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VISX INC
Form DEFA14A
May 06, 2003

SCHEDULE 14A
(RULE 14A-101)

INFORMATION REQUIRED IN PROXY STATEMENT
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 Under Rule 14a-12

VISX, INCORPORATED

(Name of Registrant as Specified In Its Charter)

(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)(1) and 0-11.

(1) Title of each class of securities to which transaction
applies: common stock, \$.01 par value per share

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

(3) Per unit price or other underlying value of transaction computed
pursuant to Exchange Act Rule 0-11 (set forth the amount on which
the filing fee is calculated and state how it was determined):

(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

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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:

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THE LEADER IN LASER VISION CORRECTION

[VISX LOGO]

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WE MAKE THINGS CLEAR

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CAUTIONARY STATEMENTS

This presentation contains certain forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, which are based on current expectations, forecasts, and assumptions of VISX that involve risks and uncertainties. Forward-looking statements in this letter, including statements regarding our future leadership position and financial performance, the ability to gain incremental revenue and profit from VISX procedures and reinvigorate demand for laser vision correction, and the expansion of our current market penetration, are based on information available to the Company as of the date hereof. FDA approval of CustomVue™ is expected in the second quarter of 2003, but is not certain. The Company's actual results could differ materially from those stated or implied in such forward-looking statements, due to risks and uncertainties associated with the Company's business, which include the risk factors disclosed in the Company's most recent filings with the Securities and Exchange Commission, including VISX's Annual Report and Form 10K for the year ended December 31, 2002. The Company assumes no obligation to update the information included in this presentation, whether as a result of new information, future events or otherwise.

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The Laser Vision
Correction Market

[VISX LOGO]

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Market Dynamics

- o More procedures than any other elective surgery
- o Widely advertised procedure
- o Considerable media exposure
- o Economy has impacted growth
- o New CustomVue[™] procedure offers fresh message

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[BAR GRAPH OMITTED]

Consumer Confidence Impacts Market

	Q1-01	Q2-01	Q3-01	Q4-01	Q1-02	Q2-02	Q3-02	Q4-02
LASIK Procedures	415,200	369,400	286,300	274,800	355,400	314,750	253,300	252,000
Consumer Confidence	117	118.9	97	93.7	110.2	106.3	93.7	80.3

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[PIE CHART OMITTED]

Consumer Interest in LVC

Respondents 18-34 years of age

May have 33%

Definitely or probably have 15%

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Source: VisionWatch Survey

Consumers Want To Get Rid Of Glasses And Contacts.
They Know They Can With LVC.

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VISX

- o Market Leader in Laser Vision Correction
- o Strong Financial Position
- o Poised for Growth
- o Focused on Maximizing Stockholder Return
- o Seasoned Board and Management that Understand Drivers for VISX

[VISX LOGO]

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Continued Strong Market Share

[PIE CHARTS OMITTED]

Percentage of Market Share Based on Number of Procedures Performed

2000

VISX	68%
Alcon	20%
Nidek	9%
B&L	2%
Other	1%

2001

VISX	60%
Alcon	23%
Nidek	12%
B&L	4%
Other	1%

2002

VISX	60%
Alcon	22%
Nidek	8%
B&L	8%
Other	2%

Source: MarketScope

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Market Leader Since 1997

[GRAPHIC OMITTED]

	Q1 96	Q3 96	Q1 97	Q3 97	Q1 98	Q3 98	Q1 99
Alcon-Summit	100%	81.9%	63.1%	39%	30%	27.2%	19.8%
Visx		18.1%	36.9%	61%	70%	72.8%	77.9%
Nidek							2.3%
LaserSight							
B & L							

[Table continued]

	Q1 00	Q3 00	Q1 01	Q3 01	Q1 02	Q3-02
Alcon-Summit	20.1%	19.5%	22.3%	19.8%	19.7%	19.6%
Visx	71.7%	67.5%	63%	61.8%	59.5%	61.1%
Nidek	7.7%	9.8%	10.6%	14.1%	14.5%	13.9%
LaserSight	0.3%	1.5%	0.8%	0.6%	1.2%	0.6%
B & L	0.2%	1.7%	3.3%	3.7%	5.1%	4.8%

Source: MarketScope

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Strong Financial Results

2002 Highlights

- o 20% operating income
- o \$123 million in cash
- o \$40 million in cash from operations
- o Purchased 4 million shares of stock
 - 20 million in the past 6 years

[VISX LOGO]

