

ADVANCED MEDICAL OPTICS INC
Form S-4
August 02, 2002

As filed with the Securities and Exchange Commission on August 2, 2002

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

Advanced Medical Optics, Inc.*

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

3851
(Primary Standard Industrial
Classification Code Number)

33-0986820
(I.R.S. Employer
Identification Number)

1700 E. St. Andrew Place
Santa Ana, California 92799-5162
(714) 247-8200

(Address, including zip code, and telephone number, including area code, of each of the co-registrants principal executive offices)

* See Additional Registrant below.

Aimee S. Weisner
Corporate Vice President, General Counsel and Secretary
1700 E. St. Andrew Place
Santa Ana, California 92799-5162
(714) 247-8200

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

Copies to:
Lawrence B. Cohn
Christopher D. Ivey
Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
(949) 725-4000

Approximate date of commencement of proposed sale to the public: As soon as practicable after this registration statement becomes effective.

Edgar Filing: ADVANCED MEDICAL OPTICS INC - Form S-4

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

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

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Exchange Note	Proposed Maximum Aggregate Offering Price(1)	Amount Of Registration Fee(1)
9 1/4% Senior Subordinated Notes Due 2010(2)	\$200,000,000	100.0%	\$200,000,000	\$18,400
Guarantee of the 9 1/4% Senior Subordinated Notes due 2010(3)	N/A	N/A	N/A	N/A

- (1) The registration fee has been calculated pursuant to Rule 457 under the Securities Act. The Proposed Maximum Aggregate Offering Price is estimated solely for the purpose of calculating the registration fee.
- (2) The 9 1/4% Senior Subordinated Notes due 2010 will be the obligations of Advanced Medical Optics, Inc.
- (3) AMO Holdings, LLC is a guarantor on an unconditional basis of the obligations of Advanced Medical Optics, Inc. under the 9 1/4% Senior Subordinated Notes due 2010. Pursuant to Rule 457(n), no additional registration fee is being paid in respect of the guarantee. The guarantee is not traded separately.

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

Additional Registrant

Exact name of registrant as specified in its charter; address, including zip code, and telephone number, including area code, of principal executive office	State or other jurisdiction of incorporation or organization	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification Number
AMO Holdings, LLC c/o Advanced Medical Optics, Inc. 1700 E. St. Andrew Place Santa Ana, California 92799-5162 Telephone (714) 247-8200	Delaware	3851	46-0469779

Subject to completion, dated August 2, 2002

PROSPECTUS

\$200,000,000

Advanced Medical Optics, Inc.

OFFER TO EXCHANGE

**\$200,000,000 principal amount of its 9 1/4% Senior Subordinated Notes due 2010,
which have been registered under the Securities Act of 1933, as amended,
for any and all of its outstanding 9 1/4% Senior Subordinated Notes due 2010.**

We are offering to exchange all of our outstanding 9 1/4% senior subordinated notes due 2010, which we refer to as the old notes, for our registered 9 1/4% senior subordinated notes due 2010, which we refer to as the exchange notes. We refer to the old notes and the exchange notes collectively as the notes. The terms of the exchange notes are identical to the terms of the old notes except that the exchange notes have been registered under the Securities Act of 1933 (the Securities Act) and, therefore, are freely transferable.

Please consider the following:

Our offer to exchange the old notes for the exchange notes will be open until 5:00 p.m., New York City time, on _____, 2002, unless we extend the offer.

You should carefully review the procedures for tendering the old notes beginning on page 85 of this prospectus.

If you fail to tender your old notes, you will continue to hold unregistered securities and your ability to transfer them could be adversely affected.

No public market currently exists for the exchange notes. We do not intend to list the exchange notes on any securities exchange and, therefore, no active public market is anticipated.

Information about the notes:

The notes will mature on July 15, 2010.

We will pay interest on the notes semi-annually on January 15 and July 15 of each year, commencing January 15, 2003 at the rate of 9 1/4% per year.

We may redeem the notes on or after July 15, 2006.

