The Procter & Gamble Company and Teva Pharmaceutical Industries Announce Formation of New Consumer Health Care Partnership

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New Joint Venture, to be named “PGT Healthcare,” has the potential to reach double-digit sales growth and $4 billion in sales towards end-of-decade

CINCINNATI & JERUSALEM, Israel--(BUSINESS WIRE)--The Procter & Gamble Company (NYSE: PG) and Teva Pharmaceutical Industries Ltd. (NASDAQ: TEVA) today announced the creation of a new partnership and joint venture (JV) in consumer health care. The JV, to be named PGT Healthcare, will be headquartered in Geneva, Switzerland and will operate in essentially all markets outside of North America. The partnership between P&G and Teva will also develop new brands for the North American market.

PGT Healthcare, a new model in the industry, will focus on best-in-class development and state-of-the-art commercialization of branded OTC medicines. The JV will bring together each company’s complementary capabilities and existing over-the-counter (OTC) medicines. As a result, PGT Healthcare expects to accelerate growth for its parent companies and compete for leadership in the fast-growing, $200 billion consumer health care industry. The partnership will start from a solid base of approximately $1.3 billion in annual sales with the potential to grow to $4 billion in annual sales towards the end of the decade.

“This unique and transformational partnership creates one of the broadest and deepest OTC product portfolios and geographic footprints in the industry,” said Shlomo Yanai, Teva’s President and Chief Executive Officer. “Each company’s leading brands will experience tremendous growth by combining our strengths. We will be better together.”

Combined Capabilities for Faster Growth

PGT Healthcare blends both companies’ core strengths and capabilities to facilitate rapid expansion into new countries and categories. P&G and Teva believe the combination of each company’s strengths positions the JV well for double-digit sales growth - ahead of the market and beyond what each company alone was expecting to deliver.

“P&G’s partnership with Teva creates a combined set of capabilities that is unmatched in the industry, “ said Bob McDonald, Chairman of the Board, President and Chief Executive Officer of P&G. “Starting today our combined consumer health care business will now offer more branded OTC products to more consumers in more parts of the world.”

Entry into More Markets, More Categories

To begin accelerating growth immediately, and to reach the potential $4 billion in annual sales towards the end of the decade, with continuous strong growth beyond, the companies plan to:

- **Optimize the base business** of approximately $1.3 billion in sales by joining each company’s industry-leading capabilities with the other company’s existing brands and operations. P&G will bring best-in-class consumer understanding, branding, design, and in-store merchandising to Teva’s leading brands, such as ratiopharm. Teva will bring deeper, broader pharmacy distribution, including its pharmacy sales force and strong pharmacy relationships, broader regulatory capabilities and new technologies to P&G’s leading brands, which include Vicks, Metamucil and Pepto-Bismol.

- **Expand the product and brand portfolio of each company’s current businesses** into more of the largest, fastest-growing countries in the OTC industry. Teva and P&G’s combined geographic footprint will now cover most key markets. Among the largest, fastest growing OTC markets in the world, P&G has a strong presence in the U.S., Canada, Brazil, Mexico, India, Indonesia, Australia, Italy, France and the UK. Teva is strong in Russia, Poland, Ukraine, Germany, Japan, the Scandinavian countries, Venezuela, Chile, Peru and Israel. PGT will leverage the combined capabilities to expand into whitespaces such as China. Additionally, some of the existing Teva brands are local leaders and offer global or regional expansion potential.

- **Expand into new OTC categories.** Today, P&G has a strong category presence in cough/cold, digestive wellness and women’s diagnostics. Teva’s portfolio includes many technologies and leading brands in other key OTC categories such
as vitamins, minerals and supplements, analgesics, medicated skin, and potential Rx-to-OTC switches. Several of the existing Teva brands are local leaders and offer global or regional expansion potential. Further, some of Teva's technologies can be used almost immediately to expand P&G's portfolio into new sub-categories all around the globe, including in the U.S. For example, Teva's technology portfolio includes most of the world's leading allergy compounds. This could enable the expansion of Vicks into allergy treatment.

