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ATTORNEY GENERAL GREG ABBOTT ANNOUNCES

“BUSPAR” SETTLEMENT FOR TEXAS CONSUMERS

AUSTIN — **Texas Attorney General Greg Abbott** today announced completion of a proposed \$100 million nationwide settlement for consumers and state purchasers with drug maker Bristol-Myers Squibb and two other defendants over the widely prescribed anti-anxiety drug, BuSpar. Preliminary settlement papers in the multi-state antitrust lawsuit that Texas led along with the Maryland and New York Attorney General’s offices were filed in New York federal court today. Subject to court approval, Bristol-Myers Squibb Co. will pay monies that should bring financial relief to state agencies and thousands of Texas consumers.

“We found strong evidence in this case that the defendants were working to stifle competition and prevent consumers from having access to low-cost generic equivalents of this drug. This lawsuit represented a way for us to help lower prescription drug costs for consumers,” Attorney General Abbott said.

Texas, which prosecuted the suit along with 34 other states, the District of Columbia and Puerto Rico, alleges that the defendants violated antitrust laws preventing a generic form of BuSpar from coming to market. As a result of Bristol’s alleged actions, private consumers and state institutions nationwide were forced to pay tens of millions of dollars more than they would have if generics had been available months or years earlier as the law allows. Even purchasers of generics were damaged because the price of the generic substitutes would have decreased faster but for Bristol Myers’ conduct. The three defendants in the suit are Bristol-Myers Squibb Co., Watson Pharma, Inc., and Danbury Pharmacal, Inc.

Texas consumers who can provide proof of their purchases of BuSpar or generics any time between January 1, 1998, through January 31, 2003, should receive full financial compensation for their damages. Because BuSpar is a maintenance drug, some consumers could see payments of \$200-\$300. To register to receive information on filing a claim, consumers should visit the settlement website: www.busparsettlement.com or call: 1-800-768-9587.

Texas governmental agencies also purchased millions of dollars of BuSpar during the damage period. Upon approval, state coffers should be reimbursed in amounts in excess of \$3 million.

The settlement also contains strong injunctive relief, which will prevent Bristol Myers from attempting to re-list the BuSpar patent and other types of patents if they would unreasonably delay generic entry. Bristol Myers also is forbidden to enter into agreements with generic drug manufacturers to settle patent infringement suits, if the result of such agreements would potentially adversely affect competition. The injunction has a 10-year term. The proposed injunction was negotiated in coordination with the Federal Trade Commission (FTC), with the FTC taking the lead in the negotiations.

The states are filing papers with the U.S. Federal District Court in New York City today seeking Preliminary Approval of the Settlement.