In addition, on or before July 15, 2005, we may redeem up to 35% of the notes with the net proceeds of certain public equity offerings if at least 65% of the originally issued aggregate principal amount of notes remains outstanding.

Upon the occurrence of certain change of control events, each holder of notes may require us to purchase all or a portion of its notes.

The notes are unsecured obligations and are subordinated to our senior indebtedness and the subsidiary guarantees are subordinated to our subsidiaries senior indebtedness.

Participating in the exchange offer involves risks. See Risk Factors beginning on page 13.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined that this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2002.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the SEC is effective. This prospectus is not an offer to sell and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

TABLE OF CONTENTS

	<u>Page</u>
<u>CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	i
<u>MARKET AND INDUSTRY DATA AND FORECASTS</u>	i
<u>TRADEMARKS AND TRADE NAMES</u>	i
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	i
<u>PROSPECTUS SUMMARY</u>	1
<u>SUBSEQUENT EVENTS</u>	12
<u>RISK FACTORS</u>	13
<u>USE OF PROCEEDS</u>	28
<u>CAPITALIZATION</u>	29
<u>SELECTED HISTORICAL FINANCIAL INFORMATION</u>	30
<u>UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS</u>	31
<u>MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	36
<u>BUSINESS</u>	53
<u>ARRANGEMENTS WITH ALLERGAN</u>	70
<u>MANAGEMENT</u>	76
<u>OWNERSHIP OF OUR STOCK</u>	84
<u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS</u>	85
<u>THE EXCHANGE OFFER</u>	86
<u>DESCRIPTION OF THE SENIOR CREDIT FACILITY</u>	93
<u>DESCRIPTION OF THE EXCHANGE NOTES</u>	94
<u>BOOK-ENTRY; DELIVERY AND FORM</u>	129
<u>PLAN OF DISTRIBUTION</u>	130
<u>CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS</u>	130
<u>LEGAL MATTERS</u>	135
<u>EXPERTS</u>	135
<u>INDEX TO COMBINED FINANCIAL STATEMENTS</u>	F-1

**CAUTIONARY NOTE REGARDING
FORWARD-LOOKING STATEMENTS**

This prospectus, including the sections entitled Prospectus Summary and Business, contains forward-looking statements. These statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as may, will, should, expects, intends, plans, anticipates, believes, estimates, predicts, potential, contingent, or other comparable terminology. These statements are only predictions. Actual events or results may differ materially. In evaluating these statements, you should specifically consider various factors, including the risks outlined in Risk Factors and elsewhere in this prospectus. These factors may cause our actual results to differ materially from any forward-looking statement.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We are under no duty to update any of the forward-looking statements after the date of this prospectus.

MARKET AND INDUSTRY DATA AND FORECASTS

This prospectus includes market share and industry data and forecasts that we obtained from internal company surveys, market research, consultant surveys, publicly available information and industry publications and surveys. Industry surveys, publications, consultant surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy and completeness of such information. We have not independently verified any of the data from third-party sources nor have we ascertained the underlying economic assumptions relied upon therein. Similarly, internal company surveys, industry forecasts and market research, which we believe to be reliable based upon management's knowledge of the industry, have not been verified by any independent sources. Forecasts are particularly likely to be inaccurate, especially over long periods of time. In addition, we do not know what assumptions regarding general economic growth were used in preparing the forecasts we cite. Except where otherwise noted, references to North America include only the continental United States and Canada, and statements as to our position relative to our competitors or as to market share refer to the most recent available data.

