VADILAL INDUSTRIES LTD.
REGD. OFFICE : "VADILAL HOUSE"
53,SHRIMALI SOCIETY, NR. NAVRANGPURA RLY. CROSSING, NAVRANGPURA, AHMEDABAD - 380009.
TELE. NO. : (91) (79) 26564019-24 FAX : (91) (79) 26564027
CIN No: L91110GJ1982PLC005169
VISIT US ON : http/www.vadilalgroup.com

Email: shareslogs@vadilalgroup.com

15th February, 2016

To,
The National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051.

Scrip Code No. VADILALIND-EQ

To
Department of Corporate Services,
Bombay Stock Exchange Limited,
1st Floor, Rotunda Building,
Dalal Street, Fort,
Mumbai - 400 001.

Scrip Code : 519156

Dear Sir,

Sub : **Corporate Announcement.**

With reference to the captioned subject, please find enclosed herewith a Corporate Presentation related to the Quarter – 3 (1-10-2015 to 31-12-2015) Financial Results of the Company.

Kindly take the same on your record.

Thanking you,

Yours faithfully,
For **VADILAL INDUSTRIES LIMITED**

RUCHITA GURJAR
Company Secretary &
Compliance Officer

Encl : As above

VADILAL INDUSTRIES

Q3 & 9MFY16 Results Presentation

Disclaimer

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties, like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Vadilal Industries will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward looking statements to reflect subsequent events or circumstances.

Table of Contents

Q3 & 9M FY16 Performance

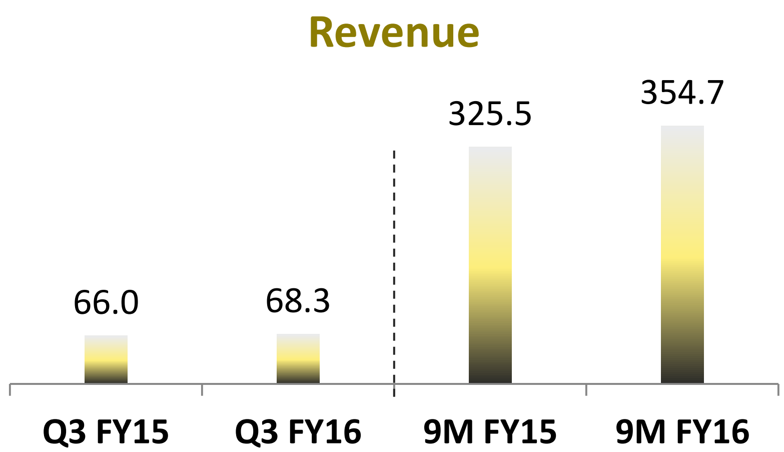
Chairman's Message

Commenting on Q3 & 9M FY16 performance, Mr. Rajesh Gandhi, Chairman and Managing Director, Vadilal Industries Limited (VIL) said:

"Vadilal Industries' Q3 results and performance in the current year to date are encouraging as we continue to deliver improvements in revenues, margins and profitability. We are happy to have reported positive numbers driven by expanding volumes in the ice cream segment in our low season quarter. We have increased product distribution and enhanced penetration in domestic markets. Exports have also shown an uptrend as we target key global markets with sizeable Indian diaspora. Performance of our processed foods business was adversely impacted due to transitional costs incurred from our discontinued unbranded businesses. Our focus in this segment is on branded foods products with limited employment of additional capital.

