



Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, AUGUST 3, 1990

AT
(202) 514-2007
TDD (202) 514-1888

**ANTITRUST SUIT TO PROHIBIT PEPTO-BISMOL
FROM ACQUIRING MAALOX ANNOUNCED**

The Department of Justice announced today that it intends to file a civil antitrust suit in the U.S. District Court in Philadelphia, challenging the proposed exclusive marketing and distribution agreement under which The Procter & Gamble Company of Cincinnati, Ohio would acquire exclusive rights to market and distribute Maalox.

Procter & Gamble currently manufactures and markets Pepto-Bismol and this proposed agreement would make it the Nation's largest manufacturer of over-the-counter remedies used for relief of common stomach and digestive discomforts. Maalox is a product of Rhone Poulenc Rorer, Inc. (formerly Rorer Group) of Fort Washington, PA.

"The proposed acquisition would violate Section 7 of the Clayton Act because it may substantially lessen competition in the over-the-counter stomach remedies market in the United States," said James F. Rill, Assistant Attorney General in charge of the Antitrust Division.

"In addition," he said, "the proposed agreement could result

(MORE)

in higher prices for consumers who purchase and use over-the-counter stomach remedies.

"The agreement would eliminate substantial direct competition between Maalox and Pepto-Bismol and would reduce competition among over-the-counter stomach remedies. This lack of market competition would generally harm consumers nationwide," Rill said. "Antitrust laws are intended to prevent the acquisition of market power which could lead to reduced market competition."

In 1989, total retail sales of over-the-counter stomach remedies in the U.S. were in excess of \$900 million.

Procter & Gamble and Rorer had combined over-the-counter stomach remedy sales of over \$236 million.

Procter & Gamble is the second largest manufacturer of over-the-counter stomach remedies in the United States and Rorer is the third largest.

###