



SPECIALITY
RESTAURANTS LTD.

June 2013



Disclaimer

Statements made in this Presentation describing the Company's objectives, projections, estimate, expectations may be "Forward-looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic & overseas markets in which the company operates, changes in the government regulations, tax laws & other statutes & other incidental factors.



Curtain Raiser



- Award winning leading portfolio of Fine Dining Brands
- 96 Restaurants serving Quality Food in Modern Ambience along with 14 Confectioneries (as on March 31, 2013)
- Flagship Brands: Mainland China and Oh! Calcutta -- having presence for over 20 years
- Other Brands – Sigree/Sigree-Global Grill, Mezzuna, Haka, KIBBEH, Kix, Machaan, Shack as well as a confectionary brand, Sweet Bengal
- Uniform and Consistent standards across each brand, across geographies in line with international trends
- Asset Light Model



Power Brands

Core Brands	Particulars
	• Menu features authentic Chinese cuisine embracing the principle of “harmony in contrast,” which stems from the Chinese concept of yin and yang
	• Erstwhile Only Fish, was rebranded as Oh! Calcutta • Menu features dishes from Kolkata, created through research in libraries and old British colonial clubs • Ambience: resembles a British colonial club in Kolkata
Other Brands	Particulars
	• A new concept of dining and a recent addition to the group portfolio, inspired by changing taste-buds • The menu features a melange of fresh, grilled flavours from all around the globe
	• Sweet Confectionary
	• Serves Modern Chinese cuisine ideal for guests on-the-go • An all-day casual dining format serving continental dishes with Mediterranean, Moroccan, East Asian and Italian flavours.

Widespread Presence



59 Company owned and operated restaurants, 23* Franchisee*** and 14 confectionary outlets spread across 25 cities in India and one city in Bangladesh

* This includes franchisee restaurants located in Dhaka, Bangladesh; ** Data as on March 31st, 2013

*** Franchisee Restaurant: Franchisee Owned, Company operated restaurant

Brand	Total **	Cities
Mainland China	47	25 cities in India and one in Dhaka, Bangladesh
Oh! Calcutta	9	Mumbai, Kolkata, Delhi, Pune, Bengaluru and one in Dhaka, Bangladesh
Sigree	7	Pune, Chennai, Kolkata, Mumbai and Hyderabad
Haka	3	Kolkata and Bhubaneswar
Machaan	6	Mumbai, Kolkata, Guwahati, Nashik, Surat & Howrah
Flame & Grill	7	Bengaluru, Hyderabad, Nashik, Ludhiana, Aurangabad and Kolkata
Kix	1	Kolkata
Kibbeh	1	Hyderabad
Shack	1	Kolkata
Sub-total	82	
Sweet Bengal confectionary	14	Mumbai
Total	96	



Key Growth Drivers

Leverage flagship *Mainland China* brand while selectively expanding into existing and new markets

- Leverage the brand equity enjoyed by *Mainland China* brand by expanding in new locations in Metro and Tier 1 cities
- Plan to expand new restaurant formats such as Combos and Multi brands
- Plan to further expand selectively into Tier II cities through new restaurants or franchisee restaurants
- Include snack menu and keep restaurants open through the day in Malls – Increase Cover Turnover

Selectively develop other brands in the Portfolio

- Plan to maintain a tight basket of brands with a focus on *Mainland China* brand, while targeting a few new market segments
- Increase number of Sigree-Global Grill Outlets

Focus on COCO Model for Expansion

- Cost Curve – 120 days to launch and 6 months thereafter to breakeven
- Focus on COCO model for expansion combined with FOCO model opportunistically, to penetrate Tier II cities which the company may not otherwise exploit.

