

ADVANCED MEDICAL OPTICS INC
Form 424B3
October 04, 2006

Prospectus Supplement
(to Prospectus dated August 18, 2006)

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-136726

ADVANCED MEDICAL OPTICS, INC.

\$500,000,000

3.25% Convertible Senior Subordinated Notes due 2026

and

Shares of Common Stock Issuable Upon Conversion of the Notes

This prospectus supplement supplements the prospectus dated August 18, 2006, as supplemented by a prospectus supplement dated September 11, 2006, relating to the resale by certain of our securityholders of up to \$500,000,000 aggregate principal amount at maturity of our 3.25% Convertible Senior Subordinated Notes due 2026 and the shares of our common stock issuable upon conversion of the notes. You should read this prospectus supplement in conjunction with the prospectus. This prospectus supplement is qualified by reference to the prospectus, except to the extent that the information in this prospectus supplement supersedes the information contained in the prospectus.

The information appearing under the heading "Selling Securityholders" in the prospectus is hereby amended by the addition or substitution, as applicable, of the following:

| Name of Selling Securityholder | Amount of Notes Offered | Percentage of Aggregate Principal Amount of Notes | Number of Shares of Common Stock | | Percentage of Common Stock |
|---|--------------------------------|--|---|-------------------------|-----------------------------------|
| | | | Number of Shares of Common Stock Owned | That May Be Sold | |
| | Hereby | Outstanding | (1) (2) | Sold (1) | Outstanding (3) |
| Bear Stearns International Limited (4) | \$20,000,000 | 4.0% | 335,542 | 335,542 | ** |
| DBAG London (4) (5) | 6,100,000 | 1.2% | 165,365 (12) | 102,340 | ** |
| Forest Global Convertible Master Fund L.P. (6) | 2,996,000 | * | 50,264 | 50,264 | ** |
| Forest Multi-Strategy Master Fund SPC, on behalf of its Multi-Strategy Segregated Portfolio (6) | 146,000 | * | 2,449 | 2,449 | ** |
| HFR CA Global Opportunity Master Trust (6) | 1,349,000 | * | 22,632 | 22,632 | ** |

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|---|-----------|------|---------|---------|----|
| HFR RVA Select Performance Master Trust (6) | 234,000 | * | 3,926 | 3,926 | ** |
| Institutional Benchmarks Master Fund Ltd. (6) | 602,000 | * | 10,100 | 10,100 | ** |
| JPMorgan Securities Inc.(7) | 6,500,000 | 1.3% | 109,051 | 109,051 | ** |
| LLT Limited (8) | 323,000 | * | 5,419 | 5,419 | ** |
| Lyxor/Forest Fund Limited (8) | 4,027,000 | * | 67,561 | 67,561 | ** |
| McMahan Securities Co., L.P. (7) | 85,000 | * | (13) | 1,426 | ** |
| Oak Hill Contingent Capital Fund Ltd. (9) | 7,000,000 | 1.4% | 117,440 | 117,440 | ** |
| Privilege Portfolio SICAV (10) | 5,000,000 | 1.0% | 83,886 | 83,886 | ** |
| Rampart Convertible Arbitrage Investors, LLC (11) | 3,000,000 | * | 50,331 | 50,331 | ** |

* Represents less than 1% of the notes outstanding.

** Represents less than 1% of the common stock outstanding.

(1) Assumes conversion of all of the holder's notes at a conversion rate of 16.7771 shares of common stock per \$1,000 principal amount at maturity of the notes. This conversion rate is subject to adjustment, however, as described under "Description of the Notes - Conversion Rights - Make Whole Amount" and "Description of the Notes - Conversion Rights." As a result, the number of shares of common stock issuable upon conversion of the notes may increase or decrease in the future. With respect to each \$1,000 principal amount of notes surrendered for conversion, we will deliver the conversion value to holders as follows: (1) an amount in cash (the "principal return") equal to the lesser of (a) the aggregate conversion value of the notes to be converted and (b) \$1,000, and (2) if the aggregate conversion value of the notes to be converted is greater than the principal return, an amount in shares (the "net shares") equal to such aggregate conversion value, less the principal return. The number of net shares to be delivered will be determined as described in the prospectus.

(2) Includes shares of common stock issuable upon conversion of the notes in addition to any other shares of common stock identified to us by the selling securityholder as owned by it. See footnote (1).

