



NEWS RELEASE

New Data Suggest that GELNIQUE® (oxybutynin chloride) gel 10% Does Not Impact Cognition among Healthy Older Adults

- Previous research suggests oral oxybutynin formulations can impair cognition -

San Francisco, CA, September 29, 2009 – Watson Pharmaceuticals, Inc. (NYSE: WPI), a leader in generic and specialty branded pharmaceuticals, announced findings of a double-blind study which demonstrate that GELNIQUE® was comparable to placebo in its effect on memory tests and other cognitive functions in older healthy adult subjects when compared to immediate release oral oxybutynin treatments. The results were presented at the at the International Continence Society's Annual Meeting.

According to a recently published review article of randomized, double-blind, multi-center trials, oral oxybutynin was associated with cognitive deficit in four trials. This potential effect can be particularly concerning, given that more than half (57 percent) of the 34 million adult OAB sufferers in the U.S. are over the age of 60. GELNIQUE® is the first and only topical gel for the treatment of overactive bladder (OAB) with symptoms of urge urinary incontinence, urgency, and frequency,

“Oxybutynin is a vital and effective treatment. That said, the potential for oral formulations to impact cognitive function is significant and weighs heavily on the treatment decisions I make on behalf of my OAB patients,” said Scott MacDiarmid, MD, Director, Alliance Urology Specialists, Bladder Control and Pelvic Pain Center. “Topically administered oxybutynin gel is an effective and easy-to-use treatment option with very few anticholinergic side effects. I am comfortable and confident prescribing GELNIQUE® with the added peace of mind these data offer in terms of cognitive safety.”

Clinical Data

In the double-blinded, double dummy, Phase I study of 152 older, healthy, non-demented adults (average age of 68 years) from five U.S. centers, participants were randomized to one of three treatment arms for one-week of therapy: 1g GELNIQUE[®] gel 10% once daily (GELNIQUE[®] plus placebo oxybutynin immediate-release capsule; n=49); 5mg oral oxybutynin immediate-release three times daily (active OXB-IR capsules plus placebo GELNIQUE[®]; n=52); or placebo (placebo GELNIQUE[®] plus placebo OXB-IR capsules; n=51). After one week, participants were given a series of tests to assess cognitive and psychomotor functioning.

Results on the primary endpoint (Name-Face Association delayed recall) showed no significant treatment effect ($p=0.273$), as well as no significant differences versus placebo (GELNIQUE[®] vs. placebo, $p=0.155$; OXB-IR vs. placebo, $p=0.177$). However, on another sensitive test of delayed recall measuring the participants' ability to recall the location of misplaced objects in a simulated house, there was a significant difference between treatment groups ($p=0.029$) with scores in the placebo and GELNIQUE[®] groups both improving and performance in the OXB-IR group declining.

On the remaining tests of delayed recall (First-Last Name Association Test, Hopkins Verbal Learning Test [HVLT] -Delayed Recall, Retention, or Delayed Recognition Index) and immediate recall (Name-Face Association Test, Facial Recognition Test, HVLT-Total Free Recall), there were no significant treatment-related group differences. However, in an exploratory analysis of Reliable Change scores in the HVLT-Total Free Recall (i.e., a decline of at least 6 from the baseline score), declining scores were observed that 10 participants on OXB-IR showed a significant decline, compared to 6 subjects on placebo and 5 subjects on GELNIQUE[®].

On psychomotor scores, there were no significant treatment-related group differences on measures of psychomotor reaction time (Divided Attention Test, Visual Monitoring Response Time), or for any of the Memory Assessment Clinics Self-Report Questionnaire (MAC-S) variables.

Significantly more patients in the OXB-IR group vs. GELNIQUE[®] reported dry mouth (73.1% and 6.1%, respectively) and other treatment-emergent adverse events, such as headache (7.7% and 0%, respectively) and constipation (5.8% and 0%, respectively). The most common

treatment-emergent adverse event was dry mouth; three people in the OXB-IR group discontinued treatment. There were no serious adverse events.

About GELNIQUE®

GELNIQUE® is a quick-drying, clear and colorless, fragrance-free hydroalcoholic gel containing oxybutynin chloride, an antispasmodic antimuscarinic agent. Applied once daily to the thigh, abdomen, upper arm or shoulder, one-gram (approx. 1 mL) of GELNIQUE® gel 10% delivers a consistent dose of oxybutynin through the skin over a 24-hour period, providing strong efficacy with excellent tolerability.

Because the active ingredient in GELNIQUE® is delivered transdermally, it is not metabolized in the same way as orally administered oxybutynin. It bypasses first-pass metabolism, which reduces the formation of the N-desethyloxybutynin metabolite (N-DEO), which may be linked to unwanted side effects such as dry mouth and constipation. In clinical trials, GELNIQUE® users reported low levels of dry mouth (6.9%) and constipation (1.3%).

In a Phase 3, 12-week trial, one-gram, once-daily GELNIQUE® was superior to placebo at relieving OAB symptoms, including a reduction in incontinence episodes and urinary frequency, and an increase in urine void volume. The treatment was well tolerated in the study with a low incidence of adverse events and no treatment-related serious adverse events. The most frequently reported treatment-related adverse events (>2% and greater than placebo) were dry mouth (6.9%) and application-site reactions (5.4%).

Additional pharmacology studies showed that showering one hour or later, or applying sunscreen lotion 30 minutes before or after GELNIQUE® application, did not significantly alter the absorption of the drug.

For full prescribing information, please visit www.gelnique.com.

About Watson Pharmaceuticals, Inc.

Watson Pharmaceuticals, Inc., (NYSE: WPI) is a global leader in the development and distribution of pharmaceuticals with a broad portfolio of generic products and a specialized portfolio of branded pharmaceuticals focused on Urology, Gynecology and Nephrology (Medical).

In the U.S., the Watson portfolio includes RAPAFLO[®], GELNIQUE[®], TRELSTAR[®] LA and TRELSTAR[®] Depot, Ferrlecit[®], INFeD[®] and Oxytrol[®]. In addition, Watson markets the following brands under co-promotion agreements: AndroGel[®], with Solvay Pharmaceuticals, Inc., and Femring[®], with Warner Chilcott Limited. The Watson 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 a novel new oral contraceptive.

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

Forward-Looking Statement

Any statements contained in this press release that refer to future events or other non-historical facts are forward-looking statements that reflect Watson's current perspective of existing trends and information as of the date of this release. Except as expressly required by law, Watson disclaims any intent or obligation to update these forward-looking statements. 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; market acceptance of and continued demand for Watson's products, including GELNIQUE; the difficulty of predicting the timing or outcome of FDA approvals and actions, if any; and other risks and uncertainties detailed in Watson's periodic public filings with the Securities and Exchange Commission, including but not limited to Watson's Quarterly Report on Form 10-Q for the period ended June 30, 2009.