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2nd February, 2017

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, <u>Mumbai – 400 001</u> Through: BSE Listing Centre Scrip Code: 519588	National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), <u>Mumbai – 400 051</u> Through: NEAPS Scrip Code: DFMFOODS
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Dear Sirs,

Sub: **Investor Release**

Please find enclosed herewith an Investor Release on Unaudited Financial Results for the third quarter and nine months ended 31st December, 2016.

Thanking you.

Yours faithfully,
For DFM Foods Limited


(R.S. Tomer)
Company Secretary

Encl: As above



INVESTOR RELEASE

DFM Foods' Q3FY17 EBIDTA up by 18%

Q3 FY17 HIGHLIGHTS

- Total Sales for the third quarter stood at Rs. 87.29 crore
- Gross Profit up by 3.7% to Rs. 35.36 crore versus Q2FY17 and margins were at 40.5%
- EBITDA up by 17.6% to Rs. 10.17 crore versus Q2FY17 and margins were up at 11.7%
- PAT stood at Rs. 5.04 crore, up 9.8% versus Q2FY17

New Delhi, February 02, 2017:

DFM Foods Limited, a pioneer in the Indian snacks food market, today announced its financial results for the third quarter and nine months ended December 31st, 2016. **Total Sales for 9 months stood at Rs. 251.72 crore. Gross Profit was at Rs. 99.46 crore translating into gross margins of 40% up 132 basis points. EBITDA stood at Rs. 25.88 crore. Net Profit was at Rs. 12.21 crore. EPS for the period was at Rs. 12.21.**

Commenting on the results, **Mr. Mohit Jain, Managing Director, DFM Foods Ltd.** said "During the last quarter, we performed fairly well despite the adverse impact of demonetization on overall sales. The demonetization announcement resulted in a severe

liquidity crunch across the trade channels, especially the wholesale channel resulting in reduced pipelines and consumer offtakes. Despite this, we were able to maintain sales at a similar level as in Q2. During the quarter, we continued with our innovative consumer promotions and advertisements which were well received partially countering the demonetization impact. In addition to Rings, we also took up advertising for Natkhat along with trade schemes. On the distribution front, we expanded distribution through our hub and spoke model in the North while also opening up new towns in the South Zone outside of the 3 metro cities..

In keeping with the more aggressive stance on new product introductions as had been mentioned last quarter, the company started the test market of a new product – CRAX Curls. The product

which is also made of corn offers a unique texture and shape and has been test launched at a Rs. 5 price point with an offering of 25 gms . We are hopeful of a successful test phase post which we will offer the product to all our existing markets.

The ongoing capacity expansion is expected to get commissioned within Q4. This will add another 10k tons of extrusion capacity per annum to the currently installed base of 20k MT p.a. The total project shall cost Rs. 60 crore with a revenue generation potential of Rs. 200 crore.

Going forward we shall keep a close watch on the post effects of demonetization, while continuing to invest behind our brands and distribution. The team remains committed to offering innovative consumer promotions and advertisements that have yielded significant results in the past. We are excited about the future and hope to accelerate at a faster pace with the creation of new capacity and new product launches”.

About DFM Foods Ltd.:

DFM Foods Limited, the initiator of packaged snack foods in the Indian market, is engaged in the business of manufacturing, selling, and marketing of packaged foods and has been a leader in the space for over 25 years. The company is listed on the Bombay Stock Exchange (BSE), and markets Corn Rings and Wheat Puffs under the 'CRAX' and 'NATKHAT' brand names respectively. It also offers a range of traditional namkeens comprising of 13 distinct product variants, sold through an extensive distribution network; with processing units at Ghaziabad and Greater Noida respectively. With a strong focus on Sales and Distribution and commitment to innovative marketing, the company has grown rapidly in the recent past.

For further information please contact:

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