

# Pfizer Reaches Agreements in Principle to Resolve Litigation Involving Its NSAID Pain Medications

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**\$894 Million Settlements To Resolve Personal Injury Cases, Consumer Fraud Cases and State Attorneys General Claims**

[\(BUSINESS WIRE\)](#)--Pfizer Inc announced today that it has reached agreements in principle to resolve substantially all of the personal injury cases, consumer fraud cases and state attorneys general claims involving its non-steroidal anti-inflammatory (NSAID) pain medication Bextra, which Pfizer voluntarily withdrew from the U.S. market in 2005. Additionally, following key court rulings in favor of Celebrex, claims regarding Celebrex, an effective pain treatment for millions of patients, will also be resolved as part of the settlement.

“We are pleased by the favorable rulings we have achieved in this litigation and believe that now is the right time to resolve these matters,” said Amy W. Schulman, senior vice president and general counsel of Pfizer. “Inevitably, litigation can be distracting and putting these matters behind us helps our shareholders and, most importantly, patients and doctors.”

“Pfizer stands by the safety and efficacy profile of Celebrex. It is one of the most rigorously- and continuously-studied drugs in the world, as evidenced by its approval and use in 111 countries during the past 10 years across several different pain indications,” said Joseph M. Feczko, chief medical officer for Pfizer. “We believe that putting these matters substantially behind us should better enable physicians to consider Celebrex purely on the strength of its clinical data, and its ability to meet the diverse needs of patients in pain.”

## **Key Rulings in Favor of Celebrex Set Stage for Personal Injury Settlements**

Today’s announcement follows favorable rulings in which federal and New York state court judges overseeing a majority of the personal injury cases ruled that the plaintiffs’ lawyers failed to present reliable scientific evidence to prove Celebrex can cause heart attacks or strokes at its most commonly prescribed dose. These rulings would have likely limited the scope of these cases had the litigation continued. By settling these matters now, the parties are minimizing the future cost and disruption inevitably associated with litigation.

These rulings within the past year are consistent with the conclusion reached by the U.S. Food and Drug Administration (FDA) in 2005 that, based on the available data, the benefits of Celebrex outweigh its risks for appropriate patients at approved doses. The FDA requires that all prescription NSAIDs carry the same cardiovascular boxed warnings.

## **Settlements Resolve Substantial Litigation**

The personal injury settlements will resolve more than 90 percent of the known personal injury claims brought by law firms representing persons who allege that Pfizer’s NSAID pain medications were the cause of a heart

attack, stroke or other injury. Pfizer will work to finalize agreements with each of the law firms with which it has agreements in principle before the end of the year.

Pfizer also has reached an agreement in principle to settle payor class action consumer fraud cases involving Bextra and Celebrex in which plaintiffs allege economic loss relating to the promotion of these medications. The settlement will resolve these cases on a nationwide basis and is subject to approval by the appropriate courts.

In addition, Pfizer has reached agreements in principle to resolve claims brought by 33 states and the District of Columbia, primarily relating to alleged Bextra promotional practices. Under these settlements, Pfizer will make a total payment of \$60 million to the states and adopt compliance measures that complement policies and procedures previously established by the company.

Pfizer has insurance coverage for a portion of the personal injury settlements and is seeking to recover payments to which it believes it is entitled from its insurance carriers.

Pfizer will reflect these significant, non-recurring items as a third quarter pre-tax charge of \$894 million (\$640 million after-tax) to reported earnings. The charge includes amounts of (i) \$745 million applicable to personal injury claims, which Pfizer believes will be sufficient to resolve the remaining pending personal injury claims, (ii) \$60 million applicable to state attorneys general settlements and (iii) \$89 million applicable to consumer fraud class action claims.

“The agreements in principle that we are announcing today enable us to focus on what is core to our business – providing innovative medicines to treat patients suffering from some of the world’s most widespread and debilitating diseases,” Ms. Schulman said.

## **About Pfizer Inc**

Founded in 1849, Pfizer is the world’s largest research-based pharmaceutical company taking new approaches to better health. We discover, develop, manufacture and deliver quality, safe and effective prescription medicines to treat and help prevent disease for both people and animals. We also partner with healthcare providers, governments and local communities around the world to expand access to our medicines and to provide better quality health care and health system support. At Pfizer, more than 80,000 colleagues in more than 90 countries work every day to help people stay happier and healthier longer and to reduce the human and economic burden of disease worldwide.

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