

ADVANCED MEDICAL OPTICS INC  
Form 425  
November 30, 2004

**ADVANCED MEDICAL OPTICS**

*Nov/Dec 2004*

Filed by Advanced Medical Optics, Inc.,

Pursuant to Rule 425

Under the Securities Act of 1933

And Deemed Filed Pursuant to Rule 14a-12

Under the Securities Exchange Act of 1934

Subject Company: Advanced Medical Optics, Inc.

Commission File No. 001-31257

This filing relates to a proposed acquisition (the "Acquisition") by Advanced Medical Optics, Inc. ("AMO") of VISX, Incorporated ("VISX") pursuant

to the terms of an Agreement and Plan of Merger, dated as of November 9, 2004 (the "Merger Agreement"), by and among AMO, Vault Merger

Corporation and VISX. The Merger Agreement is on file with the Securities and Exchange Commission as an exhibit to the Current Report on

Form 8-K filed by AMO's on July 10, 2004, and is incorporated by reference into this filing. The following is a slide presentation first presented on

November 30, 2004, which includes information regarding the Acquisition:

**Forward Looking Statements**

**Our statements in this presentation that discuss projected demographics and markets, statements regarding the expected timing and benefits of the VISX transaction, statements under the heading "2004-2005 Launch Highlights," and all slides under the heading "Financial and Operational Performance," and elsewhere that refer to AMO's financial projections or estimated future results, including by way of example only, financial projections, discussions of growth prospects and options, product pipeline (future products, regulatory filings and/or expected approvals and potential markets), strategies for AMO's businesses and growth in markets and populations are forward-looking statements that reflect the Company's current analysis of existing trends and information. AMO disclaims any intent or obligation to update these forward-looking statements. Actual results may differ from current expectations based on a number of factors affecting the Company's businesses, including the following**

**Uncertainty as to whether the VISX transaction will be completed;**

**Successfully integrating AMO and VISX**

**The failure to realize the synergies and other perceived advantages resulting from the VISX merger;**

**Costs and potential litigation associated with the VISX merger;**

**The failure to obtain the approval of each company's stockholders for the VISX merger;**

**The inability to obtain, or meet conditions imposed for, applicable regulatory and tax requirements relating to the VISX merger;**

**The failure of either party to meet the closing conditions set forth in the definitive merger agreement;**

**The ability to retain key personnel both before and after the merger;**

**Each company's ability to successfully execute its business strategies;**

**The extent and timing of regulatory approvals, and the extent and timing of market acceptance, of new products or product indications;**

**Manufacturing;**

**Litigation;**

**The procurement, maintenance, enforcement and defense of patents and proprietary rights;**

**Competitive conditions in the industry; business cycles affecting the markets in which any products may be sold;**

**Fluctuations in foreign exchange rates and interest rates; and**

**Economic conditions generally or in various geographic areas.**

**Additional information concerning these and other factors can be found under the heading "Certain Factors and Trends Affecting Advanced Medical Optics and its Businesses" in the AMO 2003 Form 10-K and Form 10-Q filed November 2, 2004.**

**Advanced Medical Optics, AMO, AMO Gemini, Array, blink, Blink-N-Clean, CeeOn, ClariFlex, Complete, Complete Aquavision, Complete MoisturePlus, Consept F, Duralens, Emerald-Ease, Healon, Hydrocare , OcuPure, Oxysept, Phacoflex, ReZoom, Sensor, Sovereign, Sovereign Compact, Stableyes, Tecnis, The Future In Sight, Ultracare, WhiteStar, Unfolder, Verisyse and Vitrax are trademarks of Advanced Medical Optics, Inc. Amadeus is a trademark of SIS, Ltd. OptiEdge is a trademark of Ocular Sciences, Inc. STAR S4, Wavefront and Waveprint are trademarks of VISX, Incorporated.**

**Advanced Medical Optics, Inc.**

**Global ophthalmic medical device company**

**Leading positions in large markets with robust  
growth drivers**

**Technology leader with heritage of innovation  
and high brand awareness**

**Demonstrated pattern of growth in revenue,  
cash flow and EPS since June 2002 spin-off**

**Blend of growth through organic and corporate  
development**

**NYSE: AVO**

**Market Cap:  
\$1.5 B<sup>1</sup>**

*(1)*

*On November 23, 2004*

**Diversified Global Revenue**

**Pro forma  
Revenue  
Mix**

**Cataract**

**59%**

**Eye Care**

**39%**

**Americas**

**28%**

**Europe**

**37%**

**Japan**

**26%**

**Asia Pacific**

**9%**

**Refractive 2%**

*LTM period is defined as the last twelve months ended September 24, 2004. Pro Forma for the Pfizer Surgical Business, see "Historical Financial Statements" under Investor/Media at [www.amo-inc.com](http://www.amo-inc.com) for GAAP*

