

IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE
GREENEVILLE DIVISION

**IN RE: KING PHARMACEUTICALS,
INC. SECURITIES LITIGATION**

No. 2:03-CV-77

**THIS DOCUMENT RELATES TO:
All Actions**

District Judge Thomas W. Phillips

Magistrate Judge Dennis H. Inman

**CLARIFICATION OF PLAN OF ALLOCATION CONTAINED IN NOTICE OF PENDENCY OF CLASS
ACTION AND PROPOSED CLASS ACTION SETTLEMENT**

TO: All persons or entities who purchased King Pharmaceuticals, Inc. ("King") Common Stock between February 16, 1999, and March 10, 2003, inclusive (the "Class Period"), including all persons or entities who acquired shares of King Common Stock pursuant to any offering completed during the Class Period, and who were damaged thereby ("Class Members").

You previously were sent the Notice of Pendency of Class Action and Proposed Class Action Settlement (the "Notice"). Included in that Notice, is a Plan of Allocation that describes how the Net Settlement Fund will be allocated among Authorized Claimants. On Page 5 of the Notice, Item "C." of Question 8 did not expressly set forth a Recognized Loss for shares of King Common Stock that were acquired in exchange for shares of Medco Research, Inc. ("Medco") in February 2000. Accordingly, Item C. of Question 8 is clarified as follows:

C. The Recognized Loss per share of King Common Stock purchased or acquired during the Class Period and held at the close of the Class Period has been determined by Plaintiffs' expert as follows:

- 1. Open market purchases.** The Recognized Loss per share for King Common Stock purchased on the open market during the Class Period and held until the end of the Class Period is \$3.66.
- 2. Shares received in exchange for shares of Medco.** The Recognized Loss per share for King Common Stock acquired in exchange for shares of Medco and held until the end of the Class Period is \$3.66.
- 3. Shares acquired pursuant to the Registration Statement filed in connection with the Jones Merger or the Registration Statement filed in connection with the Public Offering of King Common Stock that was completed on November 1, 2001.** The Recognized Loss per share for King Common Stock acquired pursuant to the Registration Statement filed in connection with the Jones Merger or the Registration Statement filed in connection with the Public Offering of King Common Stock that was completed on November 1, 2001 and held until the end of the Class Period is \$4.39.

In addition, the Court has extended the deadline to file a Proof of Claim and Release form for Class Members who received shares of King Common Stock in exchange for shares of Medco stock from February 8, 2007 to March 8, 2007.

This clarification does not affect the recovery per share or attorneys' fees and expenses per share amounts set forth in the Notice.

If you have any questions concerning the Plan of Allocation or any other matter related to the Notice or the Settlement, or if you did not receive the original Notice, please contact:

In re: King Pharmaceuticals, Inc. Securities Litigation
Claims Administrator

c/o A.B. Data, Ltd.
P.O. Box 170500
Milwaukee, WI 53217

(800) 949-0192
fax (414) 963-3248

www.kingsecuritiessettlement.com

**DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK OF THE COURT
REGARDING THIS NOTICE.**