TRADEMARKS AND TRADE NAMES

We own or have rights to trademarks or tradenames that we use in conjunction with the sale of our products, including, without limitation, each of the following: Advanced Medical Optics, Allervise[®], Amadeus, AMO[®], Array[®], Blink-n-Clean[®], C1ariFlex[®], ComfortPLUS, Complete[®], Consept F[®], Consept 1 Step[®], Diplomax[®], Injector Ring, OptiEdge, Oxysept 1 Step[®], PhacoFlex II[®] SI30NB[®], SI40NB[®], and SI55NB[®], Prestige[®], Sensar[®], Sovereign[®], The Unfolder[®], Total Care[®], UltraCare[®], Ultrazyme[®], Verisyse, Vitrax[®], and Whitestar.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the Securities and Exchange Commission (SEC) a registration statement on Form S-4 to register the exchange notes offered by this prospectus. This prospectus does not contain all the information contained in the registration statement, including its exhibits and schedules. You should refer to the registration

statement including the exhibits and schedules, for further information about us and the exchange notes. Statements we make in this prospectus about certain contracts or other documents are not necessarily complete. When we make such statements, we refer you to the copies of the contracts or documents that are filed as exhibits to the registration statement because those statements are qualified in all respects by reference to those exhibits. The registration statement, including exhibits and schedules, is on file at the offices of the SEC and may be inspected without charge.

We also file annual, quarterly, special reports and other information with the SEC. You may read and copy any document we file with the SEC at the SEC's public reference room at the following address:

Public Reference Room
450 Fifth Street, N.W.
Room 1024
Washington, D.C. 20549

Please call the SEC at 1-800-SEC-0330 for further information on the operations of the public reference rooms. Our SEC filings are also available at the SEC's web site at <http://www.sec.gov>.

You can obtain a copy of any of our filings, at no cost, by writing to or telephoning us at the following address:

Advanced Medical Optics, Inc.
1700 E. St. Andrew Place
Santa Ana, California 92799-5162
Attention: General Counsel
(714) 247-8200.

To ensure timely delivery, please make your request as soon as practicable and, in any event, no later than five business days prior to the expiration of the exchange offer.

PROSPECTUS SUMMARY

This summary highlights important information about our business and about this exchange offer. It does not include all information you should consider before participating in the exchange offer. Please review this prospectus in its entirety, including the risk factors and our financial statements and the related notes, before you decide to participate in the exchange offer. Unless otherwise noted, all references to Advanced Medical Optics, AMO, we, our or us and similar terms in this prospectus refer to Advanced Medical Optics, Inc., together with its subsidiaries.

Data contained in this prospectus relating to the size and our share of the global markets for our products are based on our market research and data compiled from a variety of independent sources in each of the ten largest geographic markets for our products, as measured by net sales of our products. We believe that these geographic markets together account for approximately 80% of the total worldwide market for these products. We define the ophthalmic surgical products market to include the development, manufacture and marketing of intraocular lenses, phacoemulsification systems, viscoelastics, microkeratomes and surgical packs containing items used in cataract surgery.

Company Overview

We are a global leader in the development, manufacture and marketing of medical devices for the eye and contact lens care products. Our market research indicates that we are the second largest global manufacturer and marketer of ophthalmic surgical products and contact lens care products, in each case as measured by net sales in 2001 in the markets in which we compete. Through a significant commitment to internal research and development and alliances and partnerships, we have demonstrated success in the introduction of new and innovative products. We believe we are the technology leader in our markets and that our brands are among the most trusted and recognized in our industry. We have a strong global sales and distribution network, with approximately 300 sales representatives operating in approximately 20 countries and marketing products in approximately 60 countries.

Demand for ophthalmic products is driven by a variety of factors, including an aging population, advances in medical technology, improved therapies and economic growth in emerging markets. Many ophthalmic conditions, such as cataracts (an irreversible progressive condition in which clouding of the eye's natural lens eventually leads to blindness) and presbyopia (the progressive loss of flexibility of the eye's natural lens), are strongly correlated with age. Cataracts are currently the leading cause of vision loss among adults age 55 and older. We estimate that, in 2001, approximately 2.4 million cataract procedures were performed in the United States, and more than 5.0 million were performed worldwide, making cataract extraction the most commonly performed surgical procedure in the United States and most other developed nations. The treatment of cataracts is the largest segment of the global ophthalmic surgical products market, generating revenues of approximately \$1.5 billion in 2001.

The worldwide market for contact lenses was approximately \$3.5 billion in 2001. The global contact lens care products market, which includes disinfecting and cleaning solutions for contact lenses and lens rewetting products, generated revenues of approximately \$1.2 billion in 2001.

