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ICN PHARMACEUTICALS INC
Form DEFA14A
May 10, 2002

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant To Section 14(a) Of
The Securities Exchange Act Of 1934

- Filed by the Registrant [X]
- Filed by a Party other than the Registrant []
- Check the appropriate box:
- [] Preliminary Proxy Statement
- [] CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14A-6(E) (2))
- [] Definitive Proxy Statement
- [X] Definitive Additional Materials
- [] Soliciting Material Pursuant to Section 240.14a-12

ICN Pharmaceuticals, Inc.

(Name of Registrant as Specified in its Charter)

N/A

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)
Payment of Filing Fee (Check the appropriate box):

- [X] No fee required.
- [] Fee computed on table below per Exchange Act Rules 14a-6(i) (4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

[] Fee paid previously with preliminary materials.

[] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a) (2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No. :

(3) Filing Party:

(4) Date Filed:

Following is additional information first available on the "ICN Annual Meeting" section of ICN Pharmaceutical, Inc.'s website, www.icnpharm.com, on or about May 10, 2002:

Frequently Asked Questions

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Voting Questions

- Who is eligible to vote?
- What do I do if I haven't yet received my proxy and voting information in the mail?
- Where do I mail my proxy card if I lost my return envelope?
- By when do I have to mail in my GOLD proxy card?
- Who do I call if I have questions about materials I received in the mail ?
- What is the significance of whether I hold my shares as a record holder or street name?
- What color proxy materials should I vote?

WHITE vs GOLD proxy cards

- Does the color of the proxy card matter?
- I have received a WHITE proxy card. Should I sign it and mail it?
- I have already submitted a WHITE proxy card. May I change my vote?

Voting Questions

Q: Who is eligible to vote?

A: If you were an ICN shareholder as of the close of business on April 9, 2002 (we referred to April 9, 2002 as the "record date"), you should have already received a proxy statement containing important information about the ICN 2002 Annual Meeting and the ICN proposed board slate. You should have also received GOLD voting materials for the ICN Annual Meeting, which will allow you to vote your shares of ICN common stock without attending the ICN annual meeting.

If you purchased shares of ICN common stock after April 9, 2002, those shares are not eligible in this vote.

Q: What do I do if I haven't yet received my proxy and voting information in the mail?

A: If you have not received your proxy materials, please call or e-mail Morrow & Co.
toll-free: 1-800-662-5200
international: 212 754-8000
banks and brokers: 1-800-607-0088
e-mail: icn.info@morrowco.com

You may also download a copy of the ICN proxy statement at www.icnannualmeeting.com or obtain a copy of the ICN definitive proxy statement on Form 14A on May 3, 2002, which contains the proxy statement, free of charge at www.SEC.gov. To obtain a GOLD proxy card, you will need to contact the numbers or e-mail address at Morrow & Co.

Q: Where do I mail my proxy card if I lost my return envelope?

A: Please mail your GOLD proxy card or voting instruction card to the following address:
Morrow & Co.

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445 Park Avenue
New York, NY
10022

Q: By when do I have to mail in my GOLD proxy card?

A: GOLD proxy cards must be received on or before 10:00 a.m. on May 29, 2002. GOLD proxy cards that are received after May 29, 2002 will not count.

Q: Who do I call if I have questions about materials I received in the mail?

A: If you have any questions about your proxy materials, please call or e-mail Morrow & Co.:
toll-free: 1-800-662-5200
international: 212-754-8000
banks and brokers: 1-800-607-0088
e-mail: icn.info@morrowco.com

Q: What is the significance of whether I hold my shares as a record holder or in street name?

A: ICN shareholders are being asked to vote all shares held directly in their name as shareholders of record or as beneficial owner of any shares that are held in street name. Shares held in street name are shares held in a stock brokerage account or shares held by a bank or other nominees.

The method of voting differs for shares held as a record holder and shares held in street name. Record holders will receive proxy cards. Holders of shares in street name will receive voting instruction cards in order to instruct their brokers or nominees how to vote.

Q: What color proxy materials should I vote?

A: You should vote the Gold Proxy card. Disregard the White Proxy card.

WHITE vs GOLD Proxy Cards

Q: Does the color of the proxy card matter?

A: GOLD proxy cards and voting instruction cards are being solicited on behalf of your Board of Directors in favor of the three nominees for director proposed by ICN. The ICN nominees are Senator Birch E. Bayh, Jr., Abraham E. Cohen and Rosemary Tomich. The WHITE proxy cards are being sent to ICN shareholders by a dissident group soliciting proxies in support of their nominees. The ICN Board of Directors urges

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ICN shareholders to discard any WHITE proxy or voting instruction cards sent by the dissident group that is soliciting proxies against the ICN Board of Directors proposed Board slate.

