockholders' equity	696.0	668.9
	_	 _
Total liabilities and stockholders' equity	\$1,334.0	\$1,316.3
scocynorders edutch	\$1,334.U ======	\$1,310.3

See accompanying notes to consolidated financial statements.

Allergan, Inc.

Consolidated Statements of Cash Flows (In millions)

		Six months ended June 30,	
		1996 	1995
Net ear	M OPERATING ACTIVITIES: nings (loss) n items included in net earnings:	\$ 23.8	
NoII-cas.	Depreciation and amortization Amortization of prepaid royalties Deferred income taxes	33.8 4.6 (1.6)	29.0 4.6 0.1
	Loss on sale of assets Expense of compensation plans Minority interest	4.0 2.9 (0.4)	1.1 1.9 0.8
Changes	Restructuring charge Asset write-offs in assets and liabilities:	34.2 6.7	
changes	Trade receivables Inventories Accounts payable	(19.4) (14.1) 6.0	(11.1) (5.5) (7.5)
	Accounts payable Accrued liabilities Income taxes Other	(19.1) 0.6 (5.3)	(15.6) (38.9) (15.8)
	Other	(5.3)	(15.6)
	Net cash provided by/(used in) operating activities	56.7 	(58.2)
Additio Disposa	INVESTING ACTIVITIES: as to property, plant and equipment as of property, plant and equipment	(24.9) 5.2	(25.6)
	ents of royalties tions of businesses net	 (12.0) 	(14.6) (63.6) (17.5)
	Net cash used in investing activities	(31.7)	(121.0)
	FINANCING ACTIVITIES: s to stockholders	(15.3)	(14.6)
Increase	owings under commercial paper obligations /(decrease) in notes payable stock to employees	(14.9) 4.4 10.6	87.8 (0.9) 8.8
Repaymen	from long term debt ts of long term debt ion of capital leases	16.2 (8.8) (0.2)	66.1 (6.5)
	Net cash provided by/(used in) financing activities	(8.0)	140.7
Effect o equiva	f exchange rates on cash and lents	(2.6)	6.4
Net incr	ease/(decrease) in cash and equivalents	14.4	(32.1)
Cash and	equivalents at beginning of period	102.3	130.7
Cash and	equivalents at end of period	\$116.7 =====	\$ 98.6 =====

See accompanying notes to consolidated financial statements.

Allergan, Inc.

Notes to Consolidated Financial Statements

1. In the opinion of management, the accompanying consolidated financial statements contain all adjustments necessary (consisting only of normal recurring accruals) to present fairly the financial information contained therein. These statements do not include all disclosures required by generally accepted accounting principles and should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 1995. The results of operations for the six months ended June 30, 1996 are not necessarily indicative of the results to be expected for the year ending December 31, 1996. Earnings per common and common equivalent share were computed by dividing net earnings by the weighted average number of common and common equivalent shares outstanding during the respective periods.

2. Components of inventory were:

	June 30, 1996	December 31, 1995
	(in mil	lions)
Finished goods	\$ 88.0	\$ 83.0
Work in process	17.0	11.3
Raw materials	26.0	26.5
Total	\$131.0	\$120.8
	=====	=====

- 3. Income taxes are determined using an estimated annual effective tax rate, which is less than the U.S. Federal statutory rate, primarily because of lower tax rates in Puerto Rico and in certain non U.S. jurisdictions. Withholding and U.S. taxes have not been provided for unremitted earnings of certain non U.S. subsidiaries because the Company expects that such earnings have been or will be reinvested in operations, or will be offset by appropriate credits for foreign income taxes paid.
- 4. The Company is involved in various litigation and claims arising in the normal course of business. The Company's management believes that recovery or liability with respect to these matters would not have a material adverse effect on the consolidated financial position and results of operations of the Company.
- 5. On July 23, 1996 the Board of Directors declared a quarterly cash dividend of \$0.12 per share, payable September 16, 1996 to stockholders of record on August 26, 1996.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE QUARTER ENDED JUNE 30, 1996

RESULTS OF OPERATIONS

The following table compares 1996 and 1995 net sales by Product Line for the second quarter and year-to-date periods:

	Ended J	Months Tune 30,	Ended d	Months June 30,
		(in mi	llions)	
Net Sales by Product Line:	1996	1995	1996	1995
Eye Care				
Pharmaceuticals	\$108.1	\$ 99.3	\$206.1	\$184.9
Surgical	47.1	48.4	87.6	88.5
Optical Lens Care	103.6	93.6	195.1	178.6
	258.8	241.3	488.8	452.0
Skin Care	14.4	8.8	28.2	16.3
Botox(R)	16.4	12.1	30.7	22.2
Total Net Sales	\$289.6	\$262.2	\$547.7	\$490.5
	=====	=====	=====	=====

For the quarter ended June 30, 1996 total net sales increased 10% to \$289.6 million as compared to the second quarter of 1995. Net sales for the six months ended June 30, 1996 were \$547.7 million, or 12% greater than the comparable 1995 amount. Sales growth excluding the impact of foreign exchange between comparable periods was 13% for the second quarter and the six months ended June 30, 1996. Net sales in international markets were \$176.3 million or 61% of total net sales for the second quarter, and \$325.0 million or 59% of total net sales for the six months ended June 30, 1996. In 1995, net sales in international markets were \$148.2 million or 57% of total net sales for the second quarter, and \$274.1 million or 56% of total net sales for the six months ended June 30,1995.

During 1995, Allergan acquired five businesses. Results in the second quarter of 1996 include sales of Laboratorios Frumtost S.A. (Frumtost), Herald Pharmacal, and the Pilkington Barnes Hind contact lens care product line with no comparable 1995 amounts. Sales from such acquired businesses account for the entire increase in sales in the second quarter of 1996, and 91% of the increase for the six months ended June 30, 1996.