The following table sets forth the total size and our share of the global markets for certain of our products in 2001:

Market Segment	Estimated Market Size (in millions)	Estimated AMO Share	AMO Market Position
<i>Ophthalmic surgical products:</i>			
Intraocular lenses	\$ 595	25%	#2
Phacoemulsification systems	\$ 287	16%	#2
<i>Contact lens care products:</i>			
Contact lens care products	\$ 1,200	21%	#2
Contact lens care products (excluding the U.S.)	\$ 845	25%	#1

Ophthalmic Surgical Products

Our ophthalmic surgical products business develops, manufactures and markets medical devices for the cataract and refractive surgery markets, with a technology-driven focus on the higher margin segments of these markets. We believe we are the second largest company in the global cataract surgery products market and have made a strong entry into the refractive surgery market with the introduction of the AMADEUS microkeratome.

Cataract Market

The largest segment of the ophthalmic surgical market is the treatment of cataracts. Most patients affected by cataracts can be treated through a minimally invasive surgical procedure in which the patient's natural lens, which has become clouded, is broken up, removed and replaced with an artificial intraocular lens (IOL), which is implanted in the lens capsule to restore sight. We pioneered small incision cataract surgery with the development of the foldable IOL, and developed the first and only multifocal IOL that has been approved by the Food and Drug Administration.

Within the cataract surgery market we focus on three major segments:

Foldable intraocular lenses. As compared to non-foldable lenses, foldable IOLs allow for smaller surgical incisions, which has been associated with less induced astigmatism, rapid stabilization of the wound, and faster visual rehabilitation. We offer surgeons a choice of high quality, innovative monofocal silicone, monofocal acrylic and multifocal silicone IOLs, together with various systems of implementation devices. According to our market research, sales of foldable IOLs have grown faster than any other segment within the cataract surgery products market since 1998, growing from less than 50% to greater than 85% of the global IOL market in 2001, and generated revenues of approximately \$517 million in 2001. We believe that in 2001, we experienced the highest sales growth in the global foldable IOL market, with a growth rate of 8%, and had the second leading share of the market, estimated at approximately 28%. Our ARRAY multifocal silicone IOL has been granted new technology intraocular lens, or NTIOL, status by the U.S. Centers for Medicare and Medicaid Services, resulting in higher reimbursement rates for its use.

Phacoemulsification systems. Phacoemulsification is a method of cataract extraction that is used to break a clouded natural lens into small fragments for removal prior to its replacement with an IOL. We estimate that phacoemulsification is used in approximately 90% of cataract surgery procedures in the United States. We believe that we currently market the largest family of phacoemulsification systems, which offer advanced technology for control and safety. Based on our market research, the global market for phacoemulsification systems generated approximately \$287 million in revenues in 2001. We estimate that we had the second largest share of the global phacoemulsification systems market in 2001, estimated at approximately 16%, with a majority of our sales being derived from consumables and related equipment.

Related surgical accessories. In addition to our IOLs and phacoemulsification systems, we also offer ancillary products related to the cataract surgery market. These include insertion systems, viscoelastics, custom surgical packs, and capsular tension rings.

Refractive Market

We believe that the second largest segment of the ophthalmic surgical market is the market for the minimally invasive surgical treatment of refractive disorders, namely myopia (near-sightedness), hyperopia (far-sightedness), and astigmatism. We believe our existing IOL technologies and global sales and distribution network provide us with significant opportunities in the refractive market.

Laser assisted in-situ keratomileusis (commonly referred to as LASIK) and insertion of IOLs are two procedures used to treat refractive disorders. The LASIK procedure involves the use of an automated cutting device, called a microkeratome, to create a corneal flap so that a laser can be used to reshape the cornea to

achieve vision correction. We entered the LASIK market in May 2000 with the AMADEUS microkeratome. Insertion of IOLs can also be used to treat refractive disorders. Our ARRAY multifocal silicone IOL currently is the only IOL approved to treat presbyopia in Europe. We also market the Verisyse IOL in Europe to treat myopia, hyperopia and astigmatism.

