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NEWS RELEASE

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Pharmaceutical Company to Pay Consumers, State for Attempting to Block Generics

Anticompetitive conduct delayed competition, caused higher prices for Provigil

Jackson, Miss.- Attorney General Jim Hood announced today that Mississippi consumers who purchased the drug Provigil may be eligible for restitution as part of a multistate, \$125 million settlement with drugmaker Cephalon.

Approximately \$1.27 million of the settlement will go to Mississippi, with about \$451,757 allocated to compensate consumers, based sales of the drug in Mississippi. Cephalon is accused of illegal conduct in its attempts to protect a monopoly on Provigil, which is commonly prescribed to individuals with sleep disorders. Cephalon's anticompetitive efforts delayed availability of generic, less expensive versions of the drug.

"When a company tries to rig the system to its advantage, consumers suffer the consequences," Attorney General Hood said. "Our antitrust laws protect us against this type of unfair business activity by greedy corporations. This settlement will provide some needed relief to those who were harmed by this scheme."

Cephalon is accused of intentionally defrauding the federal Patent and Trademark Office to secure an additional patent for Provigil about the same time potential generic versions of the drug would have normally been put on the market. A court later deemed the additional patent to be invalid and unenforceable, but not before the company prevented competition for nearly six years by filing patent infringement lawsuits. Because of this, consumers and state health programs paid hundreds of millions more for Provigil than they would have if generic versions of the drug had launched in 2006 as expected.

In addition to the \$451,757 for consumers, Mississippi will receive \$477,869 as compensation for Provigil purchases by state entities or under state contracts. Additionally, Mississippi will receive \$342,654, representing a portion of the profit Cephalon gained from its scheme.

The settlement is subject to court approval. Eligible consumers will receive notice and an opportunity to participate in, object to, or opt out of the settlement. The settlement is a result of litigation between Cephalon and the Federal Trade Commission.

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