For the three months ended June 30, 1996, Eye Care Pharmaceuticals sales increased 9% over the comparable 1995 period. For the six months ended June 30, 1996, such sales increased by 11% over the comparable 1995 period. Sales in the United States decreased \$8.5 million in the quarter and \$10.1 million in the first six months of 1996 primarily as a result of decreases in net realized prices of eye care products. Price decreases are primarily the result of increased price discounting to managed care organizations which represent an increasing portion of sales. Sales in international markets increased by \$17.3 million in the quarter and \$31.3 million in the first six months of 1996 primarily as a result of sales of Frumtost products totaling \$11.7 million for the second quarter and \$21.3 million for the first six months of 1996.

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Allergan, Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE QUARTER ENDED JUNE 30, 1996 (Continued)

RESULTS OF OPERATIONS (Continued)

Surgical sales decreased 3% in the second quarter of 1996 compared to the second quarter of 1995. For the first six months of 1996, surgical sales were 1% less than the comparable period in 1995. For the second quarter, domestic sales decreased 16% while international sales increased 10% over the second quarter of 1995. For the six month period ended June 30, 1996, domestic sales decreased 16% and international sales increased 14% compared to the first six months of 1995. Declines in cataract surgeries due to inclement weather in the first quarter in the United States, together with the initiation of a limited, voluntary recall of certain AMO(R) PhacoFlex II(R) Model SI-30 intraocular lenses ("IOLs") impacted 1996 operating results. Sales in international markets increased primarily as a result of increased market penetration in the sales of silicone IOLs, and phacoemulsification equipment manufactured by Optical Micro Systems (OMS). OMS was acquired in January 1995.

Optical lens care sales of \$103.6 million for the three months ended June 30, 1996 were 11% higher than the second quarter of 1995. Sales for the six months ended June 30, 1996 of \$195.1 million increased by 9% compared to 1995 sales. Domestic optical sales

increased by 15% in the second quarter and by 13% in the first six months of 1996 compared to comparable 1995 amounts. Optical sales in international markets increased by 9% in the second quarter and 8% in the first six months of 1996 compared to comparable 1995 results. Worldwide sales of Barnes Hind products contributed \$11.3 million in the quarter and \$21.4 million in the first six months of 1996, and accounted for the increases in both domestic and international sales. Decreases in base business sales, excluding Barnes Hind products, were primarily the result of decreases in Europe due to new private label competition and the continuing market shift from traditional peroxide systems to more convenient and lower priced one-bottle disinfection systems.

Skin Care Pharmaceuticals second quarter 1996 sales were 64% higher than the comparable quarter in 1995. Sales for the six months ended June 30, 1996 were 73% higher than the comparable period in 1995. Sales of Herald Pharmacal products contributed the majority of the 1996 increases.

Botox(R) (Botulinum Toxin Type A) purified neurotoxin complex sales increased by 36% in the second quarter and 38% in the first six months of 1996 compared to 1995 results. The increase was the result of strong growth in both the United States and international markets.

Allergan's gross margin percentage for the second quarter of 1996 was 66.4% of net sales, which represents a 2.4 percentage point decrease from the second quarter of 1995. The gross margin percentage for the six months ended June 30, 1996 was 66.6% representing a 2.2 percentage point decrease from the comparable 1995 percentage. The gross margin percentage declined in 1996 compared to 1995 primarily as a result of declines in margins in the contact lens care product line. Such declines were due, in part, to lower margins in the recently acquired Barnes Hind product line. Declines in eye care pharmaceutical margins, due in part to lower margins in Frumtost products, also contributed to the decline in gross margin percentage. Gross margin increased in the second quarter of 1996 and for

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Allergan, Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE QUARTER ENDED JUNE 30, 1996 (Continued)

RESULTS OF OPERATIONS (Continued)

the first six months of 1996 over comparable 1995 periods as a result of increases in net sales offset by the decreases in gross margin percentage.

Operating income was \$0.7 million for the second quarter and \$32.0 million for the six months ended June 30, 1996. Second quarter results in 1996 include special charges for restructuring costs of \$34.2 million and asset write-offs of \$6.7 million. Results for the second quarter of 1995 include a charge of \$50.0 million for a contribution to a new research and development company, Allergan Ligand Retinoid Therapeutics, Inc. (ALRT). Excluding the impact of the special charges in 1996 and the contribution to ALRT in 1995, operating income was \$41.6 million for the second quarter and \$72.9 million for the six months ended June 30, 1996, compared to \$37.7 million for the second quarter and \$65.8 million for the first six months of 1995. The second quarter 1996 amount represents a 10% increase while the six month result reflects an 11% increase in operating income compared to 1995 results. Operating income for the second quarter and six months ended June 30, 1996, excluding the special charges in 1996 and 1995, increased as a result of increased gross margin from increased sales. Offsetting these increases were increased SG&A expenses relating primarily to promotional activities and goodwill amortization related to acquired businesses.