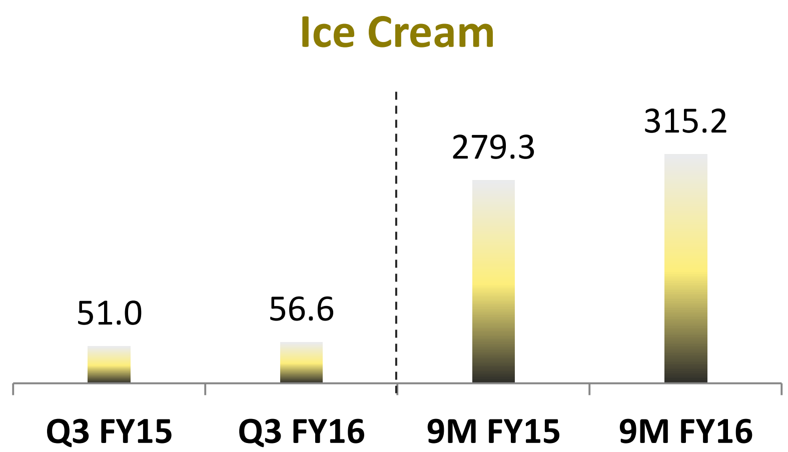
Currently, we have already commenced production for the summer season which will aid higher utilization of committed capacities by leveraging existing storage facilities. We will also continue to use operating cash flows to reduce debt levels further. We are confident of sustainably improving performance and see the positive momentum sustaining over the next few years based on customers' usage patterns and increasing acceptance of the Vadilal brand."

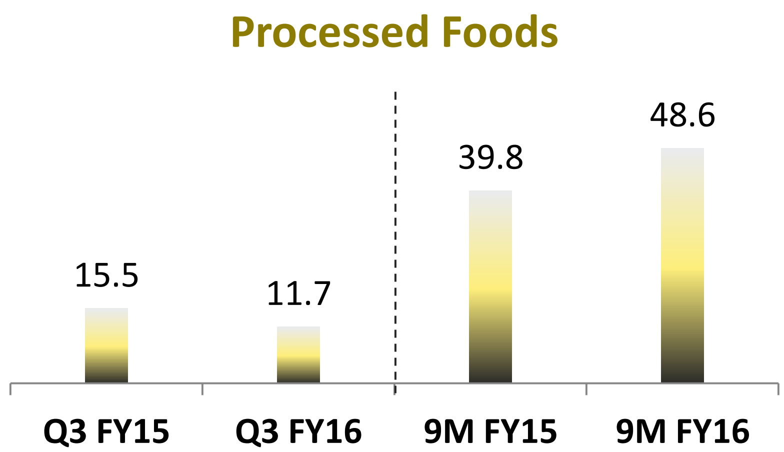
Financials – Q3 & 9M FY16 Performance



- Vadilal Industries Limited (VIL) delivered 3.5% y-o-y growth in Q3FY16, driven by 11% y-o-y growth Ice Cream business on enhanced penetration and volumes in domestic markets

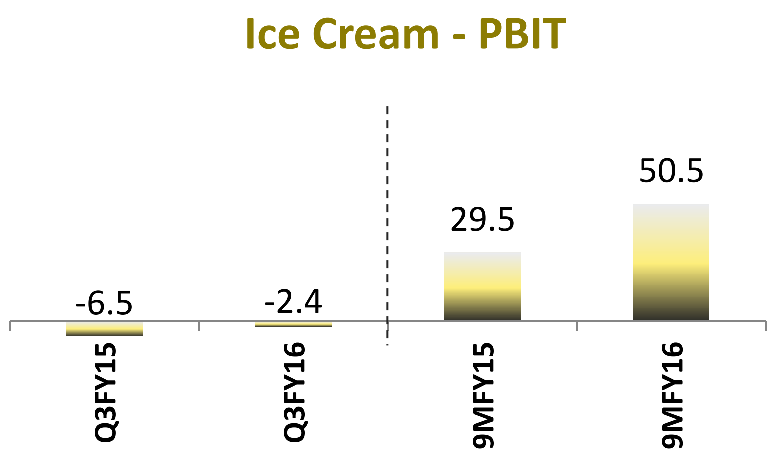
- Processed Foods division revenues were lower following the decision to transition out of unbranded businesses

