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**Apollo Endosurgery Announces Acquisition of Obesity Intervention Division from Allergan, Inc.**  
*Leading weight-loss medical devices and access to global sales channel to fuel growth*

**AUSTIN, TX, October 29, 2013** – Apollo Endosurgery, Inc., a leading developer of medical devices and endoscopic surgical procedures, today announced that it has entered into a definitive agreement to purchase the obesity intervention division of Allergan, Inc. for up to \$110 million. The total includes an upfront cash payment of \$75 million, minority equity interest of \$15 million, and up to \$20 million in additional contingent consideration to be paid upon achievement of certain regulatory and sales milestones. The obesity intervention division is responsible for manufacturing and marketing the LAP-BAND® adjustable gastric band system and the ORBERA™ intra-gastric balloon system.

“The acquisition of the LAP-BAND® and ORBERA™ technologies will provide Apollo Endosurgery with a strong revenue stream that will enable us to expand our investment in innovative solutions that focus on improving patient outcomes in both the bariatric and endoscopic spaces,” said Dennis McWilliams, President and CEO of Apollo Endosurgery. “The addition of these devices will complement Apollo’s portfolio to include less invasive bariatric product offerings while expanding our domestic sales channel and increasing our global reach into more than 40 countries.”

LAP-BAND® adjustable gastric band is a proven, minimally invasive laparoscopic weight loss device with both US Food and Drug Administration (FDA) approval and broad-based insurance coverage, making it a preferred surgical solution for many patients. The device is an effective tool to help patients gradually lose weight and keep it off without any cutting, stapling or amputation of the stomach. ORBERA™ is a non-surgical alternative for the treatment of overweight and obese adults that is approved for sale outside the United States in over 40 countries.

“We are pleased to enter into a definitive agreement with Apollo Endosurgery regarding the sale of our obesity intervention business,” said David E.I. Pyott, Chairman of the Board and Chief Executive Officer, Allergan. “We are confident that Apollo Endosurgery has the management expertise, industry experience and commitment to innovation that will be essential to the continued clinical development and future advancement of the LAP-BAND® and ORBERA™ franchises.”

Piper Jaffray & Co. served as exclusive financial advisor and Cooley LLP served as legal counsel to Apollo Endosurgery in connection with the transaction. Current Apollo investors PTV Sciences, H.I.G BioVentures, Remeditex Ventures, Novo A/S and CPMG, Inc. provided the equity financing of the acquisition. Debt financing is being provided by Oxford Capital Partners, MidCap Financial, LLC and EastWest Financial Services. Goldman, Sachs & Co. served as exclusive financial advisor and Latham & Watkins LLP served as legal counsel to Allergan.

Additional terms of the transaction were not disclosed.

### **About Apollo Endosurgery, Inc.**

Apollo Endosurgery, Inc. is dedicated to revolutionizing patient care through the adoption of less invasive bariatric and endoscopic surgical solutions. Apollo Endosurgery was cofounded with the Apollo Group, a unique collaboration of physicians from the Mayo Clinic, Johns Hopkins University, Medical University of South Carolina, the University of Texas Medical Branch and the Chinese University of Hong Kong. This collaboration developed a broad portfolio of patents in the field of endoscopic surgery that became the foundation of Apollo Endosurgery. For more information regarding Apollo Endosurgery, go to: [www.apolloendo.com](http://www.apolloendo.com) or you can contact Apollo by using the contact information provided below.

Apollo Endosurgery is a trademark of Apollo Endosurgery, Inc.

### **About Allergan**

Allergan is a multi-specialty health care company established more than 60 years ago with a commitment to uncover the best of science and develop and deliver innovative and meaningful treatments to help people reach their life's potential. Today, we have approximately 11,200 highly dedicated and talented employees, global marketing and sales capabilities with a presence in more than 100 countries, a rich and ever-evolving portfolio of pharmaceuticals, biologics, medical devices and over-the-counter consumer products, and state-of-the-art resources in R&D, manufacturing and safety surveillance that help millions of patients see more clearly, move more freely and express themselves more fully. From our beginnings as an eye care company to our focus today on several medical specialties, including eye care, neurosciences, medical aesthetics, medical dermatology, breast aesthetics, obesity intervention and urologics, Allergan is proud to celebrate more than 60 years of medical advances and proud to support the patients and customers who rely on our products and the employees and communities in which we live and work. For more information regarding Allergan, go to: [www.allergan.com](http://www.allergan.com).

LAP-BAND and ORBERA are trademarks of Allergan, Inc.

### **Important LAP-BAND<sup>®</sup> System Safety Information**

**Indications:** The LAP-BAND<sup>®</sup> System is indicated for weight reduction for patients with obesity, with a Body Mass Index (BMI) of at least 40 kg/m<sup>2</sup> or a BMI of at least 30 kg/m<sup>2</sup> with one or more obesity related comorbid conditions.

It is indicated for use only in adult patients who have failed more conservative weight reduction alternatives, such as supervised diet, exercise and behavior modification programs. Patients who elect to have this surgery must make the commitment to accept significant changes in their eating habits for the rest of their lives.

**Contraindications:** The LAP-BAND<sup>®</sup> System is not recommended for non-adult patients, patients with conditions that may make them poor surgical candidates or increase the risk of poor results (e.g., inflammatory or cardiopulmonary diseases, GI conditions, symptoms or family history of autoimmune disease, cirrhosis), who are unwilling or unable to comply with the required dietary restrictions, who have alcohol or drug addictions, or who currently are or may be pregnant.

**Warnings:** The LAP-BAND<sup>®</sup> System is a long-term implant. Explant and replacement surgery may be required. Patients who become pregnant or severely ill, or who require more extensive nutrition may require deflation of their bands. Anti-inflammatory agents, such as aspirin, should be used with caution and may contribute to an increased risk of band erosion.

**Adverse Events:** Placement of the LAP-BAND® System is major surgery and, as with any surgery, death can occur. Possible complications include the risks associated with the medications and methods used during surgery, the risks associated with any surgical procedure, and the patient's ability to tolerate a foreign object implanted in the body.

Band slippage, erosion and deflation, reflux, obstruction of the stomach, dilation of the esophagus, infection, or nausea and vomiting may occur. Reoperation may be required.

Rapid weight loss may result in complications that may require additional surgery. Deflation of the band may alleviate excessively rapid weight loss or esophageal dilation.

**Important:** For full safety information please visit [www.lapband.com](http://www.lapband.com), talk with your doctor, or call Allergan Product Support at 1-800-624-4261.

**CAUTION:** Rx only.

### **Forward-Looking Statements**

This press release contains "forward-looking statements," including but not limited to the statements by Dennis McWilliams and David E.I. Pyott, and other statements regarding the transaction, as well as the safety and efficacy associated with LAP-Band® and ORBERA™. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could vary materially from Apollo's expectations and projections. Risks and uncertainties include, among other things, general industry and medical device market conditions; technological advances and patents attained by competitors; challenges inherent in the research and development and regulatory processes; inconsistency of treatment results among patients, including the occurrence of adverse events; potential difficulties in manufacturing; and governmental laws and regulations affecting domestic and foreign operations. Apollo and Allergan expressly disclaim any intent or obligation to update these forward-looking statements except as required by law.

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