Net earnings were \$0.7 million in the second quarter and \$23.8 million for the first six months of 1996. The Company incurred net losses of \$23.0 million for the second quarter and \$1.3 million for the first six months of 1995. The impact on 1996 amounts from the restructuring charge was \$24.3 million net of applicable income taxes, and from the asset write-offs was \$4.8 million net of applicable income taxes. The 1995 amounts include the \$50.0 million charge for the contribution to ALRT. Excluding the impact on net earnings from the restructuring charge and asset write-offs in 1996 and the contribution to ALRT in 1995, net earnings for the second quarter were \$29.8 million compared to \$27.0 million in 1995, and for the six months ended June 30, 1996, net earnings were \$52.9 million compared to \$48.7 million in 1995. Net earnings, excluding the special charges in 1995 and 1996, increased in the second quarter as a result of the increase in operating income offset by increased currency translation losses and income taxes. For the six months ended June 30, 1996, net earnings, excluding the special charges in 1995 and 1996, increased as a result of an increase in operating income offset by increases in currency translation losses, interest expense and income taxes.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 1996, the Company had four long-term credit facilities and a medium term note program. The credit facilities allow for

borrowings of up to \$18.5 million through November 1996, and \$27.7 million through 1999, \$250.0 million through 2001, and \$46.3 million through 2003. The note program allows the Company to issue up to \$200 million in notes. Borrowings under the credit facilities are subject to certain financial and operating covenants, including a requirement that the Company maintain certain financial ratios and other customary covenants for credit facilities of similar kind. As of June 30, 1996, the Company had \$81.5 million in borrowings under three of the credit facilities and \$85.0

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Allergan, Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE QUARTER ENDED JUNE 30, 1995 (Continued)

LIQUIDITY AND CAPITAL RESOURCES (Continued)

million under the note program. As of June 30, 1996, the Company has classified \$61.6 million of its commercial paper borrowings and \$81.5 million borrowed under the credit facilities as a long-term debt based upon the Company's ability to maintain such debt under terms of the credit facilities described above. As of June 30, 1996, the Company had commercial paper borrowings of \$91.6 million.

The net cash provided by operating activities for the six months ended June 30, 1996 was \$56.7 million compared with \$58.2 million used in operating activities for the respective 1995 period. Operating cash flow in 1995 was reduced primarily by the \$50 million charge for the contribution to ALRT. In addition, operating cash flow in 1995 was decreased as a result of a significant reduction in income taxes payable. Most of the Company's existing cash and equivalents are held by its non-U.S. subsidiaries and will be reinvested in operations outside the United States.

The Company invested \$24.9 million in new facilities and equipment during the six months ended June 30, 1996 compared to \$25.6 million during the same period in 1995. In 1995, the Company invested \$63.6 million in the acquisition of businesses including OMS and a pharmaceutical business in Brazil.

Cash used in financing activities was \$8.0 million in the six months ended June 30, 1996 compared to \$140.7 million cash provided by financing activities in 1995. The amounts include dividend outflows of \$15.3 million in 1996 and \$14.6 million in 1995. The 1995 amount includes proceeds from commercial paper and long-term debt to provide cash to fund acquisitions of businesses, the contribution to ALRT, and prepayments of royalties.

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Allergan, Inc.

PART II - OTHER INFORMATION

Item 5.	Other In	formation.
None		
Item 6.	Exhibits	and Reports on Form 8-K
	hibits (numbered in	accordance with Item 601 of Regulation S-K)
agraamant	10.1	Form of Allergan change in control severance
agreement	10.2	First Amendment to Allergan, Inc. Executive Deferred Compensation Plan
	10.3	First Amendment to Allergan, Inc. Employee Stock Ownership Plan
	10.4	First Amendment to Allergan, Inc. Savings and Investment Plan
	11	Statement re Computation of Per Share Earnings

Financial Data Schedule

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- Reports on Form 8-K. None.

11 SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: August 12, 1996

/s/ A. J. Moyer

A. J. Moyer

Corporate Vice President and Chief Financial Officer

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Exhibit 10.1

AGREEMENT

This Agreement ("Agreement") is dated as of ______, and is entered into by and between "Name" ("Employee"), and Allergan, Inc., a Delaware corporation (the "Company").

RECITALS

The Company believes that because of its position in the industry, financial resources and historical operating results there is a possibility that the Company may become the subject of a Change in Control (as defined below), either now or at some time in the future.

The Company believes that it is in the best interest of the Company and its stockholders to foster Employee's objectivity in making decisions with respect to any pending or threatened Change in Control of the Company and to assure that the Company will have the continued dedication and availability of Employee as an employee of the Company or one of its affiliates, notwithstanding the possibility, threat or occurrence of a Change in Control. The Company believes that these goals can be accomplished by alleviating certain of the risks and uncertainties with regard to Employee's financial and professional security that would be created by a pending or threatened Change in Control and that inevitably would distract Employee and could impair his or her ability to objectively perform his or her duties for and on behalf of the Company. Accordingly, the Company believes that it is appropriate and in the best interest of the Company and its stockholders to provide to Employee compensation arrangements upon a Change in Control that lessen Employee's financial risks and uncertainties and that are competitive with those of other corporations.

With these and other considerations in mind, the Board of Directors of the Company, acting through its Organization and Compensation Committee, has authorized the Company to enter into this Agreement with Employee to provide the protections set forth herein for Employee's financial security following a Change in Control.

NOW, THEREFORE, in consideration of the foregoing, it is hereby agreed as follows:

1. Term of Agreement. This Agreement shall be effective from the date first written above until December 31, 199___. The Company may, in its sole discretion and for any reason, provide written notice of termination (effective as of the then applicable expiration date) to Employee no later than 60 days before the expiration date of this Agreement. If written notice is not so provided, this Agreement

shall be automatically extended for an additional period of 12 months past the expiration date. This Agreement shall continue to be automatically extended for an additional 12 months at the end of such 12-month period and each succeeding 12-month period unless notice is given in the manner described in this Section. No termination of this Agreement shall affect Employee's rights hereunder with respect to a Change in Control which has occurred prior to such termination.