(3) Calculated based on Rule 13d-3(d)(i) of the Exchange Act, using 59,536,005 common shares outstanding as of September 27, 2006. In calculating this amount for each holder, we treated as outstanding the number of shares of common stock issuable upon conversion of all that holder's notes, but we did not assume conversion of any other holder's notes.

(4) The selling securityholder has identified itself as an affiliate of a broker-dealer. Each such selling securityholder has informed us that: (1) such selling securityholder purchased its notes in the ordinary course of business, and (2) at the time that the notes were purchased, the selling securityholder had no agreements or understandings, written or otherwise, with any person to, directly or indirectly, distribute the notes.

(5) The selling securityholder has indicated that Patrick Corrigan, a director of Deutsche Bank Securities, Inc., has dispositive power over the notes and voting and dispositive power over the shares of common stock underlying the notes held by this selling securityholder. Mr. Corrigan disclaims beneficial ownership of the notes and the shares of common stock underlying the notes held by this selling securityholder.

(6) Michael A. Boyd, Chairman and Chief Executive Officer of Forest Investment Management LLC, the investment advisor of the selling securityholder, has dispositive power over the notes and voting and dispositive power over the shares of common stock underlying the notes held by this selling securityholder.

(7) The selling securityholder has identified itself as a broker-dealer. Each such selling securityholder has informed us that: (1) such selling securityholder purchased its notes in the ordinary course of business, and (2) at the time that the notes were purchased, the selling securityholder had no agreements or understandings, written or otherwise, with any person to, directly or indirectly, distribute the notes.

(8) Forest Investment Management LP ("Forest") has dispositive power over the notes and voting and dispositive power over the shares of common stock underlying the notes held by this selling securityholder. Forest is wholly owned by Forest Partners II, the sole general partner of which is Michael A. Boyd Inc., which is solely owned by Michael A. Boyd.

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(9) The selling securityholder has indicated that Yan Vtorov and Peter McHugh of Platinum Grove Asset Management L.P., the investment advisor of the selling securityholder, have dispositive power over the notes and voting and dispositive power over the shares of common stock underlying the notes held by this selling securityholder.

(10) The selling securityholder has indicated that David Clott, the portfolio manager of the selling securityholder, has dispositive power over the notes and voting and dispositive power over the shares of common stock underlying the notes held by this selling securityholder.

(11) The selling securityholder has indicated that Palisade Capital Management, L.L.C., the investment advisor of the selling securityholder, has dispositive power over the notes and voting and dispositive power over the shares of common stock underlying the notes held by this selling securityholder.

(12) The selling securityholder has indicated that it also beneficially owns \$3,000,000 aggregate principal amount of our 1.375% Convertible Senior Subordinated Notes due 2025 (the "1.375% Notes"). The initial conversion rate of the 1.375% Notes is 21.0084 shares of common stock per \$1,000 principal amount at maturity of the 1.375% Notes, subject to adjustment as described in the prospectus and the indenture relating to the 1.375% Notes.

(13) The selling securityholder has indicated that it also beneficially owns \$1,394,000 aggregate principal amount of our 2.5% Convertible Senior Subordinated Notes due 2024 (the "2.50% Notes") and \$200,000 aggregate principal amount of our 3.25% Convertible Senior Subordinated Notes due 2026, CUSIP number 00763MAK4. As a result of our irrevocable election to satisfy in cash our conversion obligation with respect to the principal amount of any 2.50% Notes converted after December 15, 2004, on conversion, the selling securityholder will receive (A) a cash amount equal to the aggregate principal amount of the 2.50% Notes to be converted, and (B) a number of shares of common stock equal to (i) the aggregate principal amount of 2.50% Notes to be converted divided by 1,000 and multiplied by (ii)(a) the conversion rate with respect to the 2.50% Notes then in effect minus (b) \$1,000 divided by the applicable stock price (as defined in the prospectus and the indenture relating to the 2.50% Notes). The initial conversion rate of the 2.50% Notes is 19.9045 shares of common stock per \$1,000 principal amount at maturity of the 2.50% Notes, subject to adjustment as described in the prospectus and the indenture relating to the 2.50% Notes. As of the date hereof, our 2.50% Notes are not convertible and will only become convertible upon the occurrence of specified events set forth in the indenture relating to the 2.50% Notes.

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Investing in the notes and our common stock issuable upon conversion of the notes involves risks that are described in the Risk Factors section of the accompanying prospectus beginning on page 10.

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

The date of this prospectus supplement is October 4, 2006.

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