Q: I have received a WHITE proxy card. Should I sign it and mail it?

A: No, the ICN Board of Directors urges ICN shareholders to discard any WHITE proxy or voting instruction cards sent by the dissident group that is soliciting proxies against the ICN Board of Directors proposed Board slate.

Q: I have already submitted a WHITE proxy card. May I change my vote?

A: Yes. You may revoke a previously granted WHITE proxy card or voting instruction card at any time prior to the annual meeting by:

1. Signing and returning the later dated GOLD proxy or voting instruction card for the ICN proposed Board slate.
2. Attending the ICN annual meeting and voting in person.

ICN Pharmaceuticals, Inc. notes the following corrections to the first full paragraph on page 27 of its Proxy Statement, dated May 3, 2002, relating to its 2002 Annual Meeting of Stockholders.

The second sentence in the paragraph should read, "This amount is subject to annual cost-of-living adjustments from the base year of 1967 until the date of retirement (currently estimated to be in excess of \$627,905 per year, as adjusted)."

The penultimate sentence in the paragraph should read, "If Mr. Panic's employment is terminated under any of the circumstances described above following such a change in control, in addition to the consulting fee as described above, Mr. Panic would be entitled to receive (based upon present compensation) approximately \$5,000,000."

Following is the text of additional presentation materials delivered to ICN Pharmaceuticals, Inc. stockholders on or about May 10, 2002:

[LOGO - ICN] ICN PHARMACEUTICALS, INC.

MAY 2002

FORWARD LOOKING STATEMENTS

THE SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995:

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- o Except for the historical information herein, the matters discussed in this presentation include forward-looking statements that may involve a number of risks and uncertainties, including but not limited to, projections of future sales, operating income, returns on invested assets, obtaining and maintaining regulatory approval processes, market acceptance of, and continuing demand for ICN pharmaceuticals' products and other risks detailed from time to time in the Company's Securities and Exchange Commission filings

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PROMISES KEPT

RESTRUCTURING HISTORY

- o The restructuring was ALWAYS ICN's and UBS's idea; no one else had it.
- o It was ALWAYS designed to unlock value for shareholders.
- o The restructuring is a complicated process that cannot be rushed.
- o The timing has been SOLELY impacted by market conditions.

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RESTRUCTURING OVERVIEW

- o Initiatives to unlock significant shareholder value

	Biotechnology	Ribapharm
		<ul style="list-style-type: none">- RNA listed on NYSE on April 12, 2002- IPO Completed- tax-free spin-off in 2002
ICN Pharmaceuticals	Specialty Pharmaceuticals Americas	ICN Americas
	Specialty Pharmaceuticals Europe	ICN International
		<ul style="list-style-type: none">o IPO Prospectus filed

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RESTRUCTURING PROGRESS

- o Ribapharm IPO completed - raised nearly \$300 million in 20% interest.
- o Second largest biotech IPO EVER.
- o Debt repurchase completed.
- o Request for tax-free treatment filed with the IRS.
- o Spin off or distribution of remaining interest in Ribapharm as soon as IRS approves.

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RESTRUCTURING STEPS

Tax Free
Distribution & Spin-off
of Ribapharm

Ribapharm IPO ICN International IPO

Retire Remaining
Debt

Retire Partial Debt

Convertible Offering

Filed Prospectus for
ICN International

S-1 Filed for
Ribapharm

Announced
Restructuring
Reorganization of
Business Operations
Into Three Distinct
Businesses

UNLOCKING EQUITY VALUE

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INTERNATIONAL SPIN-OFF - FACT VS. FICTION

- o Committed to the international IPO.
- o European market conditions do not exist for this transaction.
- o International IPO scheduled in early 2003 or sooner.

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RESTRUCTURING - FACT VS. FICTION

- o ICN has DELIVERED on its promise to restructure the company with tangible results.
- o To have done so when market conditions were not conducive would have been DESTRUCTIVE to shareholder value.
- o The results point to management's patience, wisdom and experience.
- o Opposition suggestion that a restructuring should have been done sooner points to their lack of experience and the danger to shareholders of electing their slate.

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SG&A COST CONTROLS

- o SG&A expenses in line with pharmaceutical industry
- o Attributed to cost of business:
 - Acquisitions
 - Increased investment in specialty business, esp. photonics
- o Target expense reduction from 8.5% to 7% post-proxy through:
 - Legal
 - IR/PR expenses
 - Centralization/RNA shift
 - New hire freeze
 - Redundancy reduction
 - Tighten vendor controls

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GOVERNANCE

- o ICN has had a long history of dependable corporate governance.
- o Corporate governance provisions adopted that codify what ICN has practiced all along.
- o Nominating committee established that it is comprised solely of independent directors.
 - Membership
 - Process
- o CEO succession process established that will result in a timely and orderly change in leadership.