Innovative Marketing Strategies focusing on Growth Opportunities

- Loyalty Programme and increasing brand awareness complemented with periodic promotions and festivals
- Achieve a Higher Cover during the festive season – continue the momentum

Focus on Innovative and Emerging Trends in the Business

- Focus on Outdoor Catering – Huge potential to be tapped
- Focus on 'takeaway market' – one of the fastest growing in the restaurant business segment
- Focus on ready-to-eat and one meal packages
- Tie up with Just Dial for logistics of home delivery model and integrate it with our existing business model
- Be prepared before the next uptick in the Economy and Discretionary Spends



Key Growth Drivers

Mezzuna – All Day Bar & Restaurant serving International Cuisine

- Our latest addition is a brand new concept for the young, well travelled and adventurous connoisseur, launched in April 2013.
- The trend of this young TG (19 – 26 years) with high disposable income is “chilling – spending time in an informal vibrant setting” - drinking out with friends and having finger food.
- Consultants/ Chefs from Europe and recruitments from Best Hotels/Restaurants in India
- Fresh and exciting format of all day casual dining - Higher Cover turnover as timing is longer (open between 9 am to 12 midnight)
- A lively menu of new world dishes - Mediterranean, Moroccan, East Asian, Continental, Spanish, Mexican and Italian flavours with a fantastic range of liquor which is of prime importance.
- Contemporary recipes made with select, healthful ingredients, highlighting a progressive gourmet cuisine.
- Increased asset utilization (sweating of assets) .



MEZZUNA

ALL DAY BAR AND KITCHEN











Key Growth Drivers

Sigree - Global Grill Launched

- A new concept of dining and latest addition to the group portfolio, inspired by changing taste-buds, launched in February 2013.
- A melange of fresh, grilled flavours from all around the globe like Mediterranean, Oriental, Spanish, Mexican and Indian cuisine.
- Live grills on each table - Unlimited starters that sizzle and grill on each table.
- Display kitchen and interactive cooking, enhanced by the thrilling and skillful display by master chefs. Dramatic ambience of fresh ingredients and exciting culinary styles.
- A global gourmet experience in an electrifying ambience.
- An all-day destination for the globe-trotting, next generation of food connoisseurs.



