

Elder**Pharmaceuticals Ltd.**

Regd. Office :

"Elder House"

Plot No. C-9, Dalia Industrial Estate,

Off Veera Desai Road,

Andheri (W), Mumbai - 400 053

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EPL:SPD:KS:2141:2013
6th March 2013Listing Department,
National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400 051.
Fax No. 26598237/8

Dear Sirs,

Our Company subject to fulfillment of certain terms and conditions, have finalized terms and conditions of Joint Venture Agreement with KOSE Corporation, Japan for establishing a Joint Venture Company in India for manufacturing, selling and distribution of Cosmetics Product in India.

In this connection, we send herewith a copy of the press release prepared by us for your information. You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,

For ELDER PHARMACEUTICALS LTD**S.P. DATE**
COMPANY SECRETARY

Encl: As above

March 6, 2013

Elder Pharmaceuticals Limited to Create Joint Venture with KOSE Corporation of Japan

Elder Pharmaceuticals Limited ("Elder"), a leading pharmaceuticals company in India, having consolidated turnover in excess of Rs. 1,350 crore for FY 12 and ranked 27 amongst Indian Pharmaceutical companies as per IMS Report October 2012 has agreed to establish a Joint Venture Company (JVC) with KOSE Corporation (Headquarters: Chuo-ku, Tokyo, Japan; President: Kazutoshi Kobayashi) ("KOSE") with the provisional name of KOSE Elder (India) Private Limited. On March 6, 2013 both the companies have, subject to fulfillment of certain terms and conditions finalized terms and conditions of the Joint Venture Contract. The agreement stipulates that KOSE will focus on the Indian market through the JVC for manufacturing and selling cosmetics in India. KOSE will hold 60% and Elder to hold 40% in the proposed JV.

India is a developing consumer market with strong growth potential. Its population stands at 1.2 billion, second only to China's, and forms a pyramid structure with young people at the base. 50% of the population of India consists of people within the age of 25 years. Women's fashion is also diversifying, and tastes in cosmetics are changing dramatically. Elder has successfully established and run subsidiaries abroad and with alliance with KOSE, Elder is foraying into its maiden Joint Venture arrangement in India with a Japanese company.

KOSE's key means of advancing into overseas markets up to now has been to export from Japan only those of its existing brand products that matched the requirements of the target country's market, but in India, where culture and tastes are very different, they have considered it essential to undertake strategic and business planning tailored to the region, and are proceeding with investigations through agreements with local enterprises that are familiar with the markets.

Elder's thorough knowledge of local markets and strong sales network within India will be synergized with KOSE's strengths of technological prowess and creation of high value added cosmetics through this joint venture. The aim is to develop new products assimilating Japan's refined, advanced technology with the universal aesthetic demanded by the Indian woman, and to expand in the Indian market. Once the joint venture is established, the parties will consider the details of sharing tasks between the two companies and specifics such as sales channels, products, and brands for the Indian Market.

Tokyo headquartered Nomura Securities Co. Ltd. acted as the financial advisor to Elder for the JV with KOSE.

[About Elder Pharmaceuticals Limited] (Consolidated, as of the end of March 2012)

Chairman & MD: Jagdish Saxena
 Joint MD: Alok Saxena
 Head office: C-9, Dalia Industrial Estate, Off Veera Desai Road,
 Andheri(W), Mumbai, India
 Founded: 1983
 Business: Manufacture and sales of pharmaceuticals
 Employees: 3,537
 Capital: INR 205 million



Overseas development: 42 countries and regions (As of the end of December 2012)

Countries with overseas subsidiaries: U.A.E, U.K., Bulgaria

Production bases:

India Paonta Sahib (H.P.), Selaqui & Langa Road (Uttarakhand), Pawane, Nerul, Patalganga
 (Maharashtra)
 UK Birmingham
 Bulgaria Plovdiv

Listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Ltd. (NSE)

[About KOSÉ Corporation] (Consolidated, as of the end of March 2012)

President: Kazutoshi Kobayashi
 Head office: 3-6-2 Nihonbashi, Chuo-ku, Tokyo, Japan
 Founded: March 1946
 Business: Manufacture and sales of cosmetics
 Employees: 5,520
 Capital: 4,848 million yen



Overseas development: 18 countries and regions (as of the end of December 2012)

Countries with overseas affiliates: China, Hong Kong, Taiwan, Korea, Singapore, Thailand,
 Malaysia, USA

Production bases:

Japan Sayama (Saitama prefecture), Iseaki (Gunma prefecture),
 Oosato (Saitama prefecture)
 China Hangzhou (Zhejiang province)
 Taiwan Hsinchu