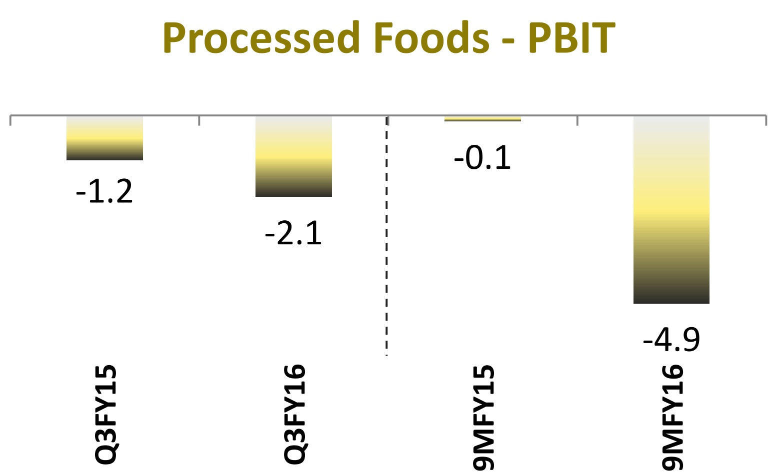




Standalone financials in Rs. cr

Financials – Q3 & 9M FY16 Performance

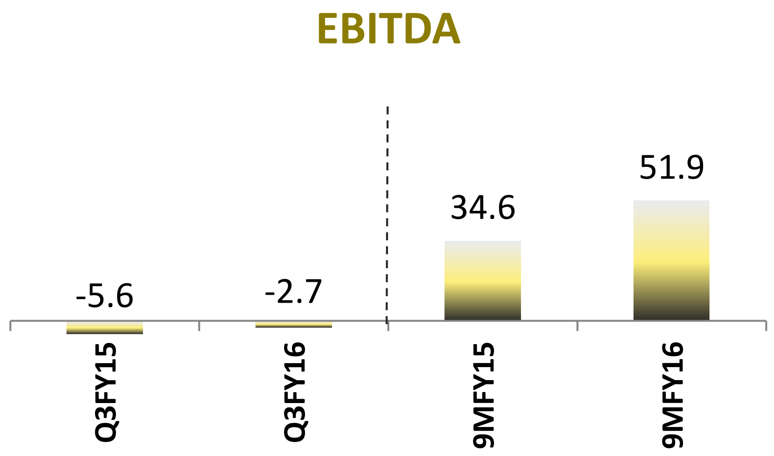


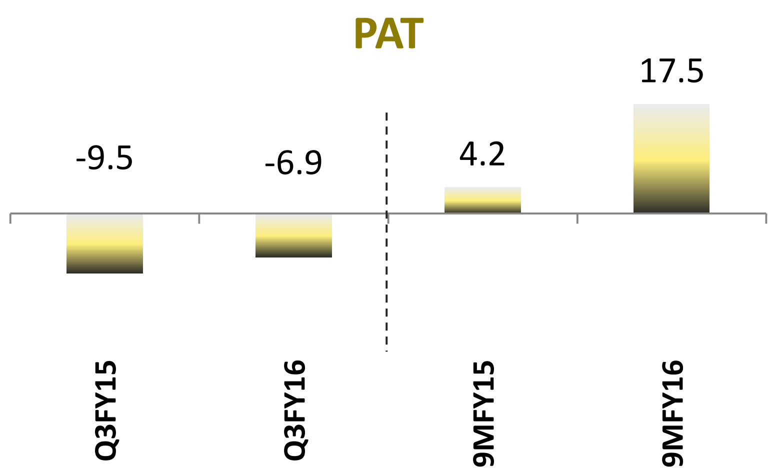


- Expanded volumes in the Ice Cream segment in an off season quarter helped increase utilization levels, reduce costs and improve performance
- VIL continues to expand its domestic presence and target export markets targeting Indian diaspora
- Processed Foods business performance adversely impacted due to transitional costs incurred from discontinued unbranded businesses
- Invested in Branding/Advertising during the quarter to aid customer visibility of the Processed Foods portfolio
- In Processed Foods business, focus remains on branded foods products which can progress with limited requirement of additional capital