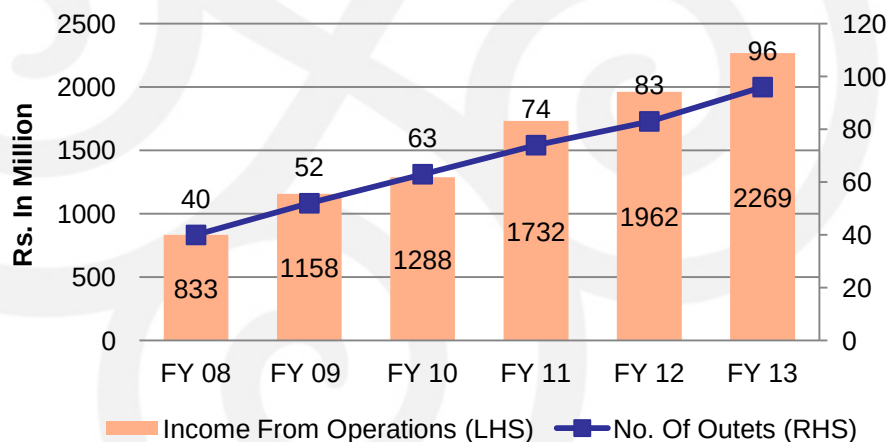




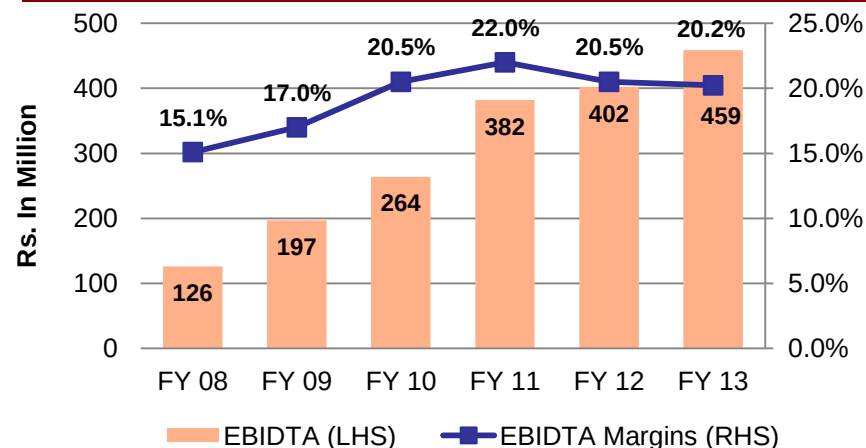


Select Financials

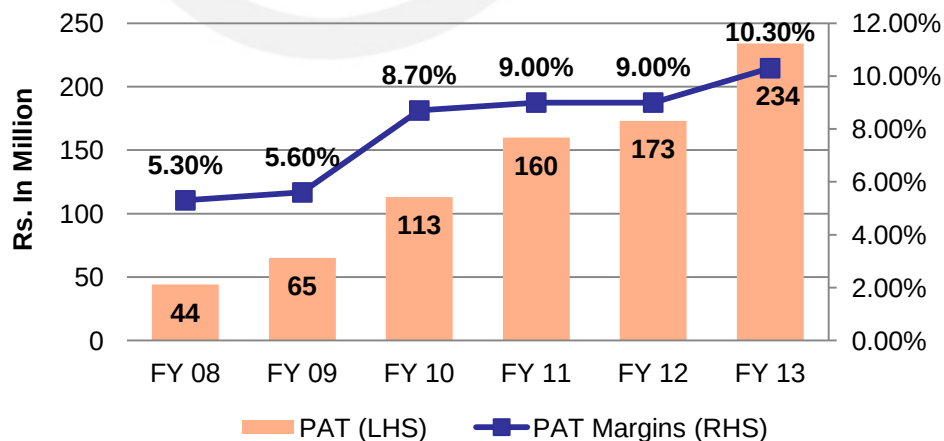
Income From Operations and Outlets



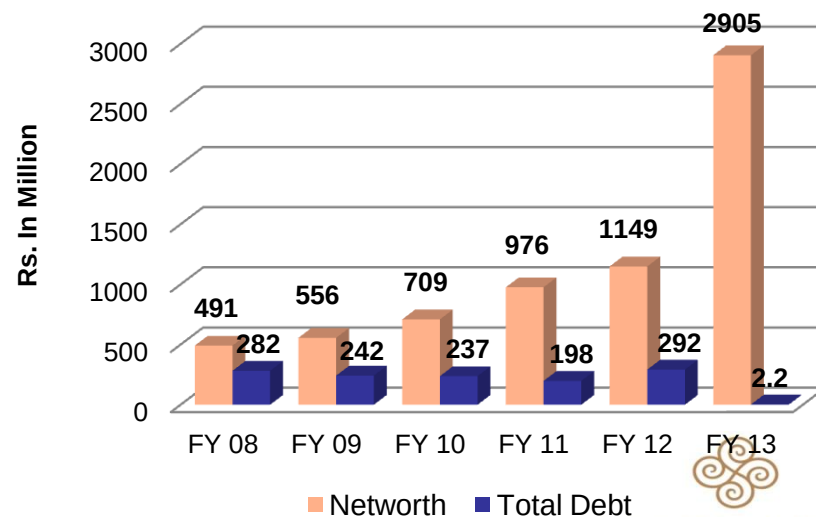
EBITDA and EBITDA Margins



PAT and PAT Margins



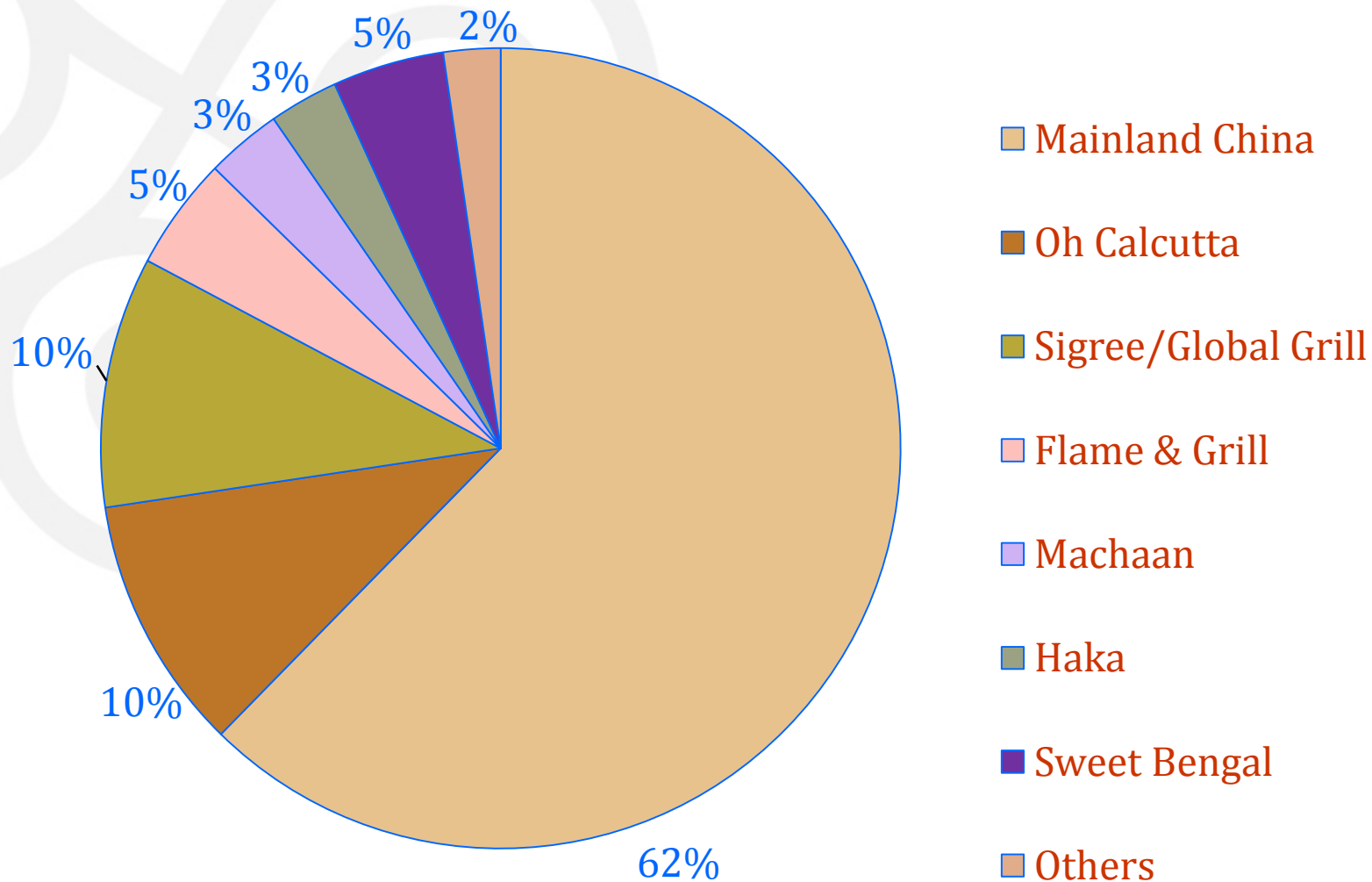
Net worth and Total Debt



No. of Restaurants & Confectionaries as of March 2013

EBITDA: Earnings before interest, tax, depreciation and amortization

Brand Wise Contribution to Revenues for FY 2012-13



Financial Overview

Rs. In Lacs

Sr. No	Particulars	Q4 FY 2013	Q4 FY 2012	FY 2013	FY 2012
		(Audited)	(Unaudited)	(Audited)	(Audited)
1	Income from operations				
	(a) Net Sales	5,444	4,425	21,483	18,781
	(b) Other operating income	401	216	1,209	842
	Total Income from operations	5,845	4,641	22,692	19,623
2	Expenses				
	(a) Cost of materials consumed	1,541	1,195	6,096	5,102
	(b) Employee benefits expense	1,317	1,097	5,128	4,231
	(c) Depreciation and amortisation expense	443	374	1,493	1,287
	(d) Lease Rent	880	793	3,366	2,913
	(e) Other expenses	1,262	889	4,428	3,627
	Total Expenses	5,443	4,348	20,511	17,159
3	Profit from operations before other income and finance costs (1-2)	402	293	2,181	2,464
4	Other income	267	43	916	271
5	Profit from ordinary activities before finance costs (3 + 4)	669	336	3,097	2,735
6	Finance costs	1	64	50	266
7	Profit from ordinary activities before tax (5 - 6)	668	272	3,047	2,469
8	Tax expense	134	48	706	744
9	Net Profit after tax (7 - 8)	534	224	2,341	1,725