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BOARD INDEPENDENCE

- o ICN's board has ALWAYS been comprised of independent directors.
- o Since ICN's founding, 39 out of 42 directors have been non-insiders.

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- o As of May 29, 2002, five elected within the last year:
 - Three as shareholder candidates
 - Two as qualified by nominating committee
 - Roderick Hills
 - Barry Cohen
 - Gen. Ronald Fogleman
 - Ed Burkhardt
 - Steven Lee

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ICN Board of Directors

- o Milan Panic - Chairman of the Board and CEO, ICN Pharmaceuticals
- o Norman Barker, Jr.* - Former Chairman of the Board, First Interstate Bank of California
- o Senator Birch E. Bayh, Jr. - Senior Partner, Venerable, Baetjer, Howard and Civiletti, LLP, United States Senator, 1963-1981
- o Edward A. Burkhardt - President, Rail World, Inc.
- o Abraham E. Cohen - Retired SVP, Merck & Co. and President Merck Sharp & Dohme International
- o Ronald R. Fogleman - General, Chief of Staff, United States Air Force
- o Roderick M. Hills - Partner, Hills and Stern, Former Chairman of United States Securities and Exchange Commission
- o Adam Jerney* - President and COO, ICN Pharmaceuticals
- o Jean-Francois Kurz - Chairman of the Board, Banque Pashe, SA
- o Steven J. Lee - Chairman and CEO, PolyMedica Corp.
- o Stephen D. Moses* - Chairman of the Board, Stephen Moses Interests
- o Rosemary Tomich - Chairman and CEO, Livestock Clearing, Inc.

* Not standing for reelection

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ICN Management

- o Milan Panic - Chairman of the Board and Chief Executive Officer
- o Adam Jerney - President and Chief Operating Officer
- o Greg Keever - EVP, General Counsel and Corporate Secretary
- o John E. Giordani - EVP and Chief Financial Officer
- o Bill A. MacDonald - EVP, Strategic Planning
- o Alan F. Charles - EVP, Corporate Relations

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- o James McCoy - EVP, Human Resources
- o Marinko Vekovic - SVP, Worldwide Sales
- o Mark Taylor - EVP, North America
- o Dr. Javier Rovalo - General Manager, Latin America

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OPPOSITION - NO STRATEGY

- o Opposition has NEVER articulated a strategy or objective for ICN shareholders - EVER.
- o They have NO experience managing a global pharmaceutical company.
- o They have NO scientific knowledge needed for continued innovations.
- o They are very recent shareholders who have executed at least 195 trades, including 62 sales.

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SUBSTANTIAL RISK TO SHAREHOLDERS

- o There is ENORMOUS RISK to shareholders in siding with the opposition.
- o They have NO track record, NO experience and NO strategy.
- o ICN management has CONSISTENTLY delivered on its promises.
- o A VOTE FOR THE OPPOSITION PLACES YOUR INVESTMENT IN ICN AT SUBSTANTIAL RISK.

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FINANCIAL OVERVIEW

SPECIALTY PHARMACEUTICALS REVENUES 1

1995 - 2001 CAGR: +18%

[BAR GRAPH OMITTED]

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1995-273 \$mm
 1996-347 \$mm
 1997-527 \$mm
 1998-659 \$mm
 1999-639 \$mm
 2000-645 \$mm
 2001-721 \$mm

1 Excludes ICN Yugoslavia
 2 Reflects effect of Major Russia Devaluation in Q3 1998 through 2001

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2001 vs. 2000 Full Year

	North America		Latin America		Western Europe	
	Actual 2001	Actual 2000	Actual 2001	Actual 2000	Actual 2001	Actual 2000
Product Sales	156,201	119,994	128,218	127,485	208,374	187,192
Royalties	--	--	--	--	2	14
Services	18,473	593	--	--	--	--
Revenues	173,674	120,587	128,218	127,485	206,376	187,206
Cost of Sales	23,576	13,692	34,745	35,662	106,597	96,021
Gross Profit	131,625	106,302	50,473	91,823	99,777	91,171
Gross Margin	85%	89%	73%	72%	48%	49%
Operating Expenses:						
Selling	42,276	22,606	26,996	26,831	39,506	35,654
Advertising	22,045	19,918	11,364	10,563	9,629	9,815
Goodwill	11,507	10,872	3,642	3,313	8,605	7,797