- 2. Purpose of Agreement. The purpose of this Agreement is to provide that, in the event of a "Change in Control," Employee may become entitled to receive certain additional benefits, as described herein, in the event of his or her termination.
- 3. Change in Control. As used in this Agreement, the phrase "Change in Control" shall mean the following and shall be deemed to occur if any of the following events occur:
- (a) Any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company's then outstanding voting securities;
- (b) Individuals who, as of the date hereof, constitute the Board of Directors of the Company (the "Incumbent Board"), cease for any reason to constitute at least a majority of the Board of Directors, provided that any person becoming a director subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, is approved by a vote of at least a majority of the directors then comprising the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the directors of the Company, as such terms are used Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) shall, for the purposes of this Agreement, be considered as though such person were a member of the Incumbent Board of the Company;
- (c) The stockholders of the Company approve a merger or consolidation with any other corporation, other than
- (1) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of another entity) more than 50% of the combined voting power of the voting securities of the Company or such other entity outstanding immediately after such merger or consolidation, and
- (2) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no

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person acquires 20% or more of the combined voting power of the Company's then outstanding voting securities; or

(d) The stockholders of the Company approve a plan of complete liquidation of the Company or an agreement for the sale or other disposition by the Company of all or substantially all of the Company's assets.

Notwithstanding the preceding provisions of this Section, a Change in Control shall not be deemed to have occurred (1) if the "person" described in the preceding provisions of this Section is an underwriter or underwriting syndicate that has acquired the ownership of 20% or more of the combined voting power of the Company's then outstanding voting securities solely in connection with a public offering of the Company's securities, or (2) if the "person" described in the preceding provisions of this Section is an employee stock ownership plan or other employee benefit plan maintained by the Company (or any of its affiliated companies) that is qualified under the provisions of the Employee Retirement Income Security Act of 1974, as amended.

- 4. Effect of a Change in Control. In the event of a Change in Control, Sections 6 through 10 of this Agreement shall become applicable to Employee. These Sections shall continue to remain applicable until the second anniversary of the date upon which the Change in Control occurs. At that point, so long as the employment of Employee has not been terminated on account of a Qualifying Termination, as defined in Section 5, this Agreement shall terminate and be of no further force. If Employee's employment with the Company and its affiliated companies is terminated on account of a Qualifying Termination on or before such date, this Agreement shall remain in effect until Employee receives the various benefits to which he or she has become entitled under the terms of this Agreement.
- 5. Qualifying Termination. If, subsequent to a Change in Control Employee's employment with the Company and its affiliated companies is terminated, such termination shall be considered a Qualifying Termination unless:
- (a) Employee voluntarily terminates his or her employment with the Company and its affiliated companies. Employee, however, shall not be considered to have voluntarily terminated his or her employment with the Company and its affiliated companies if, following

the Change in Control, Employee's overall compensation is reduced or adversely modified in any material respect or Employee's duties are materially changed, and subsequent to such reduction, modification or change, Employee elects to terminate his or her employment with the Company and its affiliated companies. For such purposes, Employee's duties shall be considered to have been "materially changed" if, without Employee's express written consent, there is any substantial diminution or adverse modification in Employee's overall position, responsibilities or reporting relationship, or if, without Employee's express written consent, Employee's job location is transferred to a site more than 50

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miles away from his or her place of employment prior to the Change in Control.

- (b) The termination is on account of Employee's death or Disability. For such purposes, "Disability" shall mean a physical or mental incapacity as a result of which Employee becomes unable to continue the performance of his or her responsibilities for the Company and its affiliated companies and which, at least 26 weeks after its commencement, is determined to be total and permanent by a physician agreed to by the Company and Employee, or in the event of Employee's inability to designate a physician, Employee's legal representative. In the absence of agreement between the Company and Employee, each party shall nominate a qualified physician and the two physicians so nominated shall select a third physician who shall make the determination as to Disability.
- (c) Employee is involuntarily terminated for "cause." For this purpose, "cause" shall be limited to only three types of events:
- (1) the willful refusal of Employee to comply with a lawful, written instruction of the Board so long as the instruction is consistent with the scope and responsibilities of Employee's position prior to the Change in Control;
- (2) dishonesty by Employee which results in a material financial loss to the Company (or to any of its affiliated companies) or material injury to its public reputation (or to the public reputation of any of its affiliated companies); or
- (3) Employee's conviction of any felony involving an act of moral turpitude.
- 6. Severance Payment. If Employee's employment is terminated as a result of a Qualifying Termination, the Company shall pay Employee within 30 days after the Qualifying Termination a cash lump sum equal to "oftimes" Employee's "Compensation" (the "Severance Payment").
- (a) For purposes of this Agreement, Employee's "Compensation" shall equal the sum of (i) Employee's highest annual salary rate within the five-year period ending on the date of Employee's Qualifying Termination plus (ii) a "Management Bonus Increment." The Management Bonus Increment shall equal the average of the two highest of the last five bonuses paid to Employee under the Management Bonus Plan or any successor thereto.
- (b) In lieu of a cash lump sum, Employee may elect to receive the Severance Payment provided by this Section in equal annual installments over two (2) or three (3) years at Employee's election. Such installments shall be paid to Employee on each anniversary of the date of Employee's Qualifying

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Termination, beginning with the first such anniversary and continuing on each such anniversary thereafter until fully paid. Such election to receive the Severance Payment in installments, and the number of installments to receive, may be made and/or revoked by Employee at any time prior to the occurrence of a Change in Control by written notice to the Secretary of the Company. Upon the occurrence of a Change in Control, any such election to receive the Severance Payment in installments that has been made and not revoked prior to the Change in Control shall be irrevocable and binding on both the Company and Employee. In the event that at the time of a Change in Control there is not in effect an election by Employee to receive the Severance Payment in installments, such Severance Payment shall be paid to Employee in a single cash lump sum as provided above.