Standalone financials in Rs. cr

Financials – Q3 & 9M FY16 Performance





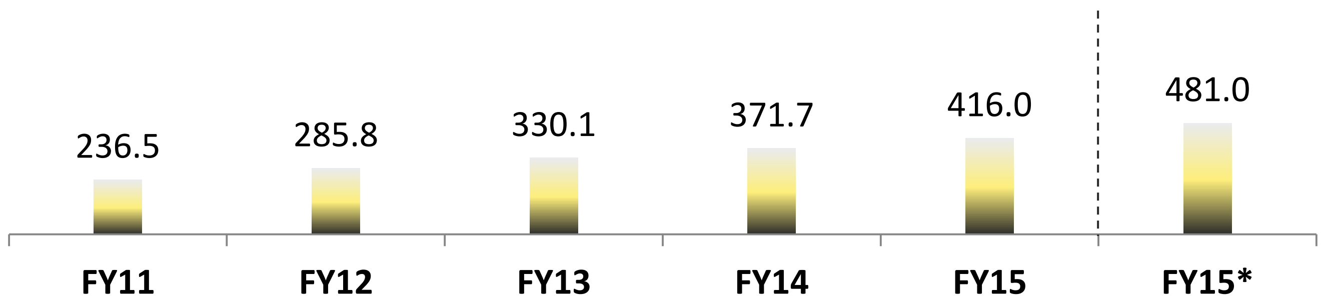
- In 9M FY16, EBIDTA grew 50% y-o-y leading to margin expansion of 400 bps as the company benefitted from weak dairy commodity prices, lower packaging and transportation costs
- EBIDTA performance for the quarter continue to improve as enhanced volumes in the Ice Cream division helped increase utilization levels and reduce costs
- In 9M FY16, PAT grew by 314% as initiatives undertaken in the recent past have created operating efficiencies and improved profitability in each quarter on y-o-y basis