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R & D	2,304	1,746	168	273	478	2,571
G & A	6,145	1,027	6,618	5,434	14,272	15,096
Other	(2,406)	2,795	3,880	3,459	863	3,848
Total Op. Exp.	81,889	58,964	52,666	49,873	73,352	74,781
Operating Income	68,229	47,931	40,807	41,950	26,427	16,404
O.P. %	39%	40%	32%	33%	13%	9%

	AAA		Biomedical		Specialty Pharma	
	Actual 2001	Actual 2000	Actual 2001	Actual 2000	Actual 2001	Actual 2000
Product Sales	49,826	45,133	59,955	58,522	702,640	644,590
Royalties	--	--	--	--	2	1
Services	--	--	--	--	18,473	59
Revenues	49,826	45,133	59,955	58,522	721,115	645,200
Cost of Sales	25,174	25,420	27,949	28,013	284,095	263,450
Gross Profit	24,652	19,713	32,006	30,509	418,545	381,130
Gross Margin	49%	44%	53%	52%	60%	59%
Operating Expenses:						
Selling	9,995	10,320	18,456	17,476	162,358	137,670
Advertising	3,126	2,479	2,317	3,469	53,974	49,720

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Goodwill	4,156	4,562	2,089	1,657	28,022	26,28
R & D	161	175	--	--	3,218	5,54
G & A	1,879	2,571	3,500	3,178	40,414	37,77
Other	29	106	745	3,032	9,279	21,11
Total Op. Exp.	19,346	20,213	27,107	28,812	297,265	278,11
Operating Income	5,306	(500)	4,899	1,697	139,755	100,62
O.P. %	11%	(1%)	8%	3%	19%	1

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SG&A Expenses 2001

(\$ in Millions):

S,G&A expenses as reported	\$320
One time charges:	
Ribapharm charges/allocation	8
Legal expenses	3
Other non-recurring charges	3
IR/PR Expenses	3
Facility Closing	2
SG&A expenses without one time charges	\$301
Product sales	\$721
S,G&A % of sales	42%
Target by Q4 2002	40%

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FINANCIAL POSITION

SELECTED CONSOLIDATED BALANCE SHEET DATA

(US\$mm)	DECEMBER 31, 2000	DECEMBER 31, 2001
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Cash	155.6	327.6
Total Assets	1,477.1	1,754.4
Senior Debt	496.9	191.2*
Convertible Debt	-	525.0
Total Debt	510.8	740.7
Total Stockholders Equity	757.2	810.7

CREDIT STATISTICS

	2000	2001
Total Debt/EBITDA	1.86x	2.80x
EBITDA/Interest	4.56x	4.73x
Total Debt/Total Book Cap.	40%	48%

* paid off in April

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Q1 2002 CONSOLIDATED RESULTS FINANCIAL PERFORMANCE

	Q1 02	Q1 01	%CHG.
Revenues	\$246M R	\$199M	23
Royalties	57M R	28M	103
REVENUES - SPECIALTY PHARMA	189M	171M	10
Operating income	66M R	41M	60
Net Interest	13M up \$2M	11M	22
Translation	2M	.4M	nm
Provision for income taxes	20M up \$11M	9M	119
Net Income (1)	30M R	21M	43
Cumulative effect	4M	--	nm
Net Income	34M R	21M	62
EPS (diluted)-income	0.36 R	0.26	38
Cumulative effect	0.04	--	
Net Income	0.40 R	0.26	54

(1) Before Cumulative Effect of Accounting Change
R = Record results

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Q1 2002

o Record revenue for First Quarter 2002

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- o Record Gross Margin - 62%

 - o Record royalties in 1Q' 02

 - o Record operating income in 1Q'02

 - o Record pre-tax income

- Spec.Pharma -- Increased sales in all regions
 - Improved Gross Margin from 59% to 62%
 - > Better manufacturing utilization and cost reductions
 - > Improved supply chain function due to transfer of manufacturing of acquired products to our own facilities

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Q1 2002 (cont'd)

- o Provision for Taxes -- We are generating more income in higher tax jurisdictions, such as North America. Royalties are taxed at the full U.S. rate

- o S, G & A (in \$ in Millions):

S,G & A expenses as reported	\$92
One time charges:	
Ribapharm charges/allocation	2
Legal expense	3
Stock comp. Charges	3
Debt repurchase expenses	1
Other non-recurring charges	2
IR/PR expenses	2

S, G & A expenses without one-time charges	\$79
 Product Sales	 189
 S, G & A % of sales	 42%
 Target by Q4 2002	 40%

