

# OTC *bulletin*

THE BUSINESS NEWSLETTER FOR THE CONSUMER HEALTHCARE INDUSTRY

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## Prestige takes 17 brands off GSK in North America

**Prestige Brands Holdings is set to acquire 17 of GlaxoSmithKline's non-core OTC brands in the US and Canada for US\$660 million (€503 million) in cash.**

US-based Prestige said it had agreed to buy a basket of OTC brands that included the BC/Goody's and Ecotrin pain relievers; the Fiber Choice, Gaviscon, Phazyme and Tagamet gastrointestinal brands; and the Sominex sleep aid.

Matthew Mannelly, Prestige's chief executive officer, pointed out that acquiring the brands – which generated North American turnover of

around £134 million (€168 million) in 2010 – was a “transformational event” for the company.

The deal is expected to close during the first half of 2012.

Meanwhile, GlaxoSmithKline pointed out that it was still in the process of divesting its non-core OTC brands outside of North America, and of selling the global rights to its OTC weight-loss brand Alli (orlistat).

GlaxoSmithKline announced in February 2011 that it planned to divest non-core OTC

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## Product recalls hurt Novartis in the US

Novartis Consumer Health will record a “one-time charge” of around US\$120 million (€95 million) for the fourth quarter of 2011, after recalling Excedrin and a number of other OTC medicines manufactured at its US production facility in Lincoln, Nebraska.

The company said the voluntary recalls had been initiated because the OTC products “may contain stray tablets, capsules or caplets from other Novartis products, or contain broken or chipped tablets”.

The recalls come after production at the Lincoln facility was suspended on 19 December 2011. Novartis also stopped shipments of a number of brands made at the facility including Benefiber, Excedrin, Lamisil, Maalox, Ther-aflu and Triaminic.

Novartis has also recalled all lots of its Excedrin Extra Strength Caplets and Excedrin Tension Headache Caplets in Canada.

The Food and Drug Administration (FDA) in the US has now advised patients and healthcare professionals about a potential safety risk associated with certain opiate products manufactured for Endo Pharmaceuticals by Novartis Consumer Health at the Lincoln site. The

regulatory agency said an inspection of the site had found a packaging problem that might result in a pill, tablet or caplet getting mixed in with a different prescription.

The news comes in the wake of the ongoing US product recall problems at Johnson & Johnson, which led to the closure of McNeil Consumer Healthcare's Fort Washington manufacturing plant. US sales at Johnson & Johnson's OTC & Nutritionals business have halved over the past two years (*OTC bulletin*, 31 October 2011, page 4).

Novartis said it would “gradually resume operations” at the Lincoln facility, following implementation of planned improvements and in agreement with the FDA.

The company added, however, that it was “not possible to determine when the plant will resume full operations and the full financial impact of these events”.

The company stressed that the Lincoln facility produced a variety of products, mainly for the US market, with an annual sales value representing less than 2% of sales by the Novartis group. Novartis Consumer Health would

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