Standalone financials in Rs. cr

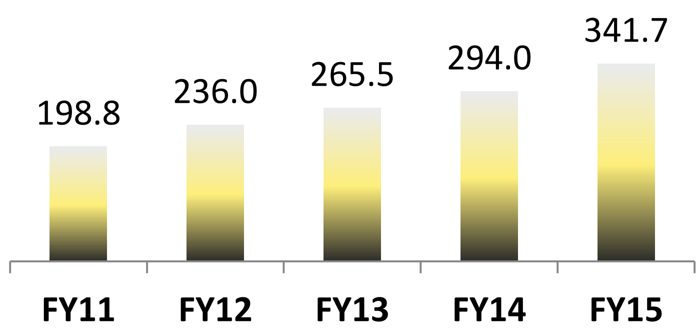
Financials Performance Trends

Financials Performance Trends

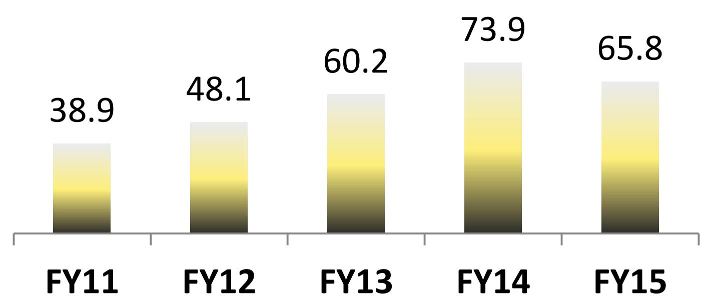
Revenue



Ice Cream



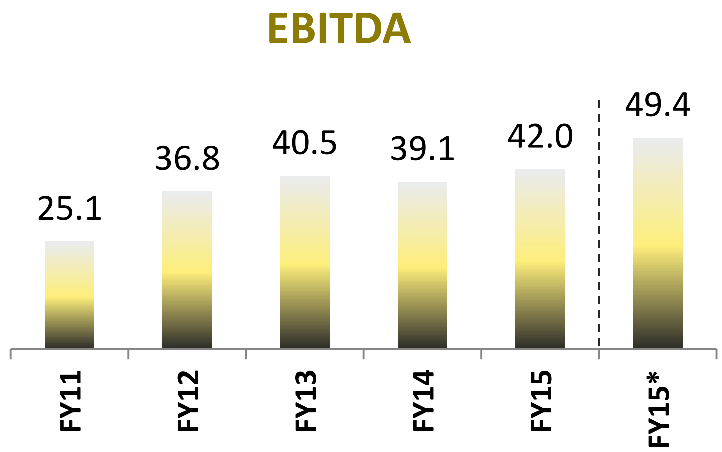
Processed Foods

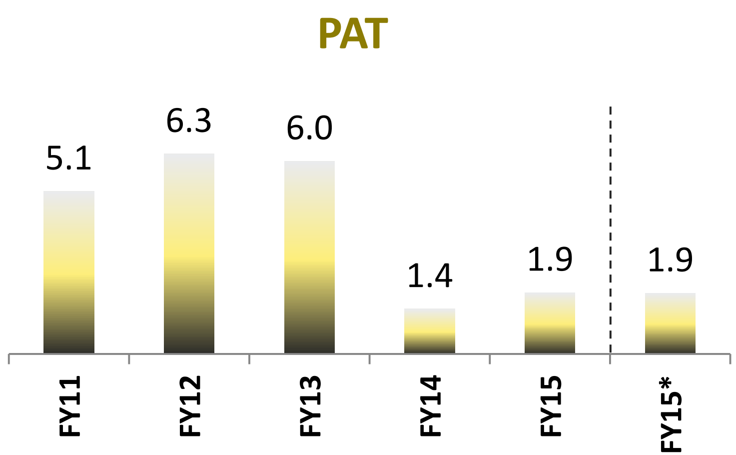


- ***Pro-forma financial numbers aggregating the performance of Vadilal Industries Limited (manufacturing company) and Vadilal Enterprises Limited (marketing and distribution company) that are slated to be merged***

financials in Rs. cr

Financials Performance Trends





Over the last three years, consumer behavior has remained largely subdued. In this period, VIL has delivered about 14% growth from its expanded manufacturing capacities.

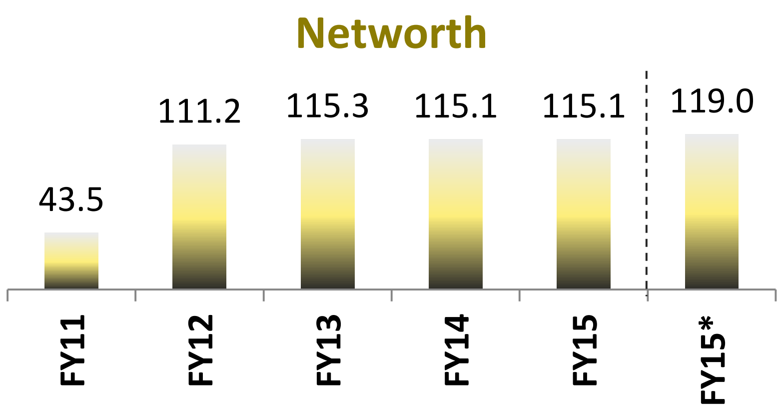
The Company has also made substantial investments in adopting technology across various aspects of the business. This includes automating manufacturing processes, food safety standards and enhancing the supply chain.

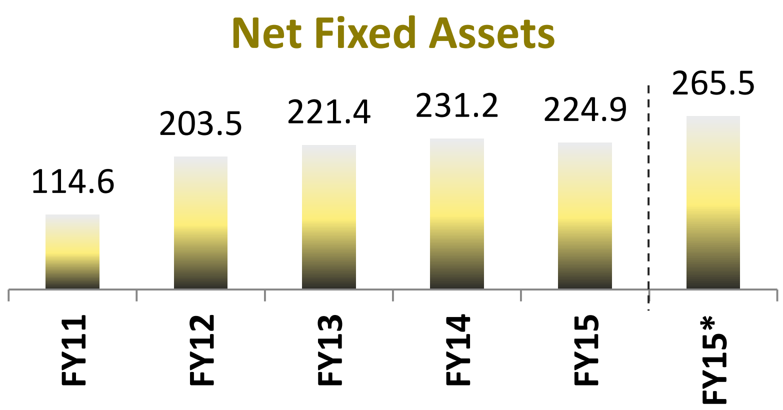
Margins have remained subdued as a consequence. These investments are now expected to fructify into improving financial performance.