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SPECIALTY PHARMACEUTICALS

SPECIALTY PHARMA INVESTMENT HIGHLIGHTS

- o High margin specialty business in Americas

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- Record of historical growth in Latin America since 1970
 - Consistent new product flow in pharmaceuticals
 - New growth platform in vast cosmetic dermatology market
- o One of the largest specialty pharmaceutical businesses in Europe
- 57% of international revenues from Western Europe
 - New product pipeline

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TOP TEN PRODUCTS ICN PHARMACEUTICALS (\$ IN MILLIONS):

PRODUCT NAME/TRADE NAME	GENERIC NAME	THERAP. CATEG	2000	2001
	fluorouracil	antimetabolit	35.5	46.1
	pyridostigmine	cholinesterase I	33.9	42.4
	vitamin B	vitamins	25.6	25.3
	laser	Derm.	1.3	17.3
	combination	Derm.	5.0	13.9
	ribavirin	antivirals	15.1	13.6
	N-furfuryladen	Derm.	13.2	13.2
	omeprazole	Gastro	10.9	12.7
	methoxal.	antispor.	6.5	9.4
	composite	NSAID	8.3	9.2
SUB-TOTAL			155.1	202.1
All Other products			431.6	459.1
Biomed			58.5	60.0
TOTAL SALES			645.2	721.2
top ten % of total			26	31

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SPECIALTY PHARMACEUTICALS REVENUES

SPECIALITY PHARMA REVENUES ANNUAL GROWTH 12% [BAR GRAPH OMITTED]

ICN International Annual Growth 6%

2000	\$338mm	50%
2001	\$359mm	of specialty pharma revenues

ICN Americas Annual Growth 18%

2000	\$307mm	50%
2001	\$362mm	of specialty pharma revenues
2000	\$645mm	
2001	\$721mm	

SPECIALTY PHARMACEUTICALS OPERATING INCOME*

SPECIALTY PHARMA OPERATING INCOME ANNUAL GROWTH 35% [BAR GRAPH OMITTED]

ICN International Annual Growth 114%

2000	\$12mm	22%
2001	\$26mm	of specialty pharma OI

ICN Americas Annual Growth 24%

2000	\$94mm	
2001	\$117mm	78%
		of specialty pharma OI
2000	\$105mm	
2001	\$142mm	

* Before corporate charges

SPECIALTY PHARMACEUTICALS EBITDA*

SPECIALTY PHARMA EBITDA ANNUAL GROWTH 26% [BAR GRAPH OMITTED]

ICN International Annual Growth 32%

2000	\$41mm	30%
2001	\$54mm	of specialty pharma EBITDA

ICN Americas Annual Growth 24%

2000	\$121mm	70%
2001	\$150mm	of specialty pharma EBITDA
2000	\$162mm	
2001	\$204mm	

*Before corporate charges

0Q4'01 vs. Q4'00

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(000's)

	North America		Latin America		Western Europe	
	Actual 2001	Actual 2000	Actual 2001	Actual 2000	Actual 2001	Actual 2000
Product Sales	44,637	37,756	41,806	37,079	56,436	50,000
Royalties	-	-	-	-	-	-
Services	3,601	593	-	-	-	-
Revenues	48,238	38,349	41,806	37,079	56,436	50,000
Cost of Sales	8,231	5,296	11,009	10,489	29,087	28,000
Gross Profit	38,406	32,460	30,797	26,610	27,049	21,000
Gross Margin	82%	86%	74%	72%	48%	
Operating Expenses:						
Selling	10,100	6,030	7,441	7,114	10,479	9,000
Advertising	8,704	5,456	3,488	2,787	2,578	3,000
Goodwill	2,909	2,750	1,067	830	2,384	1,000
R & D	780	641	41	62	397	
G & A	1,577	4,662	1,713	1,484	3,990	5,000
Other	(1,901)	57	1,871	1,521	(1,301)	1,000
Total Op. Exp.	20,142	19,606	15,6519	13,758	18,527	22,000
Operating Income	19,885	13,447	15,178	12,852	8,822	(1,000)

