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VIA EMAIL

September 24, 2010

Technical Director
File Reference No. 1790-100
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, Connecticut 06856-5116

Re: <u>Exposure Draft—Proposed Accounting Standards Update, Comprehensive Income</u> (Topic 220): Statement of Comprehensive Income

Dear Technical Director:

Allergan, Inc., a Delaware corporation ("Allergan"), appreciates the opportunity to respond to the Financial Accounting Standards Board (the "Board") regarding the Exposure Draft, Proposed Accounting Standards Update, Comprehensive Income (Topic 220): Statement of Comprehensive Income (the "Proposed Update"). Allergan is a publicly traded, multi-specialty health care company listed on the New York Stock Exchange under the symbol "AGN."

Although we support the Board's objective to improve the transparency, consistency and comparability of financial reporting, we do not believe a continuous statement of comprehensive income is the best way to achieve that objective. We believe it will create confusion to the financial statement users because it will rank the components of net income equal with the components of other comprehensive income, even though their nature is very different. Also, the focus on net income as a primary management performance measurement will be diluted when net income is presented as a subtotal in a continuous statement of comprehensive income. We believe that the current Topic 220 guidance for comprehensive income is adequate and does not require change.

Question 1: Do you agree that requiring a continuous statement of comprehensive income will improve the comparability, transparency, and understandability of financial statements such as relationships between changes in the statement of financial position, the components of other comprehensive income, and the components of net income in each period? If not, why not, and what changes would you suggest to the amendments in this proposed Update?

Answer: No. We do not believe a continuous statement of comprehensive income will improve the comparability, transparency, and understandability of financial statements.

We believe the current statement of income should continue to be a separate statement. We believe the income statement and components of net income allow financial statement users, and especially management, to focus on performance that is generally representative of completed

transactions (or nearly complete) that produce currently available net earnings and cash flows for use by a company's management. The components of other comprehensive income present valuable information about a company's potential future net income and cash flows from transactions generally to be finalized sometime in the future (longer term), but the nature of those components is generally very different than components of net income. Income and cash flows from components of other comprehensive income are yet to be fully determined and are not currently realizable and usable, if ever (e.g., cumulative translation adjustments). Presenting net income as a subtotal in the middle of a continuous statement of comprehensive income diminishes the importance of what is the "bottom line" since it draws the attention of the financial statement users away from net income, which we believe is the most important primary financial measure used by management, investors and analysts to determine current company operating performance.

If the Board decides to move forward with a proposal that would change current practice, we think the requirement for a separate statement of comprehensive income starting with net income would be a better approach. This approach would emphasize that there is a difference in the nature of the transactions reported on each statement, that is, generally completed and realized transactions in the income statement versus incomplete transactions with continually changing values in the statement of other comprehensive income.

Question 2: Do you agree that the option should continue to report the tax effect for each component of other comprehensive income either in the statement of comprehensive income or in the notes to the financial statements?

Answer: Yes. We believe that the option should continue to report the tax effect, if reasonably estimable, either in the statement of comprehensive income or in the notes to the financial statements if the Proposed Update is adopted as is.

Question 3: Do you believe that a requirement to display reclassification adjustments for each component of other comprehensive income in both net income and other comprehensive income in the statement of comprehensive income would improve the understandability and comparability of financial statements?

Answer: No. We do not believe this requirement would improve the understanding and comparability of financial statements. It would most likely create confusion for users since the detail is accounting for accounting's sake. We believe most users of financial statements are generally more focused on only major categories of net changes, e.g., pension benefit plan adjustments, foreign currency translation adjustments, unrealized gains/losses on investments and amortization of deferred holding gains on derivatives designated as cash flow hedges, not all the possible accounting ins and outs as proposed. If ultimately adopted, we believe the prescribed level of detail should be disclosed in the notes to the financial statements to avoid adding accounting clutter on the face of the financial statements.

Question 4: What costs, if any, will a reporting entity incur as a result of the proposed changes?

Answer: At first blush, we expect to incur a small increase in costs as a result of the proposed changes. However, costs are not the real issue. The issues are the types of resources needed and

the timing of the use of personnel to prepare the additional information required during the critical post-closing reporting period that is limited by SEC statute (generally 40 days for 10-Q's and 60 days for 10-K's). All of the new requirements proposed in this update simply add to the complexity of preparing financial statements during a very limited time frame with already strained resources, and may require system and manual accounting process changes in order to capture the level of detail needed for the proposed reporting reclassification adjustments. That situation may lead to more costs than currently estimated.

Question 5: The Board plans to align the proposed effective date of the amendments in this proposed Update with the effective date of the amendments in the proposed Update on financial instruments. Are there any significant operational issues that the Board needs to understand to determine the appropriate effective date for the amendments in this proposed Update?

Answer: We do not foresee any significant operational issues related to the effective date in this Proposed Update.

Question 6: The amendments in this proposed Update would not change the guidance on the calculation and display of earnings per share. Do you believe that the Board should change the guidance on earnings per share? If so, what changes would you recommend and why?

Answer: We do not believe the Board should change the current guidance on earnings per share. It's well understood and applied by financial statement users today.

Thank you for your consideration.

Sincerely,

Jane Wang

Director, Financial Reporting

Jarelly

Allergan, Inc.

Marc Veale

Assistant Corporate Controller

Allergan, Inc.

James F. Barlow

Senior Vice President.

Corporate Controller (Principal Accounting Officer)

Allergan, Inc.