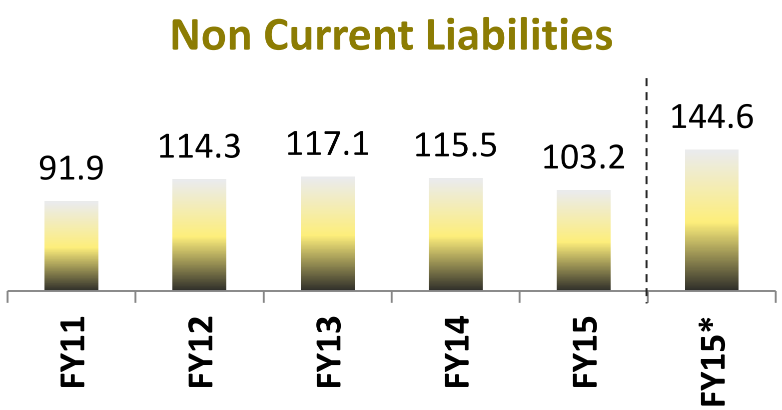
- *Pro-forma financial numbers aggregating the performance of Vadilal Industries Limited (manufacturing company) and Vadilal Enterprises Limited (marketing and distribution company) that are slated to be merged*

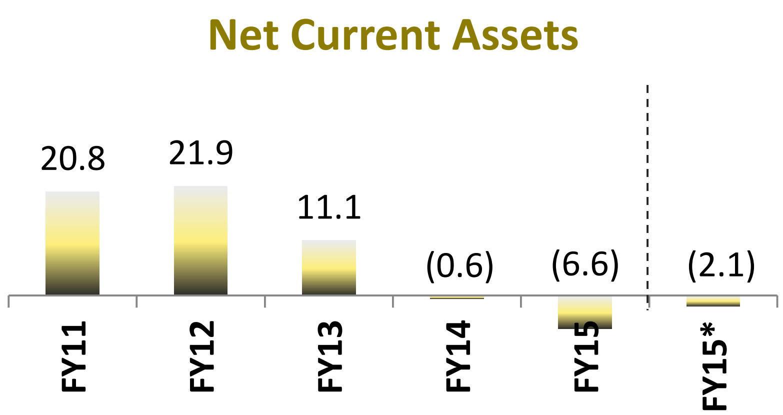
financials in Rs. cr

Financials Performance Trends - (Balance Sheet)









- ***Pro-forma financial numbers aggregating the performance of Vadilal Industries Limited (manufacturing company) and Vadilal Enterprises Limited (marketing and distribution company) that are slated to be merged***

financials in Rs. cr

Vadilal Industries Overview

Overview

108-year old, established ice cream brand	• Currently managed by fourth generation promoter family • Selected India's most trusted ice cream brand in 2013 and 2014 by the Brand Trust Report
Largest range of ice creams of any company in India	• Top 3 ice-cream brand in the country , 150+ flavors • 300 SKU's of cones, candies, bars, ice lollies, cups, family packs, economy packs
Second largest ice cream manufacturer in India by volume	• Leadership in Gujarat, Rajasthan, UP, Uttarakhand, Haryana and Chandigarh
Strong distribution network in North, West and East India	• 16 states, 50 CNF's, over 800 distributors, 250 distribution vehicles, 55,000 retail outlets
Expanding global business presence	• Products reach 45 countries across four continents • 80% contribution from exports in processed foods segment

Indian Ice Cream Market

Evolving perceptions

- Ice cream is transitioning from periphery to mainstream, from occasional indulgence to snacking option

Changing demand patterns

- Transition from seasonal to year-long consumption

Growing affordability

- Increased disposable incomes and discretionary spending driving secular demand growth

Premiumization trends

- Consumers receptive to spending on high quality products that meet their rising aspirations

Innovative product development

- Shift from limited portfolios of traditional products to innovative, global-standard offerings

Expanding customer choices

- Local brands competing with international players, leading to market expansion

Significant headroom for growth

- India’s current annual per capita consumption of 400 ml vs 2.3 liters world average, Chinese consumption is 20X India’s

Nationwide retail expansion

- Rapid expansion of retail network leading to product availability and convenience

Vadilal: Growth Strategies

Geographical Expansion

- Expanding footprint in North and East regions of India
- New production facility expected in East India
- Expanding distribution footprint in tier 3/4 cities and rural markets

