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ICN PHARMACEUTICALS INC
Form DEFA14A
May 22, 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 the text of a letter sent to ICN Pharmaceuticals, Inc. stockholders on or about May 22, 2002.

[LOGO - ICN]

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DEAR FELLOW SHAREHOLDER:

THE DISSIDENT SHAREHOLDERS HAVE NO PLAN

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The Dissident shareholders don't offer shareholders an alternative to the current restructuring, they don't offer a different vision for ICN, and they don't offer a strategic plan for ICN. They have no plan for carrying the business forward or continuing remarkable growth. Instead they offer nothing more concrete than a promise of "change".

CHANGING CONTROL OF YOUR
COMPANY IS A COSTLY AND
RISKY IDEA.

In the words of former SEC Chairman Roderick Hills, a new ICN Director, your Board is "independent and effective... I am confident that the ICN Board as now constituted will effectively act in the best interests of all the company's shareholders." We believe the dissidents offer the threat of disruption to our efforts, which could have a harmful impact on our performance, employee morale and shareholder value. We urge you to reject their efforts.

THE DISSIDENT SHAREHOLDERS REPRESENT DISRUPTION

THE DISSIDENT
SHAREHOLDERS - PERSONAL
ATTACKS AND
GAMESMANSHIP.

We believe that the Dissidents' personal attacks, unfounded criticisms and gamesmanship demonstrate that the Dissident shareholders will bring nothing but disruption to your Board and company.

YOUR BOARD NEEDS UNITY
- NOT DISRUPTION.

Your Board does not need this at this critical time in your company's history. In the midst of a fundamental and far-reaching restructuring your company needs a unified board, not disruption.

THE DISSIDENTS MAY BRING DISRUPTION THAT COULD HARM ICN
AND THE VALUE OF YOUR INVESTMENT

VOTE THE GOLD PROXY CARD - SUPPORT YOUR BOARD

STRONG MANAGEMENT IS ESSENTIAL FOR STRONG

PERFORMANCE AND STRONG FUTURE GROWTH

ICN'S RECORD BREAKING
OPERATING RESULTS.

We hope you have had the opportunity to review our recent letters in which we discussed ICN's record breaking operating results for 2001 and for the first quarter of this year.

RESTRUCTURING IS IN
PROCESS

We also described the steps we have taken to implement our restructuring program designed to

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unlock value for ICN shareholders. This program included the IPO of our subsidiary, Ribapharm Inc., completed in April 2002, raising approximately \$300 million and the planned spin-off of the remaining Ribapharm shares to ICN holders, expected this summer.

POSITIONED FOR STRONG GROWTH

Your Company's experienced management team, working on six continents, has not only produced outstanding results but has positioned your company for strong growth going forward. Among our most promising areas for growth are:

1. An exciting new product pipeline other than Ribapharm.
2. New acquisitions of opportunity.
3. Shift of product mix to higher margins.
4. Expansion in Latin America.
5. Turnaround in Eastern Europe.
6. Reduction of G&A to 7%.

CEO SUCCESSION PROCESS FORMALIZED.

Your Company's successful past and promising future are the result of the efforts of our thousands of employees who are led by an experienced team of senior executives. To ensure that strong leadership continues at ICN, we have established a CEO succession process to ensure an orderly change of leadership for the Company

RETAINED THE INTERNATIONAL EXECUTIVE SEARCH FIRM OF KORN/FERRY INTERNATIONAL.

Our succession committee, consisting of three independent board members - Messrs. Roderick Hills, Ronald Fogleman, Norman Barker, as well as our CEO Milan Panic as a non-voting member, has retained the international executive search firm of Korn/Ferry International to assist us in conducting an orderly process to find the most qualified leadership available for ICN The committee will perform search function in orderly and timely fashion.

DON'T LET THE DISSIDENTS' CAMPAIGN PUT YOUR

SHAREHOLDER VALUE AT RISK

PROXY FIGHTS ARE A DRAIN ON YOUR COMPANY.

The proxy fights, last year and again this year, have been a tremendous drain on your company - both in terms of the costs associated with the fight and in the amount of time it has taken away from senior management and your Board of directors in running your business.

BOTH IN COST AND TIME.

THE DISSIDENTS ATTEMPTS MAY IMPEDE THE RESTRUCTURING PROGRESS.

We should point out to the Dissidents that, paradoxically, their efforts, which they claim will unlock value, may, in our view, actually decrease value for all shareholders by impeding the progress of our planned restructuring.

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REJECT THE DISSIDENT SHAREHOLDERS - SUPPORT YOUR BOARD

OUR COMMITMENT TO YOU

- o Continued strong performance.
- o Completing the restructuring of ICN in a manner that optimizes its return to you.
- o An independent Board.
- o Proceed with our announced succession plan.

VOTE THE GOLD PROXY CARD - SUPPORT YOUR BOARD

On Behalf of the Board of Directors

/s/ Milan Panic

Milan Panic
Chairman and Chief Executive Officer

IF YOU HAVE ANY QUESTIONS ON HOW TO VOTE YOUR SHARES, PLEASE CALL OUR PROXY SOLICITOR: MORROW & CO. AT (800) 607-0088

Following is the text of a press release issued by ICN Pharmaceuticals, Inc. on May 22, 2002.

[LOGO - ICN]

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ICN SAYS DISSIDENT ELECTION WOULD BE
CHANGE OF CONTROL

COSTA MESA, CA, May 22, 2002 - ICN Pharmaceuticals (NYSE: ICN)

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confirmed today that, despite contrary rumors, election of the dissident slate in this year's contest would constitute a change of control of the company.

The election of a majority of the board of directors on slates opposed by management within the current timeframe is a change of control. Three shareholder nominees were elected in 2001, and if this year's three are elected they would constitute six on what will be a nine-member board.

"Rumors are circulating once again to mislead shareholders," said ICN spokesman Alan Charles. "A change of control invokes expensive separation and similar provisions and will most likely force a major change in management personnel. The company's long-range business plans will be disrupted by such a management change and there could be a material adverse effect on our share value in a volatile Western and international market.

"This makes clear that the dissident shareholders, who have held their stock for less than a year, are, in our view, not interested in what is in the best interests of ICN shareholders over the long term."

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 Web site 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. It also assumes that the Company's operations are not adversely affected by any disruption that may be caused by the pending proxy contest.

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