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O.P. %	41%	35%	36%	35%	16%	
	AAA		Biomedical		Specialty Pharma	
	Actual 2001	Actual 2000	Actual 2001	Actual 2000	Actual 2001	Ac 2
Product Sales	13,658	8,685	15,363	13,692	204,702	178
Royalties	-	-	-	-	-	
Services	-	-	-	-	3,601	
Revenues	13,658	8,685	15,363	13,692	208,300	179
Cost of Sales	6,846	7,220	1,013	7,279	80,999	77
Gross Profit	6,812	1,465	8,290	6,413	123,703	101
Gross Margin	50%	17%	54%	47%	60%	
Operating Expenses:						
Selling	3,299	2,515	5,040	4,420	43,105	37
Advertising	646	688	650	608	15,831	14
Goodwill	1,056	1,131	522	423	7,450	6
R & D	22	42	-	-	1,221	1
G & A	558	499	1,014	796	10,565	15
Other	12	35	138	975	996	6
Total Op. Exp.	5,593	4,920	7,364	7,422	79,158	81

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Operating Income	1,219	(3,455)	928	(1,009)	48,146	20
O.P. %	9%	(40%)	6%	(7%)	23%	

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Q4 2001 Corporate Expenses (\$ in Millions)

Corporate expenses	14
Estimated one time charges:	
Ribapharm charges/allocation	2
Other non-recurring charges	2
Facility Closing	1
Total one time charges	5
Corporate expenses without one time Charges	9
Product Sales	208
Corporate Expenses % of Sales	4%

*Corporate charges do not include international corporate of \$1 M

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Q1'02 vs. Q1'01

(000's)

	North America		Latin America		Western Europe	
	Actual 2002	Actual 2001	Actual 2002	Actual 2001	Actual 2002	Actual 2001
Product Sales	44,077	37,112	29,487	26,092	54,854	52,5
Royalties	-	-	-	-	-	-
Services	2,662	5,171	-	-	-	-
Revenues	46,939	42,280	29,487	26,092	54,854	52,5
Cost of Sales	6,587	5,010	8,269	6,885	26,945	28,6

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Gross Profit	37,510	32,099	21,198	19,207	27,909	23,9
Gross Margin	85%	86%	72%	74%	51%	
Operating Expenses						
Selling	10,421	11,212	6,296	5,782	10,072	9,2
Advertising	6,260	3,989	2,536	2,516	2,923	2,5
Goodwill	2,562	2,867	1,029	827	2,397	1,9
R&D	842	550	11	62	586	
G&A	1,958	990	1,539	1,468	3,216	3,3
Other	1,747	(648)	740	397	121	2,4
Total Op. Exp.	23,780	18,960	12,151	11,052	19,315	19,5
Operating Income	16,592	18,310	9,047	8,155	8,594	4,3
O.P.%	35%	43%	31%	31%	16%	

	AAA		Biomedical		Specialty Pharma	
	Actual 2002	Actual 2001	Actual 2002	Actual 2001	Actual 2002	Actual
Product Sales	11,820	10,638	15,785	15,474	185,790	166,
Royalties	-	-	-	-	-	
Services	-	-	-	-	2,862	5,
Revenues	11,820	10,638	15,785	15,474	188,661	171,
Cost of Sales	5,613	5,619	7,431	7,118	71,722	69,
Gross Profit	6,207	5,019	8,354	8,356	114,077	96,
Gross Margin	53%	47%	53%	54%	61%	
Operating Expenses						
Selling	2,533	1,548	4,577	4,200	39,955	37,
Advertising	923	619	867	595	15,163	11,
Goodwill	1,090	1,074	2	523	7,070	6,
R&D	39	52	-	-	1,710	
G&A	684	487	891	783	10,444	9,
Other	(478)	(22)	67	56	3,112	3,
Total Op. Exp.	4,791	3,758	6,404	6,157	77,454	69,
Operating Income	1,416	1,261	1,950	2,199	39,485	32,
O.P.%	12%	12%	12%	14%	21%	

* Before Corporate allocations

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Q1 2002 Corporate Expenses (\$ in Millions)

Corporate expenses	20
Estimated one time charges:	
Ribapharm charges/allocation	2
Legal expenses	3
Stock Comp Charges	3

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- o 266 OTC products
 - o A broad product portfolio with increasing focus on:
 - central nervous system
 - anti-infective / anti-virals [PIE CHART OMITTED]
 - dermatology Export (AAA) 14%
 - alimentary tract and metabolism Eastern Europe 29%
 - o 2,100+ sales and marketing staff
 - Western Europe 57%
- * before corporate allocations

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SPECIALTY PHARMACEUTICALS AMERICAS

SPECIALTY PHARMACEUTICALS AMERICAS - OVERVIEW

- o High-margined product portfolio 2001 Revenue: US\$362mm
- o Increasing investment in sales and marketing 2001 EBITDA: US\$150mm*
- o Significant expansion in dermatology
- o consistent new product flow [PIE CHART OMITTED]
 - Latin America 35%
 - North America 65%

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* before corporate allocations

