



PRESS RELEASE

Camlin Ltd., (India) & Kokuyo Co., Ltd., (Japan)
enter into a strategic alliance to create waves in Stationery Industry.

Mumbai, 30th May, 2011: Camlin Ltd. and Kokuyo Co., Ltd. are pleased to announce that the promoters of **Camlin Ltd., (India) & Kokuyo S&T Co., Ltd., (Japan)**, (directly owned 100% share capital by Kokuyo Co., Ltd.), have entered into definitive agreements comprising of a Joint Venture Agreement and a Share Subscription Agreement (“Transaction”) to form a joint venture that will bring together Camlin Ltd., one of the strongest Indian brands in the stationery industry with 80 year history and having an annual turnover of over US\$80 Million, and Kokuyo Co., Ltd., a leading company in Japan with over 100 years of experience in stationery and furniture products, design and construction of office and store interiors, mail order business, lifestyle retail and distribution and having an annual turnover of over US\$3,200 Million.

The Transaction will bring together two highly recognized stationery companies with complementary product portfolios, and will facilitate sustained long-term growth for both companies.

The Transaction, to be executed in 3 tranches, comprises of:

1. The acquisition of 10% of the share capital of the Company on a fully diluted basis, pursuant to the preferential allotment to be made by the Company as contemplated by the Share Subscription Agreement, for a price of INR 85/- (Indian Rupees Eighty Five only) per share. The said amount of subscription monies will be utilized for expansion and modernization of manufacturing facilities and new projects.
2. The purchase of 20.3% of the share capital of the Company on a fully diluted basis from the promoters as contemplated by the Joint Venture Agreement, for a price of INR 110/- (Indian Rupees One Hundred and Ten only) per share; and

3. The acquisition of up to 20% (twenty per cent) of the share capital of the Company on a fully diluted basis, to be acquired pursuant to the mandatory open offer required to be made by Kokuyo Co., Ltd. in accordance with the SEBI Takeover Regulations, for a price of INR 110/- (Indian Rupees One Hundred and Ten only) per share.

The closing of the transaction is subject to customary conditions, including receipt of required regulatory approvals, and the completion of the open offer for the purchase of shares of the public shareholders of Camlin Ltd.

The partners will bring their respective expertise and know-how as well as combine the strength of the Camlin brand and the local expertise of Camlin Ltd. with the specialized technical skills and global brand strength of Kokuyo Co., Ltd., in order to further develop the stationery business.

Mr. Dilip Dandekar will continue as Chairman and Managing Director and Mr. Shriram Dandekar as Executive Director. Kokuyo Co., Ltd. will bring in managerial, marketing, manufacturing and product research and development skills. Kokuyo Co., Ltd. will have the right to nominate 4 directors for appointment on the Board of Camlin Ltd.

Commenting on the Joint Venture, Mr.Dilip Dandekar, CMD of Camlin Ltd., said, “It has been our stated intent to scale revenues, and increase our portfolio of products through line extensions. We believe that Kokuyo Co., Ltd. and Camlin Ltd. have complementary product portfolios and this joint venture will facilitate faster rollout of portfolio of products by Camlin Ltd.”

The Indian Stationery market, valued at US\$ 2.2 Billion annually has been rapidly growing post liberalisation of Economy. Increased allocation of funds on Educational sector has led to a higher consumption of stationery and allied products and also a shift from substandard quality products to superior quality branded products. This has attracted increased presence from both local and global players.

In the context of the increasingly competitive and rapidly evolving stationery industry, the joint venture will draw from the combined strengths of Camlin Ltd. and Kokuyo Co., Ltd. to serve the growing Indian market. The joint venture will facilitate the entry of Kokuyo Co., Ltd.

products, primarily paper and office stationery, into the Indian market. It will also open opportunities for joint exploration of increasing exports for Camlin products to other countries, and sharing the know-how in marketing and technologies. This alliance will also strengthen the presence of existing Camlin products in India with greater emphasis on scale and efficient manufacturing facilities and increased reach and marketing.

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