- (c) If Employee has not participated in the Management Bonus Plan (including any successor thereto) for at least two full plan years, then the missing bonus component(s) will be computed, for purposes of calculating the Management Bonus Increment under this Agreement, by reference to the guideline percentage for officers at Employee's grade level for the most recently completed bonus period, assuming a 100% target bonus for both corporate and individual objectives.
- (d) The Severance Payment hereunder is in lieu of any severance payment that Employee might otherwise be entitled to from the Company under the Company's applicable severance pay policies.
- 7. Incentive Compensation Grants. Employee may have received stock option grants, grants of restricted stock or other incentive compensation awards under the Allergan, Inc. 1989 Incentive Compensation Plan or other incentive compensation plans of the

Company (collectively the "Incentive Plans"). In the event of a Qualifying Termination, the Company agrees that any and all such stock options, restricted stock and other incentive compensation awards that are outstanding at the time of such termination and that have not previously become exercisable, payable or free from restrictions, as the case may be, shall immediately become exercisable, payable or free from restrictions (other than restrictions required by applicable law or any national securities exchange upon which any securities of the Company are then listed), as the case may be, in their entirety, and that the exercise period of any stock option or other incentive award granted pursuant to any of the Incentive Plans shall continue for the length of the exercise period specified in the grant of the award determined without regard to Employee's termination of employment.

8. Retirement Plan. In addition to any retirement benefits that might otherwise be due Employee under the Allergan, Inc. Pension Plan or any successor qualified defined benefit plan maintained by the Company (the "Retirement Plan") or under the Allergan, Inc. Retirement Income Plan and the Allergan, Inc. Supplemental Executive Benefit Plan or any successor supplemental employee retirement plan(s) maintained by the Company (collectively the "SERP"), Employee

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shall receive additional payments from the Company calculated as set forth in this Section if Employee is terminated on account of a Qualifying Termination.

- (a) At the time that Employee (or Employee's beneficiary) first begins to receive benefits under the Retirement Plan, there shall be calculated the difference between the benefit that Employee or Employee's beneficiary has begun to receive under the Retirement Plan and/or the SERP and the benefit that would have been received if Employee had worked for another years~ subsequent to the date of the Qualifying Termination. For the purpose of the preceding sentence, Employee shall be deemed to have received "Earnings" under the Retirement Plan and the SERP for the period subsequent to the Qualifying Termination at an annual rate equal to his or her Compensation, as calculated under Section 6(a) of this Agreement. This difference shall be paid by the Company as a supplemental payment to Employee's beneficiary for the period of time that he or she is entitled to the payment that is being supplemented.
- (b) Notwithstanding the preceding subsection, Employee shall not be treated under this Section as if he or she had continued employment with the Company once Employee elects to commence to receive benefits under the Retirement Plan. For example, if Employee elects to commence to receive benefits one year after his or her Qualifying Termination, then Employee shall be credited with only one year's additional employment under this Section, even if Employee is entitled to receive a Severance Payment equal to three times his or her Compensation.
- (c) If Employee is not a participant in the Retirement Plan, Employee will be provided with the benefits contemplated by the provisions of this Section 8 as part of the retirement plan provided by the affiliate of the Company in which Employee is employed.
- 9. Additional Benefits. In the event of a Qualifying Termination, Employee shall be entitled to continue to participate in all of the employee benefit programs available to Employee before the Qualifying Termination, including but not limited to, group medical insurance, group dental insurance, group-term life insurance, disability insurance, automobile allowance, gasoline allowance, and a full allowance for club dues and tax and financial planning. In addition, Employee shall receive Executive Outplacement benefits of a type and duration generally provided to executives at Employee's level. These programs shall be continued at no cost to Employee, except to the extent that tax rules require the inclusion of the value of such benefits in Employee's income. The programs shall be continued in the same way and at the same level as immediately prior to the Qualifying Termination. If Employee is employed by an affiliate of the Company that does not provide the additional benefits enumerated, Employee shall be entitled to continue to participate in the employee benefit programs in which Employee had been participating prior to the Qualifying Termination. The programs shall continue for "years".

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- 10. Indemnification for Excise Tax. In the event that Employee becomes entitled to receive a Severance Payment in accordance with the provisions of Section 6 above, and such Severance Payment or any other benefits or payments (including transfers of Property) that Employee receives, or is to receive, pursuant to this Agreement or any other agreement, plan or arrangement with the Company in connection with a Change in Control of the Company ("Other Benefits") shall be subject to the tax imposed pursuant to Section_4999 of the Internal Revenue Code of 1986, as amended (the "Code") (or any successor thereto) or any comparable provision of state law (an "Excise Tax"), the following rules shall apply:
- (a) The Company shall pay to Employee, within 30 days after Employee's Qualifying Termination, an additional amount (the "Gross-Up Payment") such that the net amount retained by Employee, after deduction of any Excise Tax with respect to the Severance Payments or the Other Benefits and any federal, state and local income tax and Excise Tax upon such Gross-Up Payment, is equal to the amount that would have been retained by Employee if such Excise Tax were not applicable. It is intended that Employee shall not suffer any loss or expense resulting from the assessment of any Excise Tax or the Company's reimbursement of Employee for payment

of any such Excise Tax.

(b) For purposes of determining whether any of the Severance Payments or Other Benefits will be subject to an Excise Tax and the amount of such Excise Tax, (i) any other payment or benefits received or to be received by Employee in connection with a Change in Control of the Company or Employee's termination of employment (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement with the Company, any person whose actions result in a Change in Control or any person affiliated with the Company or such person) shall be treated as "parachute payments" within the meaning of Section 280G(b)(2) of the Code (or any successor thereto), and all "excess parachute payments" within the meaning of Section 280G(b)(1) of the Code (or any successor thereto) shall be treated as subject to the Excise Tax, unless in the opinion of tax counsel selected by the Company's independent auditors and acceptable to Employee such other payments or benefits (in whole or in part) do not constitute parachute payments, or such excess parachute payments (in whole or in part) represent reasonable compensation for services actually rendered within the meaning of Section 280G(b)(4) of the Code (or any successor thereto), (ii) the amount of the Severance Payments and Other Benefits which shall be treated as subject to the Excise Tax shall be equal to the lesser of (A) the total

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amount of the Severance Payments or Other Benefits or (B) the amount of excess parachute payments within the meaning of Sections 280G(b)(1) and (4) of the Code (or any successor or successors thereto), after applying clause (i), above, and (iii) the value of any non-cash benefits or any deferred payment or benefit shall be determined by the Company's independent auditors in accordance with

Principles of Sections 280G(d)(3) and (4) of the Code (or any successor or successors thereto).