Financial Highlights

Sales

- Maturity of new stores opened in Q1 and Q2 of fiscal 2013
- Opened 14 Restaurants encompassing 10 Mainland China, 1 Oh! Calcutta, 1 Machaan and 2 Sigree/ Sigree-Global Grill during fiscal 2013.
- Pressure on discretionary spends expected to continue in the current fiscal.
- Plan of opening 15-16 restaurants in the current fiscal.

Expenses

- Launch Expenses
- Delay of Price Hikes

EBITDA

- Front end cost associated with new Launches

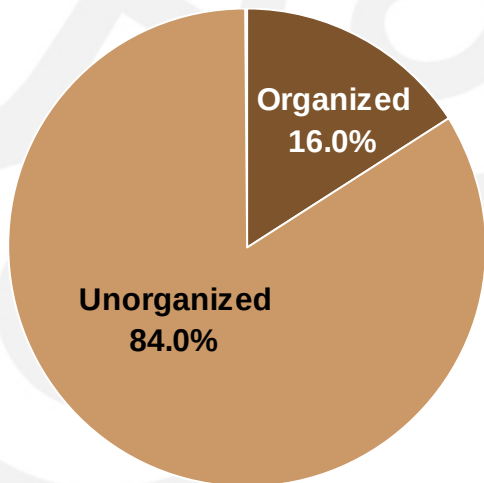
Profit after Tax

- Pressure at EBITDA levels
- Increase in other treasury income
- Helped by good sales traction and lower finance costs.

Industry Potential

Market segments and growth projection – Organised Segment

2010



Total Industry: Rs 43,000 cr. (Rs 430 bn.)

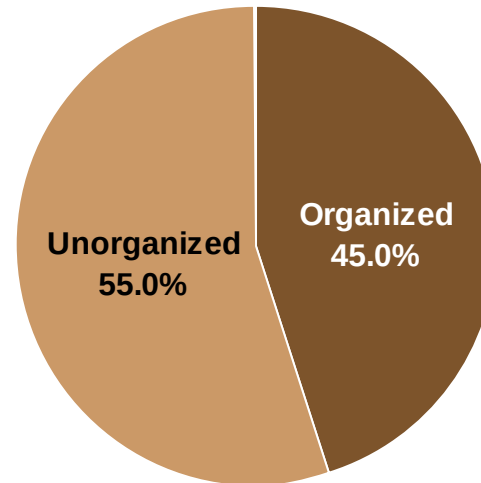
CAGR: 8%

Organized Segment: Rs 6,900 (Rs 70 bn.)