**Global Coverage**

**Eye Care**

**49%**

**Americas**

**30%**

**Direct Sales In  
20 Countries,  
Presence In  
60+**

**Leading Market  
Share  
Positions**

**State-of-the-Art  
Manufacturing  
on 3  
Continents**

**AMO to Acquire VISX**

Creates world's leading refractive surgical business

Establishes \$1 billion enterprise with increased earnings  
power and cash flow potential

Provides surgeons and patients a comprehensive portfolio of  
technologies and brands

Provides operating efficiencies by better utilizing infrastructure,  
distribution, servicing capability and manufacturing

Preserves financial strength for continued investment in future

Consistent with AMO's plan to build shareholder value

**Transaction Highlights**

**\$26.52 per VISX share or \$1.27 billion<sup>(1)</sup>**

87% AMO stock and 13% cash; tax-free exchange

0.552 shares of AMO and \$3.50 cash for each VISX share

Pro forma ownership of 58.5% AMO/41.5% VISX

**Expected to be neutral to 2005 EPS; accretive to  
2006 EPS**

Enhances revenue growth, expands margins and earnings  
power

Generates strong recurring cash flow

Diversifies revenue stream

Deleverages balance sheet

**Expected Q1 2005 close**

Requires stockholder approval

*(1) Based on value of AMO common stock on November 19, 2004*



**VISX Brings. . .**

**Global leader in laser vision  
correction**

**Ongoing technological innovation**

**Focused, experienced  
management team**

**Unsurpassed customer support**

**AMO and VISX: Compelling Strategic,  
Technological and Cultural Fit**

**AMO Brings ...**

**Global leader**

**Innovator with well-recognized  
brands**

**Worldwide distribution**

**Experienced management team with  
record of disciplined execution**

**Combined Company**

**Global competitor with clear leadership in high-growth  
refractive surgery sector**

**Commitment to innovation, backed by global portfolio of  
respected brands**

**Comprehensive offering of best-in-class products and service**

**Efficient global infrastructure and distribution network**

**Higher growth, higher margin business profile**

**GLAUCOMA**

**Contact Lenses**

**REFRACTIVE**

**CATARACT**

**Vision Care Life Cycle**

**Improving  
Practitioner  
Productivity  
and Patient  
Outcomes**

**Eye Lubricants**

**Microkeratomes**

**Phakic IOLs**

**Accommodating IOLs**

**Multifocal IOLs**

**Monofocal IOLs**

**Phaco & Lens Extraction**

**EYE CARE**

**Viscoelastics**

**Glaucoma Shunts**

**Contact Lens Care Solutions**

**Excimer Lasers**

**Worldwide Aging Fuels Market**

**Cataract Is Leading  
Cause of Blindness,  
Affecting Half of People  
Over 60**

**Glaucoma Is Chronic  
Disease**

**CATARACT & GLAUCOMA**

**Percentage Aged 65+**

Cataract

Glaucoma

*Source: US Census Bureau, 2000. Photos: National Eye Institute*

**Baby Boomers Fuel Refractive  
Surgical Market**

**Growing  
Segment  
Looking for  
Refractive  
Options**

**Projected Change in Population Growth 2000-2010**

**45-54**

**55-64**

*Source: US Census Bureau, 2000. Photos: National Eye Institute*

**REFRACTIVE**

**Teens and Young Adults Are  
Primary Contact Lens Wearers**

**EYE CARE**

**Echo Boomers  
Make Up Majority  
of New Fits**

**Projected Population Totals of People Aged 14-24**

*Source: US Census Bureau, 2000*

**Ophthalmic Surgical**

**Pro forma Surgical Revenue Mix**

**Phaco**

**15%**

**IOL**

**51%**

**Americas**

**35%**

**Japan**

**17%**

**Europe**

**40%**

**Refractive**

**3%**

**Product**

**Geography**

**Other**

**4%**

**Asia Pacific**

**8%**

**Visco**

**27%**

*LTM period is defined as the last twelve months ended September 24, 2004. Pro Forma for the Pfizer Surgical Business, see "Historical Financial Statements" under Investor/Media at [www.amo-inc.com](http://www.amo-inc.com) for GAAP*