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Procedures Drive Business

Number of Procedures

X

Revenue
Per Procedure

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CustomVue™ - A Significant Advancement in Vision Correction

WaveScan
System

Star S4
System

[PHOTO]

[PHOTO]

Comprehensive
Measurement

Comprehensive
Correction

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CustomVue™ Results

- o More precise correction
 - 0.01 Diopter vs. 0.25 Diopter with glasses and contacts
- o Better than 20/20 vision
 - > 70% of patients
- o Night Vision Improvement
 - Four times as many patients "very satisfied"

Potentially Better Vision Than
Glasses or Contacts

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CustomVueTM Adds Significant Value

[LINE GRAPH OMITTED]

Annualized Percent Conversion from Standard to Custom	Incremental Operating Profit (\$MM)
10%	\$7
20%	\$14
30%	\$21
40%	\$28
50%	\$35
60%	\$42

Premium CustomVueTM Fee Leverages Profits

[VISX LOGO]

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Maximizing Stockholder Value

- o Organic Growth through Technology Leadership
- o Stock Repurchase
- o Merger and Acquisition Opportunities
- o Strong Corporate Governance Practices

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VISX Corporate Governance Highlights

- o No staggered board
- o Lead director leads executive sessions of the Board
- o Board meets regularly in executive sessions w/o management
- o Audit committee meets heightened audit committee independence requirements, includes financial expert
- o Independent directors on Compensation and Governance committees

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- o Committees are authorized to engage advisors and counsel
- o Governance principles published in Proxy
- o Complete access to all VISX officers and employees
- o Directors will attend certified director education course

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Current VISX Board is the Right Board to Lead the Company

- |X| 6 of the 7 are independent directors
- |X| All have public company board experience
- |X| All with senior level management experience at a NYSE or Nasdaq listed company

The VISX Board has decades of experience in the medical and ophthalmic industries and significant mergers and acquisitions experience

[VISX LOGO]

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Keith Meister

- o Limited experience:
 - J Net, formerly JackPot, recently delisted from the NYSE
 - Terminated as fund manager at J Net
 - 2 year stint as junior analyst at Lazard Freres
- o Icahn's employee
- o Public Board Experience: FOUR MONTHS on an Icahn Controlled Company

Board Work is Real Work

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Icahn History Overview

Icahn's First Attempt

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- o 12/05/00 - Announces intent to nominate 6 to VISX Board, including Sam Waksal
- o 04/18/01 - Challenges VISX to conduct an open auction
- o 04/20/01 - Offers to BUY at \$32 per share

VISX Acts In Best Interest of All Stockholders

- o 04/23/01 - Invites Icahn to present formal offer
- o 04/26/01 - Adopts chewable pill for offers at or above \$32 per share
- o 04/26/01 - ISS recommends vote for VISX director nominees

Icahn Withdraws from Proxy Contest

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Icahn History Overview cont'd

Icahn's Second Attempt

- o 11/20/01 - Announces intent to nominate 5 individuals to VISX Board
Icahn Withdraws Once Again

Icahn's Third Attempt

- o 04/10/03 - Icahn nominates Keith Meister to VISX Board

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Board Nominees

ELIZABETH H. DAVILA

Director since: 1995

Age: 58

Chairman of the Board, President and Chief Executive Officer, VISX

Member of Board of Directors of Nugen Technologies, Inc.
Prior Board Membership: VidaMed, Inc.

Previously: President, COO of VISX (1999 to 2001). Executive Vice President (1995 to 1999). Senior management positions with Syntex Corporation (1977 to 1994).

LAUREEN DE BUONO

Director since: 2003

Age: 45

Member of Board of Directors of INVIVO Corporation.

Previously: Executive VP, CFO of Critical Path (2001 to 2003). Managing Director for various public and private companies (2000 to 2001). CFO, COO

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RICHARD B. SAYFORD

Director since: 1995

Chairman of the Board of Directors of HCA -- HealthOne, L.L.C. Pr
American Fiber Optics, Laser Technologies

Age: 72

Previously: Founding investor of MCI Communications Co. Served as
Directors of MCI (1980 to 1998). Former President of Amdahl Inter
of Amdahl Corporation. Held various management positions with IBM

[VISX LOGO]

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VISX HAS THE RIGHT TEAM IN PLACE TO:

- o GROW THE COMPANY AND
- o CREATE LONG-TERM VALUE

FOR ALL OUR STOCKHOLDERS

[VISX LOGO]

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