



LT Foods to enter into a JV with Japanese Snack Food major KAMEDA

- ~ Rice-based snack will hit the Indian market in next financial year
- ~ New Product to be manufactured at a new facility in Sonapat, Haryana

LT Foods, a global specialty foods company with leading consumer brands including 'Daawat', 'Royal', 'Devaaya' among others in India as well as US is entering into a JV with KAMEDA SEIKA of Japan to manufacture and market rice based snacks in India.

Today, LT Foods has presence in more than 65 countries around the world with revenue of c. Rs. 3000 crores in FY 16. Both the brands ie 'Daawat' and 'Royal' have registered strong volume growth of c 25% both in India and International markets in FY 16.

KAMEDA is the global leader in rice based snacks and it commands about 30% market share in Japan and has a prominent presence in the gluten free cracker market in the United States. LT Foods and its partner KAMEDA believe the large and expanding urban middle-class in India are ripe for a healthy and tasty alternative to fried potatoes and wheat based snacks.

Through this partnership, the JV will introduce rice based snacks with proprietary Japanese technologies developed over 30 years. These products have been highly successful in South East Asia and the US. The joint venture plans to launch four different flavours customized for palate of Indian consumers. Once JV has cultivated and established a stable position enough in Indian market, the JV will look at exporting the product to regional markets in South Asia.

LT Food's existing strong distribution network and supply chain was a key attraction for its partner KAMEDA. The JV will start manufacturing the snack range in Sonapat later in the next financial year. The JV will become pioneer in the rice based snack food category.



Apart from investing equity, KAMEDA will help the joint venture in technical matters relating to the manufacturing, flavour development and package design as well as lend its experience in marketing rice based snacks globally.

As per Mckinsey report, in 2014 Indian S&S (Sweet & Salt) snacks market was estimated to be Rs. 15000 Crores. As middle class income expands, consumption of S&S snacks is expected to more than double from current levels over the next five years to Rs. 38000 Crores. With increase in volume and price, the non-branded segment of the market which constitutes for 33% is expected to shrink further.

Research has shown that in the last 2 years, only 5 new variants have been introduced by Pan-India snack food players. Leveraging on this, a few new entrants are expected to capture meaningful portion of the market. With a completely differentiated set of products, the JV is aiming to be a leading new entrant. The company believes that, health and wellness are among the primary drivers of such new category.

About LT Foods Limited:

LT Foods has a diversified product portfolio of branded basmati rice, value-added staples and organic food. Its leading brand 'Royal' enjoys No. 1 position in US with a market share of approx. 40%, whereas Daawat enjoys No.1 position in India with a market share of c. 20%. While Basmati rice remains its core proposition, the Company's vision is to emerge as a Global Specialty Food Company, admired for its wide range of quality food products. Its integrated operations span the entire rice value chain – right from farm to fork. The Company has 5 state-of-the-art manufacturing units in India, 2 packaging facilities in US and in addition deploys 5 more third-party facilities to manufacture high quality food products. LT Foods operations include contract farming, procurement, storage, processing, packaging and distribution. It is also engaged in research and development to add value to rice and rice food products.

About KAMEDA:

KAMEDA SEIKA is the leader in Japanese rice cracker market with around 30% share. Approximately 40 years of continuous leader position should be the proof that KAMEDA SEIKA has continued to endeavor to manufacture safe and delicious rice crackers, capturing diversified consumers' needs. A lot of people have become familiar with "KAMEDA's rice crackers/snacks." KAMEDA SEIKA has continued with sincere rice cracker manufacturing, while it has strived to develop distribution channels to match the best route to market. These two elements, "manufacture of rice crackers" and "development of distribution network" have been the driving forces to maintain a leader position.



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