**Viscoelastics**

**Creates space  
and protects  
ocular surfaces  
during surgery**

**Addition of  
Healon® family  
creates  
complete  
offering**

**AMO Cataract Products**

**Replaces human  
lens during  
cataract surgery**

**Dual platform  
(silicone and  
acrylic)**

**Dual optical  
design (mono  
and multifocal)**

**Ultrasonic machine  
used to emulsify  
and extract human  
lens**

**Over 90% of U.S.  
cataract  
procedures use  
this technology**

**Phaco Systems**

**Inserters**

**Introduces IOL  
into capsular  
bag**

**Proprietary  
series of  
delivery  
systems**



**Technological Opportunity with  
Tecnis®**

**First IOL with FDA labeling for improved  
functional vision**

Reduces postoperative spherical aberrations  
compared to lenses with spherical optics

**Improved night-driving simulator performance**

Patients asked to detect/identify targets under rural  
night and nighttime city lighting conditions

Findings suggest a *"meaningful safety benefit to  
elderly drivers with Tecnis lenses, and to drivers and  
pedestrians with whom they share the road."*<sup>1</sup>

*(1) Source: Tecnis product insert*

**Myopia**

**Hyperopia**

*Source: U.S. Census Bureau, American Academy of Ophthalmology. Figures represent projections for 2005.*