CAGR: 30-32%

Organized Segment: over 3,000 outlets

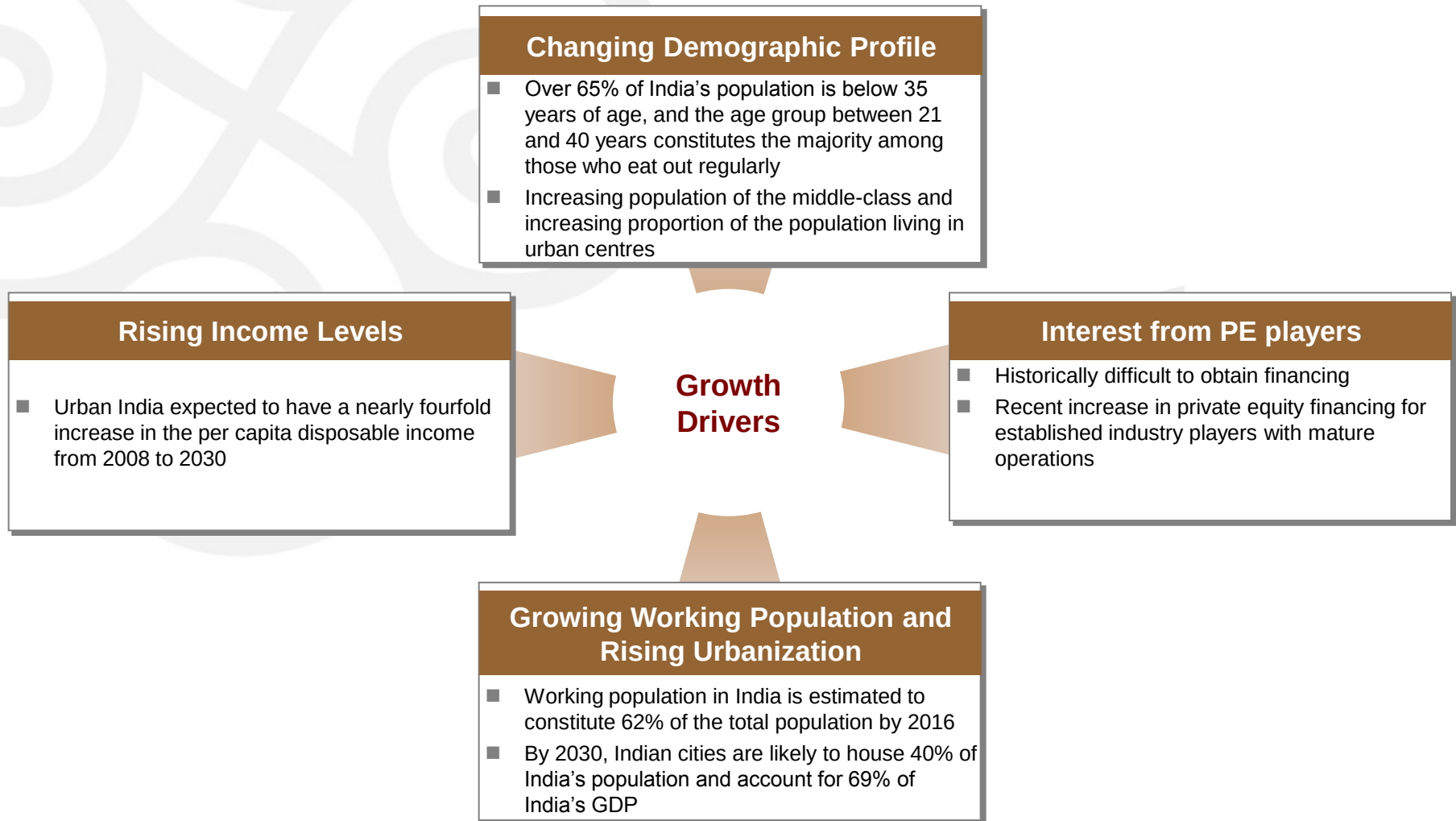
2015*



Total Industry: Rs 62,500 cr. (Rs 625 bn.)

Organized Segment: ~Rs 28,000 cr. (Rs 280 bn.)

