



Natco Pharma Limited

Regd. Off. : 'NATCO HOUSE', Road No. 2, Banjara Hills, Hyderabad-500 033. INDIA.
Tel : +91 40 23547532, Fax : +91 40 23548243

January 14, 2011

Press Release

K & C Pharmacy, a general partnership firm based out of New Jersey, USA (of which the Hyderabad based **NATCO** Pharma Limited is a 75% partner) has sold its right, title and interest in a retail pharmacy outlet known as Nicks' Drugs, based in Newark, New Jersey.

Nicks' Drugs revenues were predominantly guided by the Medicaid reimbursements from the State of New Jersey. Of-late, however, owing to budgetary restrictions, there have been significant reductions in the reimbursements. However, this sale would not have any significant effect on the revenues and profitability of **NATCO** Pharma Limited.

With this sale, **NATCO** Pharma Limited now owns and operates only one retail pharma store – through its wholly owned subsidiary – **NATCO** Pharma Inc., - known as SaveMart Pharmacy, based in Lancaster, Pennsylvania, USA. This store is doing well and is not dependent on Medicaid reimbursements.

Forwarded for favor of publication

For NATCO PHARMA LIMITED

M. ADINARAYANA
Company Secretary & G.M.
(Corporate Affairs)