

GSK to pay \$229 mn to settle Avandia US suits

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Singapore: GlaxoSmithKline has agreed to pay \$229 million to settle lawsuits brought by eight US states related to improper marketing of its Avandia diabetes drug. The company, in a regulatory filing, said the settlement was within provisions it had previously set aside for litigation. The agreement also encompasses allegations brought by Louisiana's attorney general involving other Glaxo products, the company said.

The eight states had opted out of a prior settlement agreed to by 37 other states last year over Avandia, which has been linked to heart problems. It was pulled from the market in Europe in 2010 and its use has been heavily restricted in the US.

The settlement does not involve any admission of liability by the company and was undertaken to avoid lengthy trials, Glaxo spokeswoman Mary Ann Rhyne said.

In addition to Louisiana, the other states involved are Kentucky, Mississippi, Maryland, South Carolina, New Mexico, West Virginia and Utah.

The news of the Avandia settlement comes at a time when Glaxo is involved in a major investigation by Chinese authorities over allegations of widespread bribery to help sell its medicines in China.

Glaxo last year agreed to pay \$3 billion and plead guilty to criminal charges in one of the largest healthcare fraud cases in U.S. history. That case involved marketing of products for unapproved uses, including the antidepressant Paxil to underage patients. That settlement also involved charges of failing to provide the US FDA with Avandia safety data.