Brand Building Initiatives

- Seen as one of the most trusted ice cream and leading food brand in India
- Undertaken campaigns to strengthen social media presence
- Rural marketing initiatives

New Product Development

- Constantly innovating to roll out new products in ice cream segment
- Targeting expansion of market share in premium/super-premium segment

Retail Investments

- 5,000 new sales outlets planned in FY16
- 50 new branded ice cream parlors and 50 more distributors expected to be added in FY16
- Investments in new technologies


VADILAL
Novelties


CANDIES & BARS


BADABITE


Fresh Sitafal
Swiss Cake
Party Cake
Chocolate Chips
Party Packs


CUP TREATS


GOURMET


750 ML
CHOWPATI
AMERICAN NUTS
COOKIES 'N' CREAM


ICE TROOPER

Processed Foods Business

- Global business selling to 45 countries in four continents
- Strong distribution to Indian diaspora, being further developed with new product launches
- Expanded export markets from 12 SKU's supplied to seven countries in 1991 to 100+ SKU's to 45 countries currently
- Expanded domestic market from 18 SKU's sold in Gujarat in 2000 to 75+ SKU's available in five Indian states currently
  - Vadilal Quick Treat brand has expanded presence to Maharashtra/Mumbai
- Aggressively expanding frozen food line, exited from low margin, mango pulp business

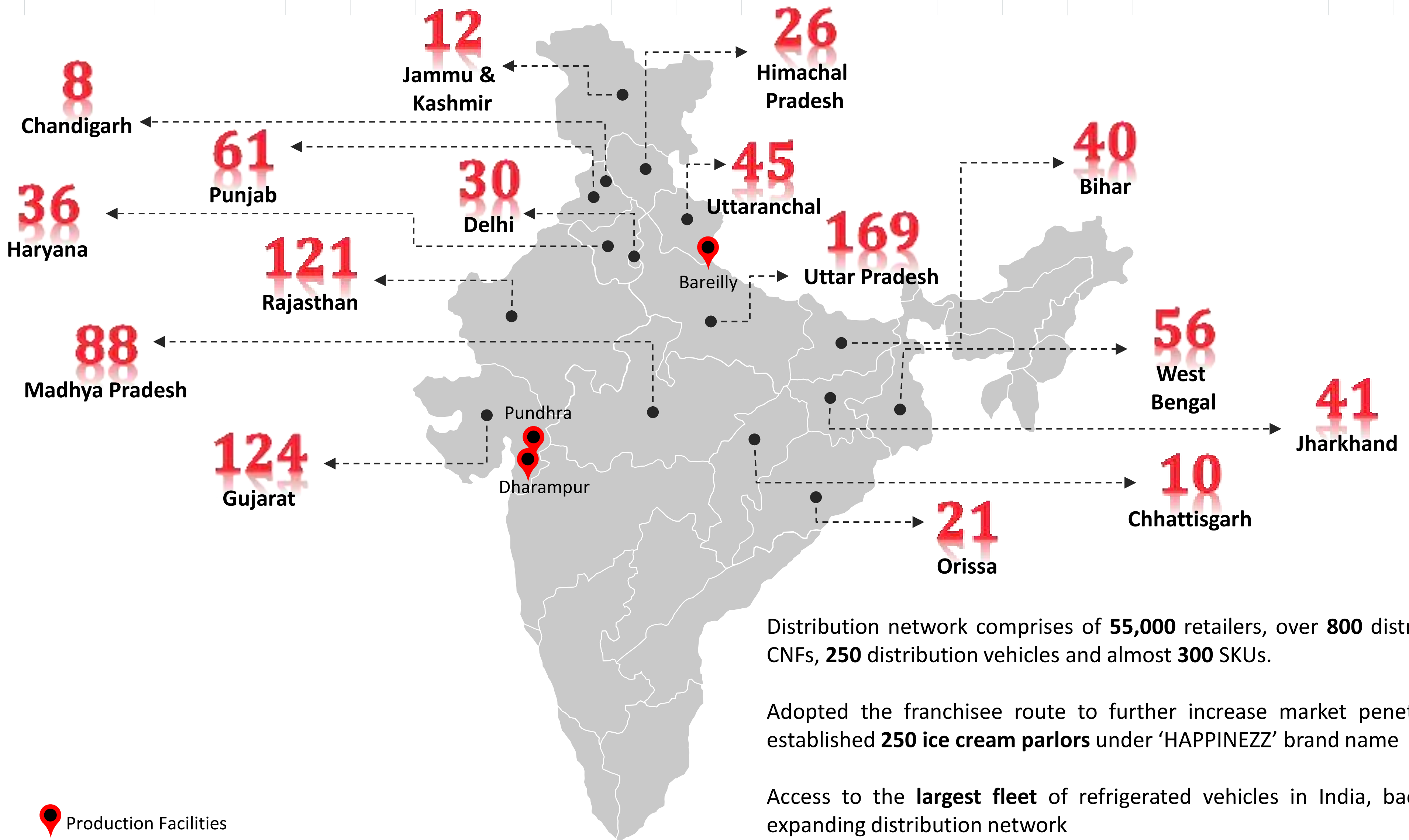
- Processed foods products are marketed under the brand name ‘Quick Treat’
- Portfolio includes frozen vegetables, ready-to-eat/ready-to-serve frozen snacks, Indian breads and curries
- Positioned to assist Indian kitchens with traditional home cooking

