glenmark
A new way for a new world

August 23, 2012

The Manager
Listing Dept,
The National Stock Exchange of India Ltd
Plot No. C/1,G Block
Bandra Kurla Complex
Bandra (E) Mumbai-400051

Dear Sir,

Enclosed please find herewith the press release informing **"The International Centre for Dispute Resolution has ruled in favor of Glenmark Pharmaceuticals ltd on the arbitration claim it filed against Napo Pharmaceuticals, Inc."**

The above is for your information and record.

Thanking you,

Yours faithfully,
For Glenmark Pharmaceuticals Ltd.

Sanjay Chowdhary
Jt. Company Secretary & Compliance Officer

Tel: 4018 9999 / 4018 9879
Fax No: 4018 9986 (Legal & Secretarial Dept.)

Encl: as above

Press Release *For Immediate Dissemination*

The International Centre for Dispute Resolution has ruled in favor of Glenmark Pharmaceuticals ltd on the arbitration claim it filed against Napo Pharmaceuticals, Inc.

August 23, 2012 : This is to inform you that on August 22, 2012, the International Centre for Dispute Resolution ("ICDR") ruled in favor of Glenmark Pharmaceuticals Limited ("Glenmark") on the arbitration claim it filed on August 8, 2011 against Napo Pharmaceuticals, Inc. ("Napo") seeking, among other things, a ruling that Glenmark's exclusive rights to develop, commercialise and distribute Crofelemer in 140 countries for treatment of diarrheal diseases includes the exclusive rights to distribute though relief agencies in these countries and an injunction prohibiting Napo from sharing confidential information concerning the manufacture of Crofelemer.

The ICDR ruled that Glenmark's exclusive rights to commercialise and distribute Crofelemer include the exclusive right to distribute Crofelemer through relief agencies into the 140 countries that comprise the Glenmark territory. The ICDR also ruled that Glenmark has two years from the time Crofelemer is approved in India (on an indication by indication basis) to file for regulatory approval in the 140 countries in its territory. Finally, the ICDR found that Napo breached the Collaboration Agreement by disclosing confidential information concerning the manufacture of Crofelemer to Aptuit Laurus ("Aptuit") and enjoined Napo from disclosing such confidential information to third parties and from purchasing or obtaining Crofelemer from Aptuit.

"We are delighted that the arbitrators have reaffirmed Glenmark's rights to commercialise Crofelemer through relief agencies. Diarrhea is a big concern around the world, especially in emerging markets and globally millions of patients suffer from diarrhea every year. This ruling will allow Glenmark to further its commitment to working with relief agencies to distribute Crofelemer to affected populations. We also are pleased that the arbitrators have prevented Napo from sharing confidential information concerning the manufacture of Crofelemer with our competitors and other third parties," said Mr. Glenn Saldanha, Chairman & MD, Glenmark Pharmaceuticals Limited.

Napo also had filed a claim in the same proceeding seeking a ruling that Glenmark had materially breached the Collaboration Agreement between the parties by failing to, among other things, commercialise Crofelemer in all 140 countries in its territory and to manufacture a pediatric formulation for Crofelemer. In its ruling today, the ICDR rejected Napo's material breach claim, finding that Glenmark has complied with all of its obligations under the Collaboration Agreement.

The ruling today is an Interim Award addressing the issues presently before the ICDR. Certain other issues between the parties have been deferred to a second phase.

Glenmark Pharmaceuticals has an exclusive license from Napo Pharmaceuticals, Inc. to distribute and commercialise Crofelemer in 140 emerging countries (rest of world, or "ROW" territories) including India for indications related to HIV, use in acute adult and pediatric diarrhea. Crofelemer is a novel, first-in-class anti-diarrheal agent that has a physiological and different mechanism of action from traditional anti-diarrheal agents. Besides its potential efficacious role in multiple diarrheal indications, Crofelemer controls diarrhea with no drug-drug interactions, minimal systemic adsorption and, unlike current anti-diarrheals, no serious side effects.

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For further information, please contact:
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