- (c) For purposes of determining the amount of the Gross-Up Payment, Employee shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation in the calendar year in which the Gross-Up Payment is to be made and state and local income taxes at the highest marginal rates of taxation in the state and locality of Employee's residence on the date of Employee's Qualifying Termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.
- (d) In the event that the Excise Tax is subsequently determined to be less than the amount taken into account hereunder at the time of Employee's Qualifying Termination, Employee shall repay to the Company, at the time that the amount of such reduction in Excise Tax is finally determined, the portion of the Gross-Up Payment attributable to such reduction plus interest on the amount of such repayment at the rate provided in Section_1274(b)(2)(B) of the Code (or any successor thereto) (the "Applicable Rate"). In the event that the Excise Tax is determined to exceed the amount taken into account hereunder at the time of such Qualifying Termination (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-Up Payment), the Company shall make an additional Gross-Up Payment in respect of such excess (plus interest, determined at the Applicable Rate, payable with respect to such excess) at the time that the amount of such excess is finally determined.
- 11. Rights and Obligations Prior to a Change in Control. Prior to a Change in Control, the rights and obligations of Employee with respect to his or her employment by the Company shall be determined in accordance with the policies and procedures adopted from time to time by the Company and the provisions of any written employment contract in effect between the Company and Employee from time to time. This Agreement deals only with certain rights and obligations of Employee subsequent to a Change in Control, and the existence of this Agreement shall not be treated as raising any inference with respect to what rights and obligations exist prior to a Change in Control. Unless otherwise expressly set forth in a separate employment agreement between Employee and the Company, the employment of Employee is at-will, and Employee or the Company may terminate Employee's employment with the Company at any time and for any reason, with or without cause, provided that if such termination occurs within two years after a Change in Control and constitutes a Qualifying Termination (as defined in Section 5 above) the provisions of this Agreement shall govern the payment of the Severance Payment and certain other benefits as provided herein.
- 12. Non-Exclusivity of Rights. Subject to Section_6(d)above, nothing in this Agreement shall prevent or limit Employee's continuing or future participation in any benefit, bonus, incentive or other plan or program provided by the Company

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or any of its affiliated companies and for which Employee may qualify, nor shall anything herein limit or otherwise affect (except as provided in Section 7 above) such rights as Employee may have under any stock option or other agreements with the Company or any of its affiliated companies. Except as otherwise provided in Section 6(d)above, amounts which are vested benefits or which Employee is otherwise entitled to receive under any plan or program of the Company or any of its affiliated companies at or subsequent to the date of any Qualified Termination shall be payable in accordance with such plan or program.

13. Full Settlement. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counter-claim, recoupment, defense or other claim, right or action which the

Company may have against Employee or others. In no event shall Employee be obligated to seek other employment or to take any other action by way of mitigation of the amounts payable to Employee under any of the provisions of this Agreement. The Company agrees to pay, to the full extent permitted by law, all legal fees and expenses which Employee may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company or others of the validity or enforceability of, or liability under, any provision of this Agreement or any guarantee of performance thereof (including as a result of any contest by Employee about the amount of any payment pursuant to Section 10 of this Agreement), plus in each case interest at the Applicable Rate (as defined in Section 10 above).

14. Successors.

- (a) This Agreement is personal to Employee, and without the prior written consent of the Company shall not be assignable by Employee other than by will or the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by Employee's legal representatives.
- (b) The rights and obligations of the Company under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the Company.
- 15. Governing Law. This Agreement is made and entered into in the State of California, and the laws of California shall govern its validity and interpretation in the performance by the parties hereto of their respective duties and obligations hereunder.
- 16. Entire Agreement. This Agreement constitutes the entire agreement between the parties respecting the benefits due Employee in the event of a Change in Control followed by a Qualifying Termination, and there are no representations, warranties or commitments, other than those set forth herein, which relate to such benefits. This Agreement may be amended or modified only by an instrument in writing executed by all of the parties hereto.

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17. Dispute Resolution.

- (a) Any controversy or dispute between the parties involving the construction, interpretation, application or performance of the terms, covenants, or conditions of this Agreement or in any way arising under this Agreement (a "Covered Dispute") shall, on demand by either of the parties by written notice served on the other party in the manner prescribed in Section 18 hereof, be referenced pursuant to the procedures described in California Code of Civil Procedure ("CCP") Sections 638, et seq., as they may be amended from time to time (the "Reference Procedures"), to a retired Judge from the Superior Court for the County of Los Angeles or the County of Orange for a decision.
- (b) The Reference Procedures shall be commenced by either party by the filing in the Superior Court of the State of California for the County of Orange of a petition pursuant to CCP Section 638(1) (a "Petition").

Said Petition shall designate as a referee a Judge from the list of retired Los Angeles County and Orange County Superior Court Judges who have made themselves available for trial or settlement of civil litigation under said Reference Procedures. If the parties hereto are unable to agree on the designation of a particular retired Los Angeles County or Orange County Superior Court Judge or the designated Judge is unavailable or unable to serve in such capacity, request shall be made in said Petition that the Presiding or Assistant Presiding Judge of the Orange County Superior Court appoint as referee a retired Los Angeles County or Orange County Superior Court Judge from the aforementioned list.

