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ICN PHARMACEUTICALS INC  
Form DEFA14A  
May 03, 2001

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

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(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:  
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(2) Aggregate number of securities to which transaction applies:  
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(4) Proposed maximum aggregate value of transaction:  
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(5) Total fee paid:  
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[ ] 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:  
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(2) Form, Schedule or Registration Statement No. :  
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(3) Filing Party:  
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Following is the text of ICN Pharmaceuticals, Inc.'s first quarter conference call held on May 3, 2001:

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[LOGO OF ICN PHARMACEUTICALS, INC.]

ICN PHARMACEUTICALS, INC.

First Quarter 2001 Conference Call  
May 3, 2001

## SAFE HARBOR

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

This conference call 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.

## FINANCIAL PERFORMANCE RESULTS (1Q):

	1Q01	1Q00	%
	-----	-----	-----
Record Revenues	\$199M	\$192M	+3%
Op income	\$ 46M	\$ 53M	-24%
Pre-Tax	\$ 30M	\$ 38M	-21%
Tax Rate	31%	29%	
Net Income	\$ 21M	\$ 27M	-22%
EPS*	\$.26	\$.34	-23%

One penny above Frist Call consensus of \$.25

## FIRST QUARTER HIGHLIGHTS

- o Revenues Reached Record \$199 million
- o Operating income was \$41 million
- o Pre-tax income was \$30 million
- o Net income was \$21 million

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- o EPS were \$.26 one penny above analysts estimates
- o Ribavirin royalties were \$28 million for 2001 vs. \$33 million in 2000 (down 17%).
- o Temporary slowdown in royalties as physicians await new Hepatitis C treatment. (Peg-Intron & Ribavirin)
- o Received priority review by FDA - action date is 8/5/01.
- o Ongoing effort to reduce working capital in 1st quarter \$35 million.

### REGIONAL REVIEW

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#### NORTH AMERICA:

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	1Q2001 -----	1Q2000 -----	% -----
Revenues	\$ 42M	\$ 30M	+42%
Operating income	\$ 18M	\$ 15M	+26%

#### Comments:

- o Dermatologicals strong, particularly Efudex.
- o A continued prescription growth in new Hydroquinone Glyquin.
- o Strong performance by anti-aging laser applications.

### REGIONAL REVIEW

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#### AMERICAS GROUP

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	1Q2001 -----	1Q2000 -----	% -----
Revenues	\$ 68M	\$ 59M	+16%
Operating income	\$ 26M	\$ 23M	+13%

### REGIONAL REVIEW

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#### WESTERN EUROPE

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	1Q2001 -----	1Q2000 -----	% -----
Revenues	\$ 53M	\$ 47M	12%
Operating income	\$4.4M	\$6.6M	-31%

Comments:

- o One time write-off for staff reductions in Hungary, Poland and Czech Republic.
- o Spain sales increased 10 percent, calcitonin and Nuclosina.
- o Poland sales up 34%.
- o Czech Republic launched anti-depressant Anxiron.

REGIONAL REVIEW  
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INTERNATIONAL GROUP  
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	1Q2001 -----	1Q2000 -----	% -----
Revenues	\$ 88M	\$ 85M	3%
Operating income	\$ 3M	\$ 9M	-62%

REGIONAL REVIEW  
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LATIN AMERICA  
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	1Q2001 -----	1Q2000 -----	% -----
Revenues	\$ 26M	\$ 29M	-11%
Operating income	\$ 8M	\$ 9M	-8%

Comments:

- o Economic slowdown in Mexico affected healthcare expenditures.
- o Argentina revenue increased 46%.

REGIONAL REVIEW  
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### EASTERN EUROPE:

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	1Q2001	1Q2000	%
	-----	-----	-----
Revenues	\$ 24M	\$ 27M	-8%
Op. Income (loss)	\$ -2M	\$ 2M	N/A

#### Comments:

- o Sales of ten leading products in Russia up substantially.

### REGIONAL REVIEW

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#### AAA

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	1Q2001	1Q2000	%
	-----	-----	-----
Revenues	\$10.6M	\$11.4M	-7%
Op Income	\$ 1M	\$ 1M	+1%

### RESEARCH & DEVELOPMENT

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- o R&D spending totaled approximately \$6.3 million, up from \$4 million in 2000.
- o Total R&D spent is \$17M.
- o Anti-cancer drug, Tiazofurin granted Orphan-Drug Status designation by FDA.
- o Phase I clinical studies of Levovirin started in February.
- o R&D renovation in Costa Mesa on schedule.

### STRATEGIC RESTRUCTURING

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- o The company's Board of Directors remains committed to divide ICN into three separate publicly traded companies - Ribapharm, ICN International and ICN Americas - to enhance shareholder value.
- o Draft circulars filed for the listing of ICN International on the

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Budapest and London stock exchanges.

### STRATEGIC RESTRUCTURING

#### ICN

##### RIBAPHARM

- o 20% to be sold in IPO/Repaid Debt
- o 80% distributed to shareholders

##### ICN INTERNATIONAL

- o Up to 40% to be sold in IPO or sale