



January 30, 2017

**Q3 FY17 REVENUES GROW 25%, EBITDA GROWS 43% PROVIDING A STRONG
MOMENTUM FOR BUDGET YEAR 2017 GROWTH**

Firstly, a very Happy New Year 2017 to all our stakeholders!!

The Board of Directors of Tasty Bite Eatables Limited have on January 30th, 2017 announced the results for the third quarter (October – December 2016). Key highlights of the performance and an update on important initiatives that the company has undertaken during this period are provided.

Performance Highlights

- Revenues for the quarter were Rs. 647 mn reflecting a growth of 25% over last year. For the first nine months of the year, revenues of Rs. 1821 mn reflect a similar 25% growth over the same period LY.
- Consumer business revenues (exports to US and other markets) have grown 26% in the nine month period. This period also saw the start of the our first shipments of branded Tasty Bite products for the UK grocery market.
- Food service revenues have grown 26% in the quarter to Rs. 210 mn. For the nine month period of FY17, the food service revenues have reached Rs. 600 mn reflecting a growth of 24% over LY.
- An initiative for expanding our food service exports is underway with initial consignments shipped to our quick-service restaurant and Horeca customers in Singapore, Malaysia and the UAE. We expect that the demand for specialty vegetarian products is likely to increase over time given the quality, variety and cost competitiveness of the Company's products.
- We are pleased to report that the periodic audit undertaken by US FDA during this fiscal went exceptionally well and we obtained a zero non-compliance report in the same.
- Material costs for the quarter is at 59.1% of revenues are well controlled compared with last year (60.5%) and has yielded 1.4% of margin improvement. With a good monsoon last year we expect to see inflation going down in most commodities that the company purchases with the exception of a few commodities such as dairy and oils that are experiencing inflationary pressures.
- EBITDA margins of the business for this quarter and for the nine month period ended December 2016 are 16% and 15.6% respectively which is an improvement from the same periods last year (13.9% in Q3FY16 and 15.0% for the nine month period ended Dec 2015).



- The Board has made an application for the listing of the Company's shares on the National Stock Exchange and is expecting to receive approval on this shortly.

Capacity Expansion

- In the last half of 2016, we have successfully completed the capacity expansion and modernization of our Ready-to-Serve section which takes this capacity up another 20%. Further, various investments have been made to enhance utilities and infrastructure improvements that will improve GMP, quality and productivity.
- Based on the budgets for CY2017, we have commenced work to further enhance capacity of our Ready-to-Serve line another 20% which will become operational by April 2017.
- We are also investing to double its sauce manufacturing capacity from the current capacity of 6000 tons per annum. The new line will add more versatility and be able to provide our customers with a greater range of value added products.
- The business outlook and our capital expenditure will stand us in good stead as we pursue our goal of profitable growth. Additionally, this will support PBI (our parent company) in reaching its 2017 revenues of \$75 mn (with 14% EBITDA) and cross \$100 mn (20% EBITDA) in 2018.

Social Endeavours

- Your Company continues to make investments that lessens its impact on the environment and aids sustainable manufacturing. We are pleased to report that with the commissioning of the bio-gas generating facility, Tasty Bite is now a zero waste facility and all the solid waste generated during manufacturing now gets converted into bio-gas to provide electrical power to the facility.



New Bio-gas facility at Tasty Bite that can take 4 tons per day of organic food waste



- We were honored to celebrate the opening of the new school building on January 19th of the Bhandgaon village school. Three new classrooms have been constructed by the company and we are currently adding three more classrooms that will provide new infrastructure for the children. The company also donated 10 bicycles that have been given to the children that will enable them to come to school every day. We are energized by these efforts and will continue to invest in supporting education and exposure to english and science in the community.



New Classrooms constructed for Bhandgaon School



Bicycles given to children of the school

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