Production Facilities

- Capacity expanded across production facilities over the last three years,
- Current production on automated processes "untouched by hand", manual intervention only at packaging stage
- Discontinuing production of non-branded canned pulp products to focus on branded portfolio
- No further capital expenditure anticipated on capacity enhancement over the next three years

Facilities	Capacity	Production	Certification
Bareilly	175,000 liters per day	Ice cream	ISO-22000:2005
Dharampur	33,000 kgs per day	Processed foods	ISO-22000:2005 and BRC : Issue 6
Pundhra	175,000 liters per day	Ice cream	ISO-22000:2005 and BRC : Issue 6

Distribution Presence



Distribution network comprises of **55,000** retailers, over **800** distributors, **50** CNFs, **250** distribution vehicles and almost **300** SKUs.

Adopted the franchisee route to further increase market penetration and established **250 ice cream parlors** under 'HAPPINEZZ' brand name

Access to the **largest fleet** of refrigerated vehicles in India, backed by an expanding distribution network

Production Facilities

Awards and Accreditations

27 Awards Over 4 Consecutive Years At "The Great Indian Ice Cream Contest"

Ranked No. 18th In The Food Products Category By The Economic Times , 2013

Vadilal Industry Certification ISO 9001: 2000

Vadilal Quick Treats Unit Is Certified With BRC, ISO 9001:2008, ISO 22000:2005

Voted As India's Most Trusted Brand In The Ice Cream Category By Trust Research Advisory Board.

Outlook

Planned Initiatives

Corporate Transition

- Discontinuation of non-branded/ bulk processed foods to aid debt reduction
- Planned merger of Vadilal Industries (manufacturing entity) and Vadilal Enterprises (distribution entity)

Expanding Presence

- Presence across 16 states, 50 CNF's, over 800 distributors, 250 distribution vehicles, 55,000 retail outlets
- Increasing penetration into 24 states in India – moving from passive to aggressive business strategy to derive benefit from improving consumer behavior

Product Strategies

- Focus on higher value products and margin expansion – targeting 5% pricing improvement in the backdrop of weak cost of inputs and distribution
- Sales & Marketing push – accelerating new product development and increasing spend on promotional activities

Supply Chain Initiatives

- Aggressive expansion of sales generating assets/cold supply chain – annual planned addition of 5,000+ deep freezers
- Augmenting distribution management system that will allow micro-control over ROI from each business area and point of sale unit

Rs. 175 crore has been invested over last three years to expand capacity and related infrastructure, currently planned initiatives will further leverage this investment

Contact Us

Kalpit Gandhi
Vadilal Industries Ltd
Tel: +91 79 3015 3000
Email:
kalpit@vadilalgroup.com

Shiv Muttoo / Karl Kolah
CDR-India
Tel: +91 22 6645 1207 / 1220
Email: shiv@cdr-india.com
karl@cdr-india.com

THANK YOU