



**FOR IMMEDIATE RELEASE**

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**Watson Licenses Population Council's Novel Contraceptive Ring**

**Phase 3 clinical development product expands  
Watson's global brand contraceptive portfolio**

MORRISTOWN, NJ and NEW YORK, NY (1 March 2010) – Watson Pharmaceuticals, Inc. (NYSE: WPI) today announced an exclusive licensing agreement to commercialize the Population Council's investigational contraceptive vaginal ring in the United States, Canada, and Mexico. The ring, which contains two hormonal products—ethinyl estradiol and Nestorone®, a novel, synthetic progestin—is currently in Phase 3 clinical development.

“This ring, if approved, will provide women with an important new user-controlled long-term contraceptive method,” says Population Council President Peter J. Donaldson. “We are pleased to be entering into this agreement with Watson, which has made its commitment to women’s health a cornerstone of its business.”

“The addition of this novel vaginal ring product further expands our contraceptive portfolio by adding a unique contraceptive choice for women,” says Fred Wilkinson, Watson’s executive vice president of global brands. “The Population Council is a leading force in the development of reproductive health products and a natural ally for Watson as we continue to focus on providing women with a wide array of safe, effective options for reproductive health.”

Under the terms of the agreement, Watson will pay the Population Council an undisclosed licensing fee and make additional payments based on the achievement of certain regulatory and sales performance milestones. If the product is successfully commercialized, Watson also will pay royalties based on sales in the United States, Canada, and Mexico. As a result of this agreement, Watson will assume responsibility for specific future development, regulatory, and marketing expenses related to the commercialization of the contraceptive ring. In addition, the agreement has special provisions for providing the product to certain public-sector organizations.

The Nestorone®/ethinyl estradiol contraceptive vaginal ring is designed to simultaneously release Nestorone® along with a low dose of ethinyl estradiol for up to 13 cycles (one full year). The ring remains in the vagina for three weeks per cycle, followed by one ring-free week. It is intended to be inserted and removed by the woman herself without the help of a healthcare professional.

#### **About Watson Pharmaceuticals, Inc.**

Watson Pharmaceuticals, Inc. is a leading global specialty pharmaceutical company. The Company is engaged in the development and distribution of generic pharmaceuticals and specialized branded pharmaceutical products focused on urology and women's health. Watson has operations in many of the world’s established and growing international markets.

In the United States, the Watson brand portfolio includes RAPAFLO®, Gelnique™, OXYTROL®, TRELSTAR® LA and TRELSTAR® Depot, and INFED®. In addition, Watson markets the following brands under co-promotion agreements: AndroGel®, with Solvay Pharmaceuticals, Inc.; and Femring®, with Warner Chilcott Limited. The Watson brand pipeline portfolio includes a number of products, including a six-month formulation of

TRELSTAR® for the treatment of advanced prostate cancer, which is currently under review by the FDA; Uracyst®, under development for cystitis; and two additional novel oral contraceptives. All other trademarks are property of their respective owners.

For press release and other company information, visit Watson Pharmaceuticals' Web site at <http://www.watson.com>.

### **About the Population Council**

The Population Council (<http://www.popcouncil.org>) is an international, nonprofit, nongovernmental research organization that seeks to improve the well-being and reproductive health of current and future generations around the world and to help achieve a humane, equitable, and sustainable balance between people and resources. The Population Council conducts biomedical, social science, and public health research and helps build research capacities in developing countries. Established in 1952, the Population Council is governed by an international board of trustees. Its New York headquarters supports a global network of regional and country offices.

### **Forward-looking statement**

Statements contained in this press release that refer to nonhistorical facts are forward-looking statements that reflect Watson's current perspective of existing information as of the date of this release. For example, any statements in this press release concerning future approvals or other events related to products or future products and Watson's strategic initiatives and business plans are forward-looking statements. It is important to note that Watson's goals and expectations are not predictions of actual performance. Actual results may differ materially from Watson's current expectations depending upon a number of factors affecting Watson's business. These factors include, among others, the impact of competitive products and pricing; timely and successful consummation and implementation of strategic initiatives; the timing and success of product launches; the difficulty of predicting the timing or outcome of product development efforts and FDA or other regulatory agency approvals or actions; costs and efforts to defend or enforce intellectual property and contractual rights; difficulties or delays in manufacturing; the availability and pricing of third-party-sourced products and materials; successful compliance with FDA and other governmental regulations applicable to Watson's third-party manufacturers' facilities, products, and/or businesses; changes in the laws and regulations, including Medicare and Medicaid, affecting, among other things, pricing and reimbursement of pharmaceutical products; and such other risks and uncertainties detailed in Watson's periodic public filings with the Securities and Exchange Commission, including but not limited to Watson's annual reports for the year ended December 31, 2008 and quarterly reports on Form 10-Q for the quarter ended September 30, 2009. Except as expressly required by law, Watson disclaims any intent or obligation to update these forward-looking statements.

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