- Drive scale and cost synergies by leveraging each company's industry leading scale and operational efficiencies. For example, P&G will bring media purchasing synergies to the venture given its position as the world's leading advertiser. Teva will bring scale and efficiency to product development and manufacturing, capitalizing on its position as the leading supplier of medicines worldwide.

PGT Healthcare will be led by a management team comprised of experienced senior leaders from both companies, including CEO Brian de Buitleir from P&G, and COO Eli Shani from Teva Pharmaceutical Industries. A supervisory board representing both parent companies will govern the venture. Tom Finn, P&G's President of Global Health Care, will be chairman of this supervisory board.

In connection with the formation of this JV, P&G has sold its OTC plants in Greensboro, North Carolina (Vicks production) and Phoenix, Arizona (Metamucil production) and transferred the employees of both plants to Teva. As part of the partnership, Teva will be the manufacturer and supplier for the PGT Healthcare business and P&G's North American OTC business.

About Procter & Gamble

P&G touches and improves the lives of about 4.4 billion people around the world with its portfolio of trusted, quality brands. The Company's leadership brands include Pampers®, Tide®, Ariel®, Always®, Whisper®, Pantene®, Mach3®, Bounty®, Dawn®, Fairy®, Gain®, Pringles®, Charmin®, Downy®, Lenor®, lams®, Crest®, Oral-B®, Duracell®, Olay®, Head & Shoulders®, Walla®, Gillette®, Braun®, Fusion®, Ace®, Febreze®, and Ambi Pur®. With operations in about 80 countries, P&G brands are available in more than 180 countries worldwide. Please visit http://www.pg.com for the latest news and in-depth information about P&G and its brands.

About Teva

Teva Pharmaceutical Industries Ltd. (NASDAQ: TEVA) is a leading global pharmaceutical company, committed to increasing access to high-quality healthcare by developing, producing and marketing affordable generic drugs as well as innovative and specialty pharmaceuticals and active pharmaceutical ingredients. Headquartered in Israel, Teva is the world's largest generic drug maker, with a global product portfolio of more than 1,300 molecules and a direct presence in about 60 countries. Teva's branded businesses focus on CNS, oncology, pain, respiratory and women's health therapeutic areas as well as biologics. Teva currently employs approximately 45,000 people around the world and reached $16.1 billion in net sales in 2010.

P&G Forward-Looking Statements

All statements, other than statements of historical fact included in this release or presentation, are forward-looking statements, as that term is defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on financial data, market assumptions and business plans available only as of the time the statements are made, which may become out of date or incomplete. We assume no obligation to update any forward-looking statement as a result of new information, future events or other factors. Forward-looking statements are inherently uncertain, and investors must recognize that events could differ significantly from our expectations. In addition to the risks and uncertainties noted in this release or presentation, there are certain factors that could cause actual results for any quarter or annual period to differ materially from those anticipated by some of the statements made. These include: (1) the ability to achieve business plans, including growing existing sales and volume profitably despite high levels of competitive activity and an increasing volatile economic environment, especially with respect to the product categories and geographical markets (including developing markets) in which the Company has chosen to focus; (2) the ability to successfully manage ongoing acquisition, divestiture and joint venture activities to achieve the cost and growth synergies in accordance with the stated goals of these transactions without impacting the delivery that base business objectives; (3) the ability to successfully manage ongoing organizational changes designed to support our growth strategies, while successfully identifying, developing and retaining key employees, especially in key growth markets where the depth of skilled employees is limited; (4) the ability to manage and maintain key customer relationships; (5) the ability to maintain key manufacturing and supply sources (including sole supplier and plant manufacturing sources); (6) the ability to successfully manage regulatory, tax and legal requirements and matters (including product liability, patent, intellectual property, and tax policy), and to resolve pending matters within current estimates; (7) the ability to resolve the pending competition law inquiries in Europe within current estimates; (8) the ability to successfully implement, achieve and sustain cost improvement plans in manufacturing and overhead areas, including the Company's outsourcing projects; (9) the ability to successfully manage currency (including currency issues in certain countries, such as Venezuela, China and India), debt, interest rate and commodity cost exposures and significant credit or liquidity issues; (10) the ability to manage continued global political and/or economic uncertainty and disruptions, especially in the Company's significant geographical markets, due to terrorist and other hostile activities or natural disasters (including the civil unrest in the Middle East and the Japan earthquake and tsunami) and/or disruptions to credit markets resulting from a global, regional or national credit crisis; (11) the ability to successfully manage competitive factors, including prices, promotional incentives and trade terms for products; (12) the ability to obtain patents and respond to technological advances attained by competitors and patents granted to competitors; (13) the ability to successfully manage increases in the prices of raw materials used to make the Company's products; (14) the ability to develop effective sales, advertising and marketing programs; (15) the ability to stay on the leading edge of innovation, maintain a positive reputation on our brands and ensure trademark protection; and (16) the ability to rely on and maintain key information technology systems (including Company and third-party systems) and the security over such systems and the data contained therein. For additional information concerning factors that could cause actual results to materially differ from those projected herein, please refer to our most recent 10-K, 10-Q and 8-K reports.

