



FOR IMMEDIATE RELEASE

NAPO PHARMACEUTICALS ANNOUNCES SUCCESSFUL TREATMENT OF ACUTE ADULT WATERY DIARRHEA

San Francisco, California February 14, 2011-Napo Pharmaceuticals, Inc. (Napo) is pleased to announce the positive results of a successfully completed Phase 2 study of crofelemer for the treatment of hospitalized adult patients with mild to moderate acute watery diarrhea conducted by its partner Glenmark Pharmaceuticals Ltd. (Glenmark - BSE: 532296 NSE: GLENMARK).

In the randomized, placebo-controlled, multi-center study, resolution of diarrhea was significantly higher in patients treated with crofelemer than in those given placebo. Crofelemer continues to be found safe, with no apparent differences in adverse events in patients treated with crofelemer as compared to placebo.

In November 2010, Napo released the highly statistically significant results of a Phase 3 study of crofelemer for treatment of chronic diarrhea in people living with HIV/AIDS on anti-retroviral therapy (HIV-related diarrhea). A new drug application for crofelemer for this indication will be filed mid-year and has been given fast track designation by the FDA.

Based on these successful results, Lady Neelam Sekhri Feachem, recently joined Napo as leader of its global access program and alliance management. "I am pleased to be working with the Napo team because of its unique commitment to ensuring access to its first-in-class anti-diarrheal drug in every part of the world," she said. "I look forward to working with Napo's commercial partners, international NGOs, donors, and others in the global health community to ensure rapid and affordable access to crofelemer and Napo's future products. Napo's program to accelerate the development of a pediatric product for acute and HIV-related diarrhea is especially exciting. I am delighted that Napo's partners are committed to the development of this lifesaving drug for children."

"Napo is committed to global access to crofelemer—each and every country and patient in need," said Napo CEO Lisa Conte. "Napo prospectively negotiated rights in agreements with its licensees to ensure availability of this important medicine to emerging markets and the developing world, at the same time as in Western markets. Emerging markets for pharmaceutical sales are expected to grow at 17% over the next year, more than double the rate of the global market for pharmaceuticals. Napo welcomes Glenmark's commitment to bring crofelemer, its first NCE (new chemical

entity), to emerging and developing markets. Napo is committed to that goal and is currently accelerating development of crofelemer for pediatric populations around the world, including those most vulnerable to severe disease and death from diarrhea dehydration.”

Pediatric Applications for Crofelemer

Diarrhea is the second largest killer of children globally. Dehydration from watery diarrhea causes death in approximately two million children under age 5 each year, and measurable morbidity in hundreds of millions more. Napo estimates that pediatric diarrhea is the largest market opportunity and need in developing and emerging markets. Napo has established a global advisory board of key opinion leaders to work with Napo in its development of the pediatric indication of crofelemer. In addition to its focus on the growing private sector of emerging markets, Napo has formed alliances with Direct Relief International and others to make crofelemer accessible to every child in need. This program is recognized as a Clinton Global Initiative.

About Crofelemer

Napo’s proprietary patented gastrointestinal compound, crofelemer, is a first-in-class anti-secretory agent extracted from *Croton lechleri*, a medicinal plant sustainably harvested under fair trade working conditions from several countries in South America. Crofelemer is in various stages of clinical development for four distinct indications:

1. Crofelemer for HIV-related diarrhea (CRO-HIV), Phase 3 (under Special Protocol Assessment); highly significant data recently released, NDA filing targeted for mid-2011.
2. Crofelemer for diarrhea predominant irritable bowel syndrome (CRO-IBS), Phase 2
3. Crofelemer for acute infectious/watery diarrhea (including cholera), Phase 2 (CRO-ID)
4. Crofelemer for pediatric diarrhea (CRO-PED), Phase 1

The FDA has granted fast track status to crofelemer development for IBS- and HIV-related indications.

About Napo Pharmaceuticals, Inc.

Napo Pharmaceuticals, Inc. focuses on the development and commercialization of proprietary pharmaceuticals for the global marketplace in collaboration with local partners. The company seeks partners in both traditional high-value markets as well as in the higher volume business models of emerging and developing economies. Napo was founded in November 2001 and is based in San Francisco, Calif., with a subsidiary in Mumbai, India.

In addition to crofelemer, Napo holds exclusive worldwide rights to novel small-molecule potential second-generation anti-secretory agents, which have been licensed to



the company by the Regents of the University of California, and are the subject of NIAID funding. Napo is developing an early clinical stage/ready for Phase 2 product, NP-500, for the treatment of insulin-resistant diseases of Type II diabetes and metabolic syndrome. Napo has a library of approximately 2,300 medicinal plants.

Napo's discovery process leverages the knowledge of traditional healers, or shamans, working in rain forest areas. The company provides benefit sharing to the cultures with which it works through a non-profit it established called the Healing Forest Conservancy, devoted to recognizing the intellectual contributions of indigenous knowledge, the conservation of biological diversity, indigenous cultures, and the basic human rights of those communities.

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