The Procter & Gamble Company and Teva Pharmaceutical Industries Form Consumer Health Care Partnership

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Companies Create New Business Model to Become a Leading Player in Consumer Health Care

The Procter & Gamble Company (NYSE: PG) and Teva Pharmaceutical Industries Ltd. (Nasdaq: TEVA) today announced the signing of a master agreement to create a partnership in consumer health care by bringing together both companies' existing over-the-counter (OTC) medicines and complementary capabilities to accelerate growth.

This new business model combines P&G's strong brand-building, consumer-led innovation and go-to-market capabilities with Teva's broad geographic reach, its experience in R&D, regulatory and manufacturing and its extensive portfolio of products.

"This unique partnership positions P&G and Teva to be a leading player in the consumer health care industry," said Bob McDonald, chairman of the board, president and chief executive officer of P&G. "This is a remarkable opportunity to accelerate growth for both companies' OTC businesses. Together, we will serve more consumers in more parts of the world, more completely, by increasing access to high quality, affordable over-the-counter medicines."

"We are extremely pleased to be joining forces with Procter & Gamble, the world leader in brand building and innovative go-to-market capabilities," said Shlomo Yanai, Teva's president and chief executive officer. "This partnership will create value by immediately expanding the number of channels and geographies in which each company's OTC products will be sold. Together, we will develop a new platform with the potential to reshape the entire global OTC market."

Annual Sales of More Than $1 Billion

The partnership will include a joint venture that combines the companies' OTC businesses in all markets outside of North America. The markets included in the joint venture generated sales of more than $1 billion in 2010.

Teva will provide access to its unparalleled portfolio of medicines and global R&D and manufacturing expertise and infrastructure. As part of the partnership, the companies intend for Teva to take global responsibility for manufacturing to supply the joint venture markets and P&G's existing North American business.

Significant Growth Potential

OTC health care medicines offer significant growth potential for both companies in developed and emerging markets. The companies expect to stimulate faster growth in the nearly $200 billion OTC market as the global population continues to age, consumers increasingly focus on quality of life and wellness and more consumers personally manage their family's health care choices and rely on trusted brands. In addition, economies in emerging markets continue to grow quickly and consumers are gaining purchasing power. All of these factors will contribute to continued strong growth of the global consumer health care market.

This partnership will enable both companies to generate greater value from their existing OTC businesses. By broadening its OTC product offerings, Teva will further strengthen its position with major pharmacy customers around the world. For P&G, the partnership will accelerate global expansion of its leading OTC brands such as Vicks, Metamucil and Pepto-Bismol.

In addition, the partnership will exploit opportunities to develop Rx-to-OTC switches to create new trusted brands to be marketed worldwide, including in North America.

The transaction is expected to close in the fall of 2011 subject to receipt of required regulatory approvals.

Conference Calls / Webcasts

P&G and Teva will host a joint conference call as well as individual conference calls today to discuss the partnership in more detail.

A joint conference call will begin at 9:30am ET. To participate in the call from the United States, please dial 800-
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: our reaching final agreement with Proctor & Gamble regarding the terms of the proposed partnership, consummation of the transaction, including receipt of regulatory approvals and
satisfaction of other closing conditions, the ability of the proposed partnership and the partners to achieve expected results and expectations regarding growth of the OTC market, our ability to successfully develop and commercialize additional pharmaceutical products, the introduction of competing generic equivalents, the extent to which we may obtain U.S. market exclusivity for certain of our new generic products and regulatory changes that may prevent us from utilizing exclusivity periods, potential liability for sales of generic products prior to a final resolution of outstanding patent litigation, including that relating to the generic versions of Neurontin(R), Lotrel(R), Protonix(R) and Gemzar(R), the extent to which any manufacturing or quality control problems damage our reputation for high quality production, the effects of competition on sales of our innovative products, especially Copaxone(R) (including potential generic and oral competition for Copaxone(R)), the impact of continuing consolidation of our distributors and customers, our ability to identify, consummate and successfully integrate acquisitions (including the acquisition of ratiopharm), interruptions in our supply chain or problems with our information technology systems that adversely affect our complex manufacturing processes, intense competition in our specialty pharmaceutical businesses, any failures to comply with the complex Medicare and Medicaid reporting and payment obligations, our exposure to currency fluctuations and restrictions as well as credit risks, the effects of reforms in healthcare regulation, 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 our patents and other protections for innovative products, our ability to achieve expected results through our innovative R&D efforts, the difficulty of predicting U.S. Food and Drug Administration, European Medicines Agency and other regulatory authority approvals, uncertainties surrounding the legislative and regulatory pathway for the registration and approval of biotechnology-based products, potentially significant impairments of intangible assets and goodwill, potential increases in tax liabilities resulting from challenges to our intercompany arrangements, our potential exposure to product liability claims to the extent not covered by insurance, 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.

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