



## LT Foods acquires Branded Rice Business of Hindustan Unilever focused in the Middle East Market

### *Acquisition Entails*

- *Iconic Brands: “Gold Seal Indus Valley” and “Rozana”*
- *Penetration into UAE, Oman, Qatar, Kuwait & Bahrain*
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**Gurgaon:** March, 2016 : LT Foods, owners of Daawat, has entered into an agreement to acquire the Branded Rice Business of Hindustan Unilever Limited. The acquisition includes the acquisition of 2 Iconic Brands Gold Seal Indus Valley and Rozana which have been in business for some decades.

The acquisition will strengthen our position in the Middle Eastern Market, as it gives us an entry in the markets of Qatar, Oman, and Bahrain in addition to strengthening our existing presence in Saudi Arabia, UAE and Kuwait. Apart from GCC markets, the brand also enjoys latent equity across India, North America, some of the European Union and Asian countries.

The total cost of the acquisition is approx. Rs. 25 crores which is subject to closing adjustments and CCI approval. The acquisition will be funded by debt and internal accruals.

Commenting on the acquisition **Mr. V.K. Arora, Managing Director of LT Foods Limited** said:

“The Middle East has the largest basmati rice consuming population. It accounts for almost 80% of the total basmati consumption in the world. This region being critical market and our limited presence with only 15% of our total revenue coming from the geography is now getting addressed by this acquisition.

This acquisition will help us penetrate and establish in countries like Oman, Qatar, and Bahrain where we have no presence. It will broaden our basket of offerings of brands with a high recall value. We can leverage the Distribution Networks of the Brands acquired in the relevant market, while gain from synergies of the Supply Chain Management and Back End Processing. These synergies will give us an improved margin profile. We could target to triple the current annual turnover of these brands in 24-30 months timeframe.”

In connection with this transaction, Lazard acted as financial advisor to LT Foods.

### **Safe harbor Statement**

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results, changed assumptions or other factors.

### **About LT Foods Limited**

LT Foods offers branded basmati rice, value-added staples and organic food. Its brands 'Royal' and 'Daawat' enjoy No.1 & No.2 positions in US and India respectively and leading position in other Countries as well. 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.

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