- (c) Except as hereafter agreed by the parties, the referee shall apply the law of California in deciding the issues submitted hereunder. Unless formal pleadings are waived by agreement among the parties and the referee, the moving party shall file and serve its complaint within 15 days from the date a referee is designated as provided herein, and the other party shall have 15 days thereafter in which to plead to said complaint. Each of the parties reserves its respective rights to allege and assert in such pleadings all claims, causes of action, contentions and defenses which it may have arising out of or relating to the general subject matter of the Covered Dispute that is being determined pursuant to the Reference Procedures. Reasonable notice of any motions before the referee shall be given, and all matters shall be set at the convenience of the referee. Discovery shall be conducted as the parties agree or as allowed by the referee. Unless waived by each of the parties, a reporter shall be present at all proceedings before the referee.
- (d) It is the parties' intention by this Section 17 that all issues of fact and law and all matters of a legal and equitable nature related to any Covered Dispute will be submitted for determination by a referee designated as provided herein. Accordingly, the parties hereby stipulate that a referee

designated as provided herein shall have all powers of a Judge of the Superior Court including, without limitation, the power to grant equitable and interlocutory and permanent injunctive relief.

- (e) Each of the parties specifically (i) consents to the exercise of jurisdiction over his or her person by a referee designated as provided herein with respect to any and all Covered Disputes; and (ii) consents to the personal jurisdiction of the California courts with respect to any appeal or review of the decision of any such referee.
- (f) Each of the parties acknowledges that the decision by a referee designated as provided herein shall be a basis for a judgment as provided in CCP Section_644 and shall be subject to exception and review as provided in CCP Section_645.
- 18. Notices. Any notice or communications required or permitted to be given to the parties hereto shall be delivered personally, sent via facsimile or via an overnight courier service or be sent by United States registered or certified mail, postage prepaid and return receipt requested, and addressed or delivered as follows, or as such other addresses the party addressed may have substituted by notice pursuant to this Section:
- (a) If to the Company: Allergan, Inc. 2525 Dupont Drive Irvine, California 92612 Attn: General Counsel
- (b) If to Employee: "First address" "Second address" "Third address" "City state zip"
- 19. Captions. The captions of this Agreement are inserted for convenience and do not constitute a part hereof.
- 20. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein and there shall be deemed substituted for such invalid, illegal or unenforceable provision such other provision as will most nearly accomplish the intent of the parties to the extent permitted by the applicable law. In case this Agreement, or any one or more of the provisions hereof, shall be held to be invalid, illegal or unenforceable within any governmental jurisdiction or subdivision thereof, this Agreement or any such provision thereof shall not as a consequence thereof be

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deemed to be invalid, illegal or unenforceable in any other governmental jurisdiction or subdivision thereof.

21. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall together constitute one in the same Agreement.

IN WITNESS HEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first written above.

Dated:	, 1996.	ALLERGAN, INC.
		By:
		William C. Shepherd Chairman and Chief Executive Officer
Dated:	, 1996.	
		"Name"

Exhibit 10.2

FIRST AMENDMENT TO

ALLERGAN, INC.

EXECUTIVE DEFERRED COMPENSATION PLAN

The ALLERGAN, INC. EXECUTIVE DEFERRED COMPENSATION PLAN (the "Plan")

is hereby amended to read as follows:

- 1. Section 14.1 of the Plan is hereby restated in its entirety to read as follows:
- "14.1 Effect of a Change in Control. Notwithstanding any other provision of the Plan, in the event that a Change in Control (as defined in Section 14.2) occurs on or after the Effective Date hereof, each Participant shall be entitled to have interest credited for all purposes under the Plan at the Retirement Rate if (a) he or she has a Termination of Employment within twenty-four (24) months after the date such Change in Control occurs and (b) the Termination of Employment constitutes a "Qualified Termination" under a written agreement with the Participant, or if no written agreement is in effect, under the applicable provisions of the Company's employee handbook. In addition, notwithstanding Section 16.6, the Company may not, after a Change in Control, amend or terminate the Plan in any manner in order to (a) change downward the method of determining the interest rate to be credited to the Deferral Accounts of Participants thereafter without the written consent of such Participants or (b) modify or eliminate any distribution method, option or election (including all such methods, options and elections set forth in Articles VI through XII of the Plan) available to Participants with respect to Deferral Accounts and Deferral Elections that exist on the date such Change in Control occurs."

IN WITNESS WHEREOF, Allergan, Inc. hereby executes this instrument evidencing the above terms of the Allergan, Inc. Executive Deferred Compensation Plan effective as of July 23, 1996.

By: /S/ Francis R. Tunney, Jr.

Title: Corporate Vice President, General Counsel and Secretary

Exhibit 10.3

FIRST AMENDMENT TO

ALLERGAN, INC.

EMPLOYEE STOCK OWNERSHIP PLAN

(RESTATED 1996)

The ALLERGAN, INC. EMPLOYEE STOCK OWNERSHIP PLAN (RESTATED 1996) (the

"Plan") is hereby amended to read as follows:

- 1. The last paragraph of Section 5.11 of the Plan is amended by deleting it in its entirety and replacing it with the following:
- "Notwithstanding the foregoing, a Qualified Participant who is an Insider may only elect to diversify his ESOP Account if, within six month before the Participant's election, he has not made an election under the Allergan, Inc. Savings and Investment Plan or the provision of any Company plan covered by Rule 16b-3 (promulgated pursuant to the Securities Exchange Act of 1934) then in existence that would result in the transfer into a Company equity securities fund."
- 2. A new Section 10.4(c) is hereby added to read as follows:

"(c) In the event of a Change in Control (as defined in Section 10.4(b) above), the Company shall be required to repay in full, solely from its own funds and within thirty (30) days following the date of such Change in Control, all Exempt Loans and Substitute Loans outstanding on the date of the Change in Control.

