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ICN PHARMACEUTICALS INC
Form DEFA14A
May 17, 2001

SCHEDULE 14A INFORMATION

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

Filed by the Registrant

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

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):

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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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
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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

Following is the text of an ICN presentation made to investors on or about
May 16, 2001:

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ICN Pharmaceuticals, Inc.

Investor Presentation

May 2001

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

This presentation 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.

[LOGO - ICN]

Company Overview

Company Overview

Strategy

Innovative, global,
research-based
pharmaceutical company

ICN Pharmaceuticals, Inc.

Global Presence - Operates in Over 90 Countries
15 Major World Markets

[OBJECT OMITTED - MAP OF THE WORLD SHOWING PLACES OF ICN PRESENCE, OFFICE AND MANUFACTURING/PRODUCTION]

ICN Pharmaceuticals, Inc.

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Research & Development

- o Ribavirin
 - o Chronic Hepatitis C Treatment Opportunity
 - o 170 million of worldwide population infected
 - o 12 million infected in N. America/W. Europe/Japan
 - o Marketed by ICN as VIRAZOLE in 44 countries for Ten Indications
- o Nucleoside Analog Library
 - o 3500 compounds

Hepatitis C Treatment Market Opportunity

Worldwide Approval of Ribavirin for Hepatitis C

- o US - approved in 1998
- o EU -
 - o Germany /UK/ Italy approved in 1999
 - o Spain and France approved in 2000
- o EU - CPMP recommended Ribavirin/Peg-Intron for approval
- o Japan - estimated 2001/2002

Hepatitis C Treatment Market Opportunity

Royalties from Ribavirin

1997-2000 CAGR +225% E

[BAR GRAPH OMITTED - 1997 - \$6M
1998 - \$37M (Rebetron(R) Approved
in June 1998)
1999 - \$109M
2000 - \$155M]

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Hepatitis C Treatment Market Opportunity

Royalty Revenue Assumptions

	Worldwide Prevalence	Annually Diagnosed	Patients Treated	Rebetol Cost*	Total Revenue
US	4.0 million				\$500 million
Europe	5.0 million	5%	25%	\$10,000	\$625 million
Japan	3.0 million				\$375 million
	-----				-----
Total	12.0 million				\$1.5 billion x royalty rate**

* Assumes Rebetol cost is approximately 2/3 of a 48 week course of Rebetrone Therapy

** Compilation of Wall Street Analyst methodologies

Ribavirin Poised for Continued Growth

- o Expanding number of patients diagnosed with Hepatitis C
 - o Increased awareness of Hepatitis C
 - o Ribavirin with Peg-Intron - improved efficacy
 - o Unbundling creates additional opportunities
 - o Japan launch expected next year
-

Ribavirin - Patent Position

- o SGP has two formulation patents through 2017
- o ICN has a mechanism of action patent until 2016
- o SGP has a new use patent on the combination of Peg-Intron and Ribavirin
- o Additional Waxman-Hatch Protection with Peg-Intron and Ribavirin combination
- o Data exclusivity in Europe for 10 years
- o Data exclusivity in Japan for 6 years

Technology Platform

- o Nucleoside analogues vs non-nucleoside small molecules
 - o Therapeutic Focus:
 - o Antivirals
 - o Anticancer
 - o Expansion of our Technology Platform:
 - o Library expansion
 - o Utilization of the latest technologies
 - o Goal: To enhance the speed of drug discovery
-

X-ray crystallography:

[OBJECT OMITTED - PHOTO OF X-RAY MACHINE
PHOTO OF DIFFRACTION
PHOTO OF PATTERN
PHOTO OF CRYSTALS
PHOTO OF STRUCTURES - RNA BINDING GROOVE, NTP CHANNEL,
PRODUCT EXIT AND ACTIVE SITE]

Research & Development Pipeline

[TIMELINE BAR GRAPH OMITTED FOR RIBAVIRIN, ADENAZOLE, TIAZOLE,
LEVOVIRIN, VIRAMIDINE, PHOTODYNAMIC THERAPY
FROM DISCOVERY, PRE-CLINICAL, PHASE 1,
PHASE 2, PHASE 3, NDA, TO PROJ APPVL DATE]