**~68.75MM People**

**~74.25MM People**

**52% of U.S. Population Has Some  
Form of Refractive Error**

**U.S. Population with Presbyopia**

**Eye's ability to accommodate - change focus from far to near -  
continues to decline with age**

**Few surgical options exist today; vast majority rely on bifocals  
or readers**

**Opportunity to address huge unmet need**

**Age**

**U.S. Population**

**Amplitude of Accommodation**

**Age in 2004    Age in 2025**

*Sources: Donders' Table, Clinical Refraction; U.S. Census Bureau 2000*

**Laser**

**Phakic**

**CK**

**Multifocal**

Accommodating

**Multifocal**

**Accommodating**

**Multifocal**

**Accommodating**

**Multifocal**

Accommodating

**Multifocal**

Multifocal phakic

Laser

**Multifocal**

Multifocal phakic

Accommodating

**CK**

Laser

**Multifocal**

Multifocal phakic

Accommodating

**Multifocal**

Multifocal phakic

Accommodating

**Phakic**

**Laser**

**Phakic**

**Laser**

**Phakic**

**Refractive Opportunities**  
*Combined company has complementary offering*

**Pre-Presbyopia**

**Presbyopia**

**Presbyopia/**

**Cataract**

**High Myopia**

**>-6D**

**Low/Moderate  
Myopia**

**<-6D**

**Low/Moderate  
Hyperopia**

**<+6D**

**Moderate/High  
Hyperopia**

**>+6D**

**Refractive Multifocal IOLs**

**Diffraction technology**

**Provides near and far vision under all  
light conditions**

**Approved for correction of presbyopia  
in Europe**

**Refractive technology**

**Cataract claim in US with NTIOL  
status**

**Approved for correction of presbyopia  
in Europe**

**Tecnis Multifocal**

*AC Phakic*

*Monofocal*

*Multifocal*

*Accommodating*

*PC Phakic*

**Array / ReZoom**

**Refractive Phakic IOLs**

Anterior chamber, iris-fixated  
IOL for correction of myopia

Natural crystalline lens  
remains intact

FDA approved; first lens of its  
kind in US

15-year history in Europe

Safely inserted in more than  
150,000 eyes

**Verisyse™**

**VISX: Ongoing Technology Leadership**

CustomVue

Comprehensive measurement and correction

Potentially better than contacts or glasses

Fourier Wavefront Upgrade

Unprecedented resolution for individualized  
CustomVue treatment

Iris Registration

First fully automated technology to correct for  
eye rotation in LVC

CustomVue Presbyopia

Successful international results

Initiating U.S. clinical trails



**Refractive LASIK Products**

**Precision cutting device creates corneal  
flap in LASIK surgery**

**Designed and developed for safety,  
simplicity, reliability**

**#1 Preferred Mechanical Microkeratome<sup>(1)</sup>**

**Faster visual recovery than femtosecond  
laser<sup>(2)</sup>**

**Less pain than femtosecond laser<sup>(3)</sup>**

**Less dry eye syndrome than superior hinge  
microkeratomes<sup>(4)</sup>**

**Microkeratomes**

*(1) 2003 Leaming ASCRS Survey*

*(2) Woodhams Study 2004*

*(3) Woodhams Study 2004*

*(4) Donnenfeld/Solomon Study 2003*

**Eye Care**

**Eye Care Revenue Mix**

**Multipurpose**

**46%**

**Hydrogen  
Peroxide**

**32%**

**Americas**

**19%**

**Europe**

**32%**

**Japan**

**39%**

**Product**

**Geography**

**Other**

**22%**

**Asia  
Pacific**

**10%**

*LTM period is defined as the last twelve months ended September 24, 2004.*

**Eye Care Products  
Offering superior comfort**

**Convenient one-bottle  
system**

**Artificial tear ingredients  
relieve dryness and  
discomfort**

**Multipurpose Solutions**

**Multi-bottle system**

**Significant market penetration**

**Preservative-free**

**Built-in comfort agents**

**Hydrogen Peroxide**

**Lubricates and protects**

**Soothes discomfort  
during wear**

**Supports ocular health**

**Lubricants**

**Retain water for superior  
comfort**

**Advanced moisture-  
providing constituents  
relieve dryness and  
discomfort**

**Contact Lenses**

*COMPLETE Aquavision currently approved in Europe only.*

**Contact Lens Growth Fuels Eye Care**

**Contact lens market expected to grow 8-10% annually**

**Growing teen/young adult segment**

**Environmental factors increasing incidence of myopia**

**Significant momentum from specialty, value-added lenses**

Torics for astigmatism

Bifocals and multifocals for presbyopia

**90% of patient dropout believed due to discomfort**

**3.7% of long-term wearers and 12% of short-term wearers stop wearing contact lenses annually**

*Sources: Ophthalmology Times, December 2003; Vision Care Research, November 2001; Contact Lenses and Solutions, GlobalAnalysts, Inc. 2/04, Barr, JT. Supplement, Optometric Management, 4/04; First Albany Research, 6/04*