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SPECIALTY PHARMACEUTICALS AMERICAS -
GEOGRAPHIC SALES

YEAR ENDED DECEMBER 31, 2001 [PIE CHART OMITTED]

Brazil	\$6mm
Argentina	\$15mm
Mexico	\$107mm
Canada	\$24mm
United States	\$210mm
	\$362mm

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SPECIALTY PHARMACEUTICALS AMERICAS -
REVENUE MIX [PIE CHART OMITTED]

2000	2001
----	----
Biomedical \$59mm	Biomedical \$60mm
Ethical Pharma \$248mm	Ethical Pharma \$269mm
\$307	Photonics \$33mm
	\$362mm

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THERAPEUTIC MIX - NORTH AMERICA PRODUCT SALES*

YEAR ENDED DECEMBER 31, 2001 [PIE CHART OMITTED]

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HRT 8%
 Neurology 14%
 Dermatology 60%
 Other 18%

\$155mm

*Excluding Biomedicals

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TOP TEN PRODUCTS - SALES SUMMARY*

Product	Category	2000 Sales (US\$mm)	2001 Sales (US\$mm)	Gross Margin
Efudex	Dermatologic	32.4	41.4	93%
Bedoyecta	Vitamin	25.5	25.3	71%
Mestinon	Myasthenia Gravis	18.1	24.3	85%
NLite	Dermatologic Laser	na	19.0	64%
Kinerase	Dermatologic	12.6	12.1	86%
GlyQuin	Dermatologic	1.7	9.8	84%
Virazole	Antiviral	11.7	9.8	94%
Oxsoralen	Dermatologic	6.6	9.3	90%
Testred	HRT	5.2	7.9	93%
CES	HRT	5.7	5.3	41%
		119.5	164.2	82%
Percentage of Total Revenue		48%	54%	

*Excluding Biomedicals

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ICN NORTH AMERICA

MARKET LEADERSHIP IN PHYSICIAN SKIN CARE

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DEMOGRAPHICS DRIVE DEMAND

- o 78 million Americans between 35-54

- o 22 million women with household income of \$56,000

- o Seek non-invasive products that will treat and prevent aging with minimal downtime

- o Growing importance of AK therapy as risk of skin cancer increases

[GRAPHIC OMITTED]

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SKIN CARE STRATEGY

[GRAPHIC OMITTED]

DERMATOLOGY	---	Rx
DERMATOLOGY	---	Physician Dispensed
DERMATOLOGY	---	Aesthetic Elective

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BROAD SKIN AGING PORTFOLIO

[GRAPHIC OMITTED]

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Top Ten Products North America*

(*\$ in Millions)

Product	2001 Actual	2000 Actual	% Inc/ (Dec)	2001 GM%
Efudix/Efudex	\$ 39,854	\$ 30,802	29.4%	93.1%
Mestinon	21,262	15,250	39.4%	84.6%
N-Lite	14,552	1,144	1172.0%	61.5%
Kinerase	11,716	12,365	-5.2%	85.6%
Bleaches	9,827	1,735	466.4%	84.3%
Oxsoralens	9,212	6,478	42.2%	90.3%
Androif/Testred	7,962	5,168	54.1%	92.6%
C.E.S.	5,350	5,743	-6.8%	41.2%
Ancobon/Ancotil	3,758	1,785	110.5%	51.8%
Glyderm	3,044	3,278	-7.1%	68.0%
Subtotal	\$ 126,537	\$ 83,748	51.1%	
All Others	47,137	36,839	28.0%	
Grand Total	\$ 173,674	\$ 120,587	44.0%	

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Source: ICN North America

GLYQUIN TRx MARKET SHARE

52 WEEK TREND

[GRAPHIC OMITTED]

Source: IMS Health National Prescription Audit

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WRINKLE REDUCTION PROCEDURE MARKET

Number of Procedures (000s)

	1997	1998	1999	2000	2001
BOTOX	65	180	498	1,097	1,600
ABLATIVE RESURFACING	64	283	1,262	1,358	2,399
COLLAGEN	347	406	475	592	1,099
NONABLATIVE LASER	--	--	--	50	150
TOTAL	476	869	2,235	3,097	5,248

Sources: ASAPS, ICN Estimate

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GROWTH DRIVERS

NLITE

Laser Collagen Replenishment

- o GROWTH OF NON ABLATIVE PROCEDURES
- o CONTINUED PHYSICIAN ADOPTION FOR NON-ABLATIVE LASERS
- [GRAPHIC OMITTED]
- o COMBINATION THERAPY WITH BOTULINUM TOXIN FOR WRINKLES DUE TO COLLAGEN DEFICIENCY
- o MULTI APPLICATION SYSTEM
 - FDA approved: wrinkles
 - Current studies: acne scars, vascular, active acne
- o CONSUMER MARKETING
 - Drive patients directly to physicians