Teva Forward-Looking Statement

This release contains forward-looking statements, which express the current beliefs and expectations of management. Such statements are based on management's current beliefs and expectations and involve a number of known and unknown risks
and uncertainties that could cause our future results, performance or achievements to differ significantly from the results, performance or achievements expressed or implied by such forward-looking statements. Important factors that could cause or contribute to such differences include risks relating to: the ability of the partnership and the partners to achieve expected results and expectations regarding growth of the partnership's revenues and its share in the OTC market, the partnership's ability to successfully develop and commercialize additional pharmaceutical products and to register existing pharmaceutical products in additional territories, the introduction of competing products, the partnership's ability to identify new markets for its products, the ability of P&G and Teva to effectively utilize their respective strengths and to maximize their respective advantages with respect to the operation of the partnership, the extent to which any manufacturing or quality control problems damage our reputation for high quality production or our ability to supply products, the effects of competition on sales of the partnership's products, the impact of continuing consolidation of our distributors and customers, the ability to identify, consummate and successfully integrate recent and future acquisitions, interruptions in supply chain or problems with information technology systems that adversely affect complex manufacturing processes and supply processes, any failures to comply with any regulatory requirements, exposure to currency fluctuations and restrictions as well as credit risks, adverse effects of political or economical instability, major hostilities or acts of terrorism on our significant worldwide operations, increased government scrutiny in both the U.S. and Europe of our agreements with brand companies, dependence on the effectiveness of the partners' trademarks, patents and other protections intellectual properties related to the partnership's products, the ability to achieve expected results through R&D and marketing efforts, the difficulty of predicting U.S. Food and Drug Administration, European Medicines Agency and other regulatory authority approvals, potentially significant impairments of intangible assets and goodwill, potential increases in tax liabilities resulting from challenges to our intercompany arrangements and the arrangements between Teva companies and the partnership, our potential exposure to product liability claims, the termination or expiration of governmental programs or tax benefits, current economic conditions, any failure to retain key personnel or to attract additional executive and managerial talent, environmental risks and other factors that are discussed in our Annual Report on Form 20-F and other filings with the U.S. Securities and Exchange Commission.


Language:
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Contact:
P&G
News Media - Tom Millikin 513-622-1522
Investors - John Chevalier 513-983-9974
or
Teva – U.S.
News Media – Denise Bradley 215-591-8974
Investors – Kevin Mannix 215-591-8912
or
Teva - Jerusalem
News Media - Yossi Koren 972-3-914-8267
Investors - Elana Holzman 972-3-926-7554

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