- * - Phase IV, Label Extension
 - ** - Orphan Drug Status Application - Western Europe
-

Levovirin - A Novel New Compound

-
- o L-sugar isomer of Ribavirin
 - o Appears to have a favorable side effect profile
 - o Strong potential in Hepatitis C
 - o NCE patent protection until 2016
 - o Phase 1 clinical trials initiated in February 2001
-

[LOGO - ICN]

Specialty Pharmaceuticals

Specialty Pharmaceuticals

Top Ten Products

Products	2000 Sales (\$mm)
Efudex/Efudix	\$35.3
Mestinon	33.9
Bedoyecta	25.6
Librax	16.9
Virazole	14.8
Dalmane/Dalmadorm	14.5
Kinerase	12.4
Omeprazol	10.9
Ancotil/Ancobon	10.2
Flurouracil	10.1

Total	\$184.8

Innovative Product

[OBJECT OMITTED - PHOTO OF N/LITE MACHINE]

- o Non Ablative Wrinkle Removal
 - o In development: Acne
 - o In development: Stretch Marks
-

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Top Four Competitive Products

Growth in # Procedures

	1996	1998	1999
1. Laser Resurfacing (CO 2/other)	185,154	224,774	310,000
2. Chemical Peel	42,628	1,004,579	966,888
3. Botox	N/A	433,047	662,768
4. Microdermabrasion	N/A	168,000	335,500

* (80% of patients interested in laser resurfacing do not proceed)
Source - AACS

[LOGO - ICN]

Financial Overview

Financial Overview

ICN Achieves Record Revenues in 2000

1995-2000 CAGR +24%

[BAR GRAPH OMITTED - 1995 - \$273M
1996 - \$347M
1997 - \$527M
1998 - \$696M
1999 - \$747M
2000 - \$800M]

Financial Overview

2000 Operating Income*

1995-2000 CAGR +26%

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[BAR GRAPH OMITTED - 1995 - \$47M
 1996 - \$43M
 1997 - \$64M
 1998 (*) - \$121M
 1999 - \$199M
 2000 - \$184M]

* Continuing Operations
 (*) Excludes EE charges

Financial Overview

Statement of Income

(\$ in millions except EPS)	2000	1999
Revenues	\$800	\$747
Gross Profit	537	491
SG&A & R&D	353	292
	-----	-----
Operating Income	184	199
Interest, net	47	47
Translation	7	12
	-----	-----
Pretax income before minority interest	130	140
Income Taxes	38	29
Minority Interest	(1)	(8)
	-----	-----
Net Income before extraordinary item	\$93	\$119
	=====	=====
EPS	\$1.14	\$1.45

Financial Overview

Consolidated Balance Sheet - Assets (\$000's)

	December 2000	December 1999
	-----	-----
Cash	\$ 155,585	\$ 177,991
Accounts receivable	225,639	231,902
Inventories	170,263	136,762
Prepaid expenses	13,929	18,075
	-----	-----
Current assets	565,416	564,730
Property, plant & equipment	367,229	332,360

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Other assets	544,427	575,171
	-----	-----
Total assets	\$1,477,072	\$1,472,261
	=====	=====

Financial Overview

Consolidated Balance Sheet
Liabilities and Stockholders' Equity

	December 2000	December 1999
	-----	-----
Current liabilities	\$ 158,777	\$ 140,622
Long-term debt	510,781	596,961
Other liabilities	50,320	51,106
	-----	-----
Total liabilities	719,878	788,689
Stockholders' equity	757,194	683,572
	-----	-----
Total liabilities and stockholders' equity	\$1,477,072	\$1,472,261
	=====	=====

Financial Overview

Improving Performance will Drive Cash Flow
and Earnings

[BAR GRAPH OMITTED - EBITDA

1994 (*) - \$65M
1995 - \$107M
1996 - \$132M
1997 - \$154M
1998 (*) - \$208M
1999 - \$265M
2000 - \$248M]

(*) Excludes charges and reserves

[LOGO - ICN]

Summary

Summary

- o Global, innovative research company
 - o Ribavirin royalty
 - o International profitable
 - o Investments in R&D
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Summary

- o Continued profitability provides opportunities to invest in R&D
 - o Good financial position and cash flow
 - o Restructuring - Maximization of value
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