PHYSICIAN DIRECT

o DISTRICT OFFICES - AESTHETIC ACCOUNT MANAGEMENT

[] AREAS SERVED

	2000 (ACTUAL)	2001 (ACTUAL)
PROCEDURES PER MONTH	NA	4200
STATES SERVED	47	50
[GRAPHIC OMITTED]		
DOCTORS SERVED		
PLASTIC SURGEONS	687	1,400
Dermatologists	518	2,977
	1,105	4,377
OBGYN	NA	1,055
Podiatrists	NA	0
	1,105	1,105
TOTAL	2,720	5,432

R&D PIPELINE

PHOTOTHERAPY NEW INDICATION PIPELINE

DISCOVERY PRECLINICAL CLINICAL SUBMISSION CLEARANCE

PERIOULAR WRINKLE

GENERAL WRINKLE

[BAR GRAPH OMITTED]

VASCULAR

ACNE SCAR

STRIAE

ACNE

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ICN INTERNATIONAL PIPELINE

[GRAPH OMITTED]

Therapeutic Area	Discovery	Preclinical	Phase I	Phase II	Phase III	NDA
ICN INT 0001*						
(extended release)						
TRICHOVAC						
(new indication)						
ICN INT 0002						
(new indication)						
ICN INT 0003						
(topical)						

*Bioequivalence/kinetic-study required

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ICN LATIN AMERICA PIPELINE

[GRAPH OMITTED]

Discovery	Preclinical	Phase I	Phase II, Phase III	NDA
BIOPROTECT				
Antioxidant				
ARGENTAFIL				
Topical antibacterial				
SINPEBAC				
Skin infection				
CLOBESOL				
Anti-allergy & anti-inflammatory				
IVEXTERM				
Intestinal parasites				
YUREDOL				
Muscle pain				
EUVENT				
Bronchial asthma				

KETOPROFEN

Pain, fever, inflammation

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THE VISION

- o Concentrate in the fast growing skin aging market
- o Cross sell Rx, light and cosmetic products.
- o Invest in product development, clinical proof and line extensions.
- o Accelerate consumer advertising.
- o Licensing, product and corporate acquisition consistent with the growth strategy.

ICN - FORMULA FOR SUCCESS

- o Record Operating Performance
- o Strong Drivers for Future Growth
- o Successful Completion of Ribapharm IPO
- o Final Stages of Restructuring on Target
- o Independent Board
- o Proven Management Team with Global Pharmaceutical Experience

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Following is the text of a press release issued by ICN Pharmaceuticals, Inc. on May 10, 2002:

[Logo-ICN]

ICN PHARMACEUTICALS, INC.
MAY 2002

[ICN Logo]

ICN CHAIRMAN ANNOUNCES PLAN FOR
CEO SUCCESSION

COSTA MESA, CA, May 10, 2002 - ICN Pharmaceuticals (NYSE: ICN) today announced that its Board of Directors approved a CEO succession process for

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the company.

Milan Panic, Chairman and Chief Executive Officer, asked the Board to appoint a committee made up of independent directors who will seek candidates and recommend a smooth transition plan. The Board appointed Norman Barker, Jr., who will be Chair, Roderick Hills and General Ronald Fogleman, with company CEO Milan Panic as a non-voting member, as is typical in situations where companies are conducting a succession search.

Mr. Panic commented, "I founded this company and have led it through 42 years of innovation and strong operating performance, including record results for the first quarter of this year and the successful completion of our \$300 million IPO of Ribapharm, the second largest IPO in biotechnology."

Mr. Panic is committed to carrying out an orderly management succession plan, including ICN management in the U.S. and in Europe with specific emphasis on Russia and other Eastern European countries.

The committee has retained the international executive search firm of Korn/Ferry International to assist with the search and will report back recommendations to the Board of Directors at its own discretion.

ICN is an innovative, research-based global pharmaceutical company that manufactures, markets and distributes a broad range of prescription and non-prescription pharmaceuticals, and devices under the ICN brand name. Its research and new product development focuses on innovative treatments for dermatology, oncology and hepatology.

Additional information is also available on the Company's Website at <http://www.icnpharm.com>. _____

THE SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. This press release contains forward-looking statements that involve risks and uncertainties, including but not limited to, projections of future sales, operating income, returns on invested assets, regulatory approval processes, and other risks detailed from time to time in the Company's Securities and Exchange Commission filings.

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