**Teen Population Growth**

**Increase in Myopia**

**New Specialty Lenses**

**Reducing Dropouts**

**Market Drivers**

**R&D / Corporate  
Development**

**Commitment to Innovation**

**Foldable IOL**

**Multifocal IOL in U.S.**

**"Cold" Phaco Capability**

**Peroxide Disinfection  
System**

**Multipurpose Solution to  
Address Comfort and  
Dryness**

*Percentages in bar graph represent R&D spend as a % of sales*

**2000**

**2001**

**Eye Care**

**Surgical**

**5.2%**

**5.3%**

**2002**

**5.6%**

**2003**

**6.2%**

**7.2%**

**3.7%**

**8.0%**

**3.0%**

**8.5%**

**2.6%**

**9.2%**

**3.2%**

**AMO FIRSTS**

**2001-2003: 26% Growth in R&D Investment**



**Hallmark of Continuous Innovation**

**Hydrocare®**

**COMPLETE®  
Comfort Plus**

**COMPLETE®**

**COMPLETE®  
Pro-Tec**

**COMPLETE®  
Pro-Tec  
No-Rub**

**COMPLETE®  
Moisture Plus™**

**Surgical - IOL Technology**

**Eye Care - Multipurpose Solution**

**UNFOLDER® Insertion Systems**

**Phacoflex®**

**Array®**

**Sensar®**

**(Silicone foldable)**

**(Silicone multifocal foldable)**

**(Acrylic foldable)**

**OptiEdge™  
Sensar®**

**Array® II**

**SI30**

**SI40**

**SI55**

**OptiEdge™  
Clariflex®**

**2004-2005 Launch Highlights**

**2005**

**Tecnis® Acrylic**

**2005**

**Epi-Lasik for Amadeus II (US/E/AP)**

**2004**

**Launched**

**Tecnis® Multifocal**

**2004**

**ReZoom™ (E/US) (1)**

**2005**

**COMPLETE 10-Minutes (J)**

**2004/2005**

**Launched**

**Amadeus II (US/E)**

**2004**

**Launched**

**blink™ Contacts (E/US)**

**2005**

**BLINK-N-CLEAN (J)**

**2005**

**Sovereign® V. 7.0 w/ WhiteStar™ II**

**2004**

**Launched**

**Verisyse™ (US)**

**2004**

**Launched**

**Sovereign® V. 6 (J)**

**2004**

**Sovereign®Compact™ multilingual**

**2004**

**Launched**

**AMO Gemini™ vitreoretinal system (E)**

**2004**

**Bi-manual phaco handpiece (J)**

**2004**

**Launched**

**StabilEyes™ CTR (US)**

*Late Stage*

*Estimated*

*Launch*

*Mid Stage*

*Early  
Development*

**Eye Care**

**Refractive**

**Cataract**

*(1)*

*Launched in Europe in Fall 2004*

**Expand portfolio of accommodating IOLs to address  
presbyopia**

**Research & Evaluation  
Licensing Agreement**

**Complete cataract franchise, expand refractive  
technologies**

**Acquisition**

**Licensing**

**Strategic Partnership &  
Distribution**

**Strategic Partnership &  
Distribution**

**Expand portfolio of refractive IOLs and CTRs, secure  
access to leading technology**

**Enter contact lens market in Europe and Asia Pacific**

**Enter LASIK market to build relationships with corneal  
refractive surgeons**

**Business Development Builds  
Portfolio, Expands Markets**

*OPHTEC, Pfizer QuestVision and CooperVision are trademarks of the respective companies;*

*Amadeus is a trademark of SIS.*

**Financial and Operational  
Performance**

**Returned AMO to Revenue Growth**

*\* = Constant currency growth*

**(in millions)**

**\$570.6**

**\$543.1**

**\$538.1**

**\$601.5**

**\$684.4**

**Continued EBITDA Growth**

**CAGR**

**13.2%**

**(in millions)**

**\$58.6**

**\$63.0**

**\$72.6**

**\$75.1**

**\$93.4**

*Pro forma operating income, see "Historical Financial Statements" under Investor/Media at [www.amo-inc.com](http://www.amo-inc.com) for GAAP*

**Pro Forma Net Earnings Growth**

**CAGR**

**38.6%**

*Pro forma net earnings and EPS, see "Historical Financial Statements" under Investors/Media at [www.amo-inc.com](http://www.amo-inc.com) for GAAP*

**(in millions)**



**Balance Sheet Highlights**

**\$193.6**

**\$93.2**

**Stockholders' Equity**

\$568.4

\$233.3

Long-term Debt (Principal)

\$90.7

\$42.0

Inventories

\$180.9

\$70.0

Trade receivables, net

\$34.1

\$46.1

Cash and equivalents

**9/24/04**

**12/31/03**

(in millions)

**2004 -2006 Guidance**

(in millions)

*2005 and 2006 guidance pro forma for VISX acquisition assuming close in Q1 2005; for reconciliation to GAAP and rationale for use of pro forma, see Investors/Media at [www.amo-inc.com](http://www.amo-inc.com)*

**AMO Positioned for Value Creation**

**Solid positions in large markets with favorable  
growth drivers**

**AMO/VISX combination creates global leader  
in high-growth refractive segment**

**Technology leader with rich pipeline through  
blend of internal R&D and corporate  
development**

**Scalable global infrastructure for enhanced  
operating leverage**

**Demonstrated record of execution success  
and financial performance**

**Strong Growth  
Dynamics**

**Technology  
Drives  
Performance**

**Experienced,  
Disciplined  
Management**

**Additional Information**

**AMO and VISX intend to file with the SEC a Registration Statement on Form S-4, which will include a joint proxy statement/prospectus of VISX and AMO and other relevant materials in connection with the proposed transaction. The joint proxy statement/prospectus will be mailed to the stockholders of VISX and AMO. Investors and security holders of VISX and AMO are urged to read the joint proxy statement/prospectus and the other relevant materials when they become available because they will contain important information about VISX, AMO and the proposed transaction. The joint proxy statement/prospectus and other relevant materials (when they become available), and any other documents filed by VISX or AMO with the SEC, may be obtained free of charge at the SEC's web site at [www.sec.gov](http://www.sec.gov). In addition, investors and security holders may obtain free copies of the documents filed with the SEC by VISX by contacting VISX Investor Relations at [ir@VISX.com](mailto:ir@VISX.com) or via telephone at (877) 463-6847. Investors and security holders may obtain free copies of the documents filed with the SEC by AMO at [www.amo-inc.com](http://www.amo-inc.com) or via telephone at (714) 247-8348. Investors and security holders are urged to read the joint proxy statement/prospectus and the other relevant materials when they become available before making any voting or investment decision with respect to the proposed transaction.**

**The respective directors and executive officers of AMO and VISX may be deemed to be participants in the solicitation of proxies from the stockholders of VISX and AMO in favor of the proposed transaction. Information about the directors and executive officers of AMO and VISX their respective interests in the proposed transaction will be available in the joint proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.**