Notwithstanding any other provision of the Plan to the contrary, all assets (including Company Stock) and funds that are released from the Exempt Loan Suspense Subfund on account of repayment by the Company under this Section 10.4(c) shall be allocated, for the Plan Year in which the Change in Control occurs, in accordance with the formula set forth herein (consistent with the requirements imposed under Article XI, Section 4.2(d) and other requirements of the Code). Under the formula for allocation set forth herein, assets and funds that are released shall be allocated to Employees who are Participants as of the date of the Change in Control (or who would have been Participants but for their death, Disability or retirement at or after age 55 during the Plan Year) in the same ratio that each such Participant's Compensation for the Plan Year through the last pay period ending on or before the date of such Change in Control bears to the total Compensation of all such Participants for the Plan Year through their last pay periods ending on or before the date of such Change in Control."

IN WITNESS WHEREOF, Allergan, Inc. hereby executes this instrument evidencing the above terms of the Allergan, Inc. Employee Stock Ownership Plan effective as of July 23, 1996.

By: /S/ Francis R. Tunney, Jr.

Title: Corporate Vice President, General Counsel and Secretary

Exhibit 10.4

FIRST AMENDMENT TO

ALLERGAN, INC.

SAVINGS AND INVESTMENT PLAN

(RESTATED 1996)

The ALLERGAN, INC. SAVINGS AND INVESTMENT PLAN (RESTATED 1996) (the

"Plan") is hereby amended to read as follows:

- 1. Section 5.5 of the Plan is amended by adding the following subsection (i):
- "(i) Notwithstanding anything to the contrary in this Section 5.5 or

Section 4.1 or Section 8.1, the following additional transfer and withdrawal restrictions shall apply to all Participants who are Insiders. For the purpose of this Section 5.5, the term "Insider" shall mean any Participant who is directly or indirectly the beneficial owner of more than 10% of any class of any equity security (other than an exempted security) of the Sponsor (or the Company) which is registered pursuant to Section 12 of the Securities Exchange Act of 1934 (the '34 Act") or who is a "director" or an "officer" of the Sponsor or the Company as those terms are interpreted for the purpose of determining persons subject to Section 16 of the '34 Act.

- (a) Any Insider who transfers amounts invested in the Company Stock Fund out of such fund and into another fund or withdraws cash in a transaction that results in the liquidation of amounts in the Company Stock Fund (pursuant to Sections 8.1 or 8.12 below), may not for a period of six months following the Participant's election to so transfer funds, withdraw cash or take a loan, as the case may be, make an election to transfer amounts from another fund into the Company Stock Fund.
- (b) Any Insider who transfers amounts invested in a fund other than the Company Stock Fund into the Company Stock Fund, may not for a period of six months following the Participant's election to so transfer funds make an election to (x) transfer amounts from the Company Stock Fund into another fund, (y) withdraw cash or take a loan in a transaction that results in the liquidation of amounts in the Company Stock Fund or (z) utilize the diversification rule of Section 5.11 of the Allergan, Inc. Employee Stock Ownership Plan or the provision of any Company plan covered by Rule 16b-3 (promulgated pursuant to the '34 Act) then in existence that would result in the transfer out of a Company equity securities fund."

2. Section 8.1(h) of the Plan is amended by deleting it in its entirety and replacing it with the following:

"(h) Notwithstanding anything to the contrary in this

Section 8.1 or Section 4.1, the additional withdrawal restrictions stated in Section 5.5(i) above shall apply to all Participants who are Insiders, as that term is defined in Section 5.5(i) above."

IN WITNESS WHEREOF, Allergan, Inc. hereby executes this instrument evidencing the above terms of the Allergan, Inc. Savings and Investment Plan effective as of July 23, 1996.

By: /S/ Francis R. Tunney, Jr.

Title: Corporate Vice President, General Counsel and Secretary

ALLERGAN, INC.

EXHIBIT 11

COMPUTATION OF EARNINGS PER SHARE

Earnings per share of common stock, including common stock equivalents, have been computed based on the following weighted average number of shares and net earnings:

	Three Months Ended	Six Months Ended
	June 30, 1996	June 30, 1996
(in millions, except per share amounts)		
Weighted average number of shares outstanding during the period	65.0	64.7
Weighted average number of additional shares issuable in connection with dilutive stock options based upon use of the treasury stock method		
and average market prices	0.9	1.0
Weighted average number of common shares		
including common stock equivalents	65.9	65.7
	=====	====
Net Earnings for the period	\$ 0.7	\$ 23.8
	=====	=====
Primary Earnings per Common Share	\$ 0.01	\$ 0.36
	=====	=====

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ARTICLE 5 MULTIPLIER: 1,000 CURRENCY: U.S. DOLLARS

PERIOD TYPE	6 MOS
FISCAL YEAR END	DEC 31 1996
PERIOD START	JAN 01 1996
PERIOD END	JUN 30 1996
EXCHANGE RATE	1
CASH	116,700
SECURITIES	0
RECEIVABLES	223,500
ALLOWANCES	6,300
INVENTORY	131,000
CURRENT ASSETS	567,100
PP&E	594,500
DEPRECIATION	249,500
TOTAL ASSETS	1,334,000
CURRENT LIABILITIES	330,700
BONDS	252,800
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	700
OTHER SE	695,300
TOTAL LIABILITY AND EQUITY	1,334,000
SALES	547,700
TOTAL REVENUES	547,700
CGS	183,000
TOTAL COSTS	183,000
OTHER EXPENSES	0
LOSS PROVISION	1,503
INTEREST EXPENSE	6,800
INCOME PRETAX	33,000
INCOME TAX	9,600
INCOME CONTINUING	23,800
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	23,800
EPS PRIMARY	.36
EPS DILUTED	.36

End of Filing