Contact Lens Care Products

We offer a comprehensive line of contact lens care products, including single-bottle multi-purpose cleaning and disinfecting solutions, daily cleaners, enzymatic cleaners and lens rewetting drops. Based on our market research, the global market for contact lens care products generated sales of approximately \$1.2 billion in 2001. We believe that we were the second leading manufacturer and marketer of contact lens care products in 2001, with a global market share of approximately 21%. In Asia, which we believe is one of the fastest-growing contact lens care markets, net sales of our contact lens care products grew by 20% in 2001.

Single-Bottle Solutions. In response to the increasing popularity of more frequent lens replacement and consumer interest in more convenient lens care regimens, the contact lens care market continues to evolve towards greater use of single-bottle multi-purpose solutions. According to our market research, the global sales for multi-purpose solutions grew at a rate of approximately 14% in 2001 to approximately \$395 million. We market our COMPLETE brand multi-purpose solution, a convenient, single-bottle chemical disinfecting system for soft contact lenses, on a worldwide basis. We believe that COMPLETE is currently the only multi-purpose solution that incorporates an ocular lubricant, which contributes to its Food and Drug Administration-approved unique comfort claim. We believe our COMPLETE product is the fastest growing multi-purpose solution in the world, growing at a rate of approximately 30% in 2001, with rapid market share growth in Japan. We have also recently introduced our in-eye lens cleaner, COMPLETE BLINK-N-CLEAN.

Hydrogen Peroxide-Based Solutions. We also offer contact lens care products that use hydrogen peroxide-based disinfection systems. Our leading hydrogen peroxide system products are our OXYSEPT 1 STEP, ULTRACARE and CONCEPT 1 STEP hydrogen peroxide neutralizer/disinfection systems.

Our Competitive Strengths

We believe that the following competitive strengths differentiate us from other companies in the ophthalmic industry:

Proven track record, trusted and recognized brands and a 40-year commitment to eye care. For over 40 years, we have developed, manufactured and marketed innovative and high quality eye care products. We have engaged in extensive marketing efforts to promote our reputation for high quality products and to establish and maintain close relationships with eye care professionals around the world. We believe that in the ophthalmic surgical products market, surgeons tend to remain with the IOL brands and phacoemulsification systems to which they have become accustomed. Similarly, we believe that contact lens wearers tend to remain loyal to the brand of solution and other contact lens care products provided to them with their contact lenses by their eye care professional.

Leading market positions across product lines. We have leading positions in our market segments. Our market research indicates that in the markets in which we compete, we held the second largest share of the global ophthalmic surgical products markets and the second largest share of the global market for contact lens care products in 2001. In addition, excluding the U.S., we believe we were the leading global manufacturer and marketer of contact lens care products in 2001. We also are a leader in the contact lens care business in Asia, which we believe is one of the fastest growing markets for contact lens care products.

Strong strategic position to take advantage of stability in the ophthalmic surgery industry. We believe that our key product segment, cataract surgical products, benefits from the demographic drivers of increased life

expectancies and worldwide economic growth. According to industry sources, the number of cataract surgery procedures performed in the U.S. has grown at a compound annual growth rate of approximately 4% over the last ten years. We believe that our market leadership positions us to take advantage of the stability of this market and to capitalize on opportunities for growth.

Global sales and distribution network. We have an experienced and extensive global sales and distribution network, comprising approximately 300 sales representatives operating in approximately 20 countries and marketing products in approximately 60 countries. In response to the different healthcare systems throughout the world, our sales and marketing strategy and organizational structure differ by region, with each region given relative autonomy in determining its own tactical marketing strategies. We also use third party distributors for the distribution of our products in smaller international markets.

