

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 B¹**

(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 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⁽¹⁾

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 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."*¹

(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 trials

Refractive LASIK Products

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

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

#1 Preferred Mechanical Microkeratome⁽¹⁾

**Faster visual recovery than femtosecond
laser⁽²⁾**

Less pain than femtosecond laser⁽³⁾

**Less dry eye syndrome than superior hinge
microkeratomes⁽⁴⁾**

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 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 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

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. 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 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 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.