Opportunistic strategic alliances. We have entered into partnerships and alliances seeking to leverage our sales force, distribution infrastructure and research and development efforts without the need to invest significant capital. For example, through our co-marketing agreement with VISX Incorporated, the global leader in sales of excimer laser systems used in LASIK procedures, VISX promotes the use of our microkeratomes to users of VISX's excimer lasers. In addition, our partnership with Ophtec B.V. to manufacture our own brand of IOLs for refractive disorders creates a significant opportunity for us to strengthen our leadership position in the refractive surgery market. We also partner with Allegiance Healthcare Corporation, a leading supplier of healthcare products to hospitals, laboratories and other healthcare related entities, to provide custom surgical packs to Allegiance's U.S., Canadian and European customers.

Experienced management team. We have a strong and experienced management team led by Jim Mazzo, who, prior to joining us, was with Allergan for 22 years. Our senior management team has an average of 14 years of experience in the healthcare products industry both with us and with other major participants in the industry. The long and diverse experience of our senior management provides a competitive advantage through their knowledge of the industry, familiarity with our customers and understanding of the development, manufacturing and sale of our products.

Our Strategies

We seek to strengthen our global leadership position in growing, high margin segments of the vision correction market by capitalizing on our strong positions in the ophthalmic surgical and contact lens care products markets. We believe that executing our strategy will enable us to capture increasing market share and achieve profitable growth in our revenues. As part of our strategy we intend to:

Continue to strengthen our global portfolio of brands by being the technology leader in our markets. We believe that technology and new product offerings drive our industry. We intend to introduce improved and more technologically advanced products to gain market share and establish ourselves as a leader across all product lines.

Focus research and development efforts on next-generation technologies and devices that are safe, effective and address large unmet needs. We believe that our long-term success will be driven by the continued introduction of new and innovative products in the ophthalmic surgical and contact lens care products markets. We intend to take advantage of our newly focused business through an increased commitment to ophthalmic research and development designed to extend existing product lines and develop next-generation technologies.

Build on our strong market position by increasing investment in attractive market segments and selected geographies. We intend to expand our presence in attractive, growing market segments, such as applying our IOL technologies in the refractive surgery market. We believe that our existing expertise in the ophthalmic industry, and specifically in the cataract surgical products segment, together with our strong brands and extensive

sales and marketing network, will enable us to more rapidly enter other ophthalmic products segments, as evidenced by the rapid market-share growth of the AMADEUS microkeratome. We also intend to continue our focus on geographic regions with strong growth prospects, such as Asia.

Leverage our global presence and extensive distribution network to introduce new product and service offerings. Our global sales, marketing, and support network enables us to understand variations in local regulatory and marketing environments. We plan to utilize our global scope and local expertise to facilitate the introduction of new products and more efficiently reach new customers.

Proactively pursue strategic alliances to maximize the potential of our brands and more efficiently build leading positions within the industry. We plan to supplement our internal research and development activities and existing product offerings with a commitment to identifying, obtaining and marketing new technologies through alliances and partnerships. We intend to explore new potential alliances that would better enable us to leverage our sales force, gain access to promising technologies and broaden our product offerings without the need for substantial capital investments.

Separation from Allergan

Allergan, Inc. spun-off our company to its stockholders by way of a pro rata distribution of all of our shares of common stock. The distribution of our common stock was made to Allergan's stockholders of record on June 14, 2002 and was completed on June 29, 2002. As a result of our spin-off from Allergan, we are now an independent public company and Allergan has no continuing stock ownership in us. Prior to the spin-off, Allergan operated two distinct businesses: the specialty pharmaceuticals business and the optical medical device business. The optical medical device business, which is now owned and operated by us, consists of the ophthalmic surgical products business and the contact lens care products business.

The primary corporate purpose for the spin-off was to enhance the success of both the specialty pharmaceuticals business and the optical medical device business by resolving the conflicts that had evolved, and were exacerbated, by the operation of both businesses within a single affiliated group of corporations. Recognizing each business's own substantially different financial, investment and operating characteristics, human resource demands, return on invested capital profiles, capital requirements and growth opportunities, we expect that the separation of the optical medical device business from the specialty pharmaceuticals business will enable us to adopt strategies and pursue objectives that are appropriate to our business.

In connection with our spin-off from Allergan, we entered into a senior credit facility, consisting of a \$100.0 million term loan, which was fully drawn at the time of the spin-off, and a \$35.0 million revolving credit facility, approximately \$17.0 million of which has been reserved to support letters of credit issued on our behalf. We will not receive any cash proceeds from the issuance of the exchange notes. We used a portion of the initial borrowings under our senior credit facility and the proceeds we received from the offering of the old notes as set forth in the following table (in millions):

Sources		Uses	
Senior credit facility	\$100.0	Repaid indebtedness borrowed from	
Old notes (1)	197.2	Allergan(2)	\$ 90.4
		Distribution to Allergan(3)	56.3
		Repaid non-U.S. liabilities(4)	111.4
		Working capital	29.0
		Fees and expenses	10.1
Total	\$297.2	Total	\$ 297.2

(1) Net of \$2.8 million of original issue discount.

(2) Reflects indebtedness that we borrowed from Allergan to purchase various assets in connection with the spin-off. See Management's Discussion and Analysis of Financial Condition and Results of Operations Separation from Allergan.

- (3) Reflects a distribution in exchange for various assets contributed to us in connection with the spin-off. See Management's Discussion and Analysis of Financial Condition and Results of Operations Separation from Allergan.
- (4) Reflects indebtedness that we assumed from Allergan and immediately repaid as part of the spin-off. See Management's Discussion and Analysis of Financial Condition and Results of Operations Separation from Allergan.

Our spin-off from Allergan, the entering into our senior credit facility, the sale of the old notes and the use of proceeds from our initial borrowings under the senior credit facility and the sale of the old notes are referred to in this prospectus as the Transactions.

We are a Delaware corporation initially incorporated in October 2001. Our executive offices are located at 1700 E. St. Andrew Place, P.O. Box 25162, Santa Ana, California 92799-5162, and our phone number is (714) 247-8200.

Summary of the Terms of the Exchange Offer

The Exchange Offer	<p>\$1,000 principal amount of exchange notes will be issued in exchange for each \$1,000 principal amount of old notes validly tendered. As of the date of this prospectus, there is \$200.0 million aggregate principal amount of old notes outstanding.</p> <p>The form and terms of the exchange notes are identical to those of the old notes, except that the exchange notes will be registered under the Securities Act.</p>
Resale	<p>Based upon interpretations by the staff of the SEC set forth in no-action letters issued to unrelated third parties, we believe that exchange notes may be offered for resale, resold or otherwise transferred to you without compliance with the registration and prospectus delivery requirements of the Securities Act, unless you:</p> <ul style="list-style-type: none">are an affiliate of ours within the meaning of Rule 405 under the Securities Act;are a broker-dealer who purchased the old notes directly from us for resale under Rule 144A or any other available exemption under the Securities Act of 1933;acquired the exchange notes other than in the ordinary course of your business; orhave an arrangement with any person to engage in the distribution of exchange notes. <p>However, we have not submitted a no-action letter and there can be no assurance that the SEC will make a similar determination with respect to the exchange offer. Furthermore, in order to participate in the exchange offer, you must make the representations set forth in the letter of transmittal that we are sending you with this prospectus.</p>
Expiration Date	<p>The exchange offer will expire at 5:00 p.m., New York City time, on _____, 2002, unless extended by us in our sole discretion, in which case the expiration date shall mean the latest date and time to which the exchange offer is extended.</p>
Conditions to the Exchange Offer	<p>The exchange offer is subject to certain customary conditions, some of which may be waived by us. See The Exchange Offer Conditions to the Exchange Offer.</p>
Procedures for Tendering Old Notes	<p>If you wish to accept the exchange offer, you must complete, sign and date the letter of transmittal, or a copy of the letter of transmittal, in accordance with the instructions contained in this prospectus and in the letter of transmittal, and mail or otherwise deliver the letter of transmittal, or the copy, together with the old notes and any other required documentation, to the exchange agent at the address set forth in this prospectus. If you are a person holding the old notes through The Depository Trust Company and wish to accept the exchange offer, you must do so through The Depository Trust Company's Automated Tender Offer Program, by which you will agree to be bound by the letter of transmittal. By executing or agreeing to be bound by the letter of transmittal, you will be making a number of important representations to us as described under The Exchange Offer Procedures for Tendering Old Notes.</p>

	<p>We will accept for exchange any and all old notes that are properly tendered in the exchange offer prior to the expiration date. The exchange notes issued in the exchange offer will be delivered promptly following the expiration date. See <i>The Exchange Offer Terms of the Exchange Offer</i>.</p>
Special Procedures for Beneficial Owners	<p>If you are the beneficial owner of old notes registered in the name of a broker, dealer, commercial bank, trust company or other nominee and wish to tender your old notes in the exchange offer, you should contact the person in whose name your notes are registered and promptly instruct the person to tender on your behalf. See <i>The Exchange Offer Procedures for Tendering Old Notes</i>.</p>
Guaranteed Delivery Procedures	<p>If you wish to tender your old notes and time will not permit your required documents to reach the exchange agent by the expiration date, or the procedure for book-entry transfer cannot be completed on time, you may tender your notes according to the guaranteed delivery procedures. See <i>The Exchange Offer Guaranteed Delivery Procedures</i>.</p>
Withdrawal Rights	<p>The tender of the old notes pursuant to the exchange offer may be withdrawn at any time prior to the expiration date.</p>
Acceptance of Old Notes and Delivery of Exchange Notes	<p>Subject to customary conditions, we will accept old notes which are properly tendered in the exchange offer and not withdrawn prior to the expiration date. The exchange notes will be delivered as promptly as practicable following the expiration date.</p>
Consequence of Failure to Exchange	<p>Old notes that are not tendered, or that are tendered but not accepted, will be subject to their existing transfer restrictions. We will have no further obligation to provide for registration under the Securities Act of such old notes.</p>
Registration Rights Agreement	<p>We sold the old notes in a private placement in reliance on Section 4(2) of the Securities Act. On June 20, 2002, we entered into a registration rights agreement with the initial purchasers of the old notes requiring us to make this exchange offer. The registration rights agreement also requires us to:</p> <ul style="list-style-type: none">cause the registration statement filed with respect to the exchange offer to be declared effective within 150 days of the issue date of the old notes; andconsummate the exchange offer within 195 days of the issue date of the old notes. <p>See <i>The Exchange Offer Purpose and Effect</i>. If we do not do so, liquidated damages will be payable on the old notes.</p>
Certain U.S. Federal Income Tax Considerations	<p>The exchange of old notes for exchange notes by tendering holders will not be a taxable exchange for federal income tax purposes, and such holders will not recognize any taxable gain or loss or any interest income for federal income tax purposes as a result of such exchange. See <i>Certain United States Federal Income Tax Considerations</i>.</p>

Equity Offering Optional Redemption	Before July 15, 2005, we may redeem up to 35% of the exchange notes with the net proceeds of certain public equity offerings at a redemption price of 109.25% of the principal amount thereof, plus accrued and unpaid interest, if at least 65% of the originally issued aggregate principal amount of the exchange notes remains outstanding. See Description of the Exchange Notes Optional Redemption.
Change in control	Upon certain change of control events, each holder of exchange notes may require us to repurchase all or a portion of its notes at a purchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest thereon to the date of purchase. See Description of the Exchange Notes Offer to Purchase upon Change of Control.
Covenants	<p>The indenture governing the exchange notes contains covenants that, among other things, limit our ability and the ability of certain of our subsidiaries to:</p> <ul style="list-style-type: none">incur additional indebtedness,create liens,make investments,enter into transactions with affiliates,sell assets,declare or pay dividends or other distributions to stockholders, andconsolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries on a consolidated basis. <p>These covenants are subject to important exceptions and qualifications, which are described under the heading Description of the Exchange Notes in this prospectus.</p>
Use of proceeds	We will not receive any cash proceeds from the issuance of the exchange notes.
Risk Factors	See Risk Factors for a discussion of factors you should carefully consider before deciding to invest in the notes.

Summary Historical Financial Information