Industry Growth Drivers



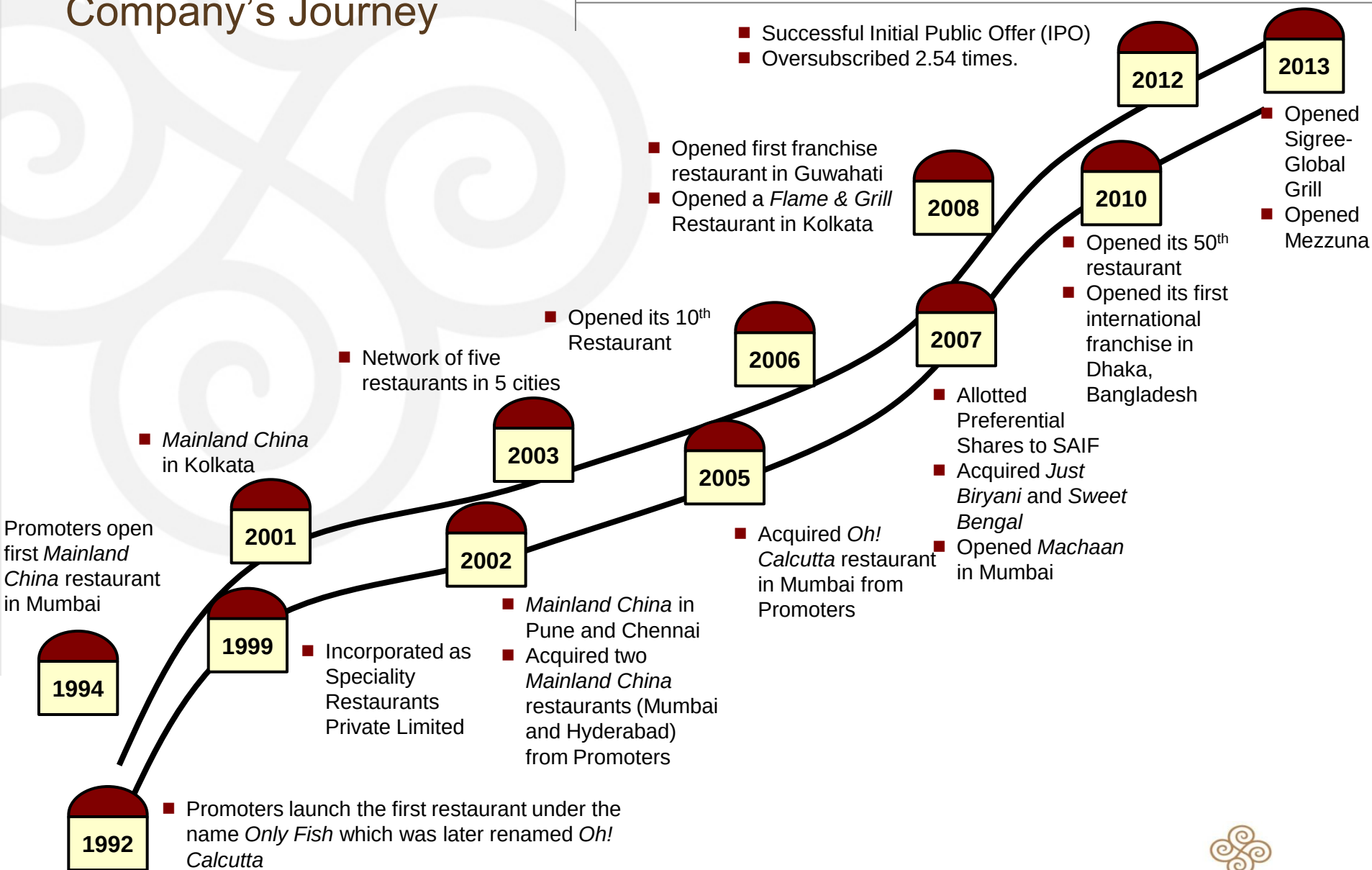
Source : Technopak Report 2009; India Retail Report 2009; NRAI Report 2010; McKinsey Report 2010



ANNEXURES



Company's Journey



Directors' Profile

Mr. Anjan Chatterjee Promoter Director	• Overall in charge of the Company • Over 30 years of experience in the advertising and hospitality industry
Mrs. Suchhanda Chatterjee Promoter Director	• Over 11 years of experience in hospitality industry
Mr. Indranil Ananda Chatterjee Whole Time Director	• In charge of overall commercial operations • Over 28 years of experience in finance and marketing
Mr. Susim Mukul Datta Chairman and non-executive Independent Director	• Currently Chairman of Castrol India, Philips Electronics India and IL&FS Investment Managers; over 50 years of experience in manufacturing, marketing, banking, finance, hotels, etc. • He was also the chairman of Hindustan Lever and certain Unilever group companies
Mr. Tara Sankar Bhattacharya Non- Exec. Independent Dir.	• Former managing director of SBI • Has over 41 years of experience in banking and finance
Mr. Jyotin Mehta Non- Exec. Independent Dir.	• Over 28 years of experience in finance, secretarial, legal, quality management and general management
Mr. Dushyant Rajnikant Mehta Non- Exec. Independent Dir.	• Has over 30 years of experience in sales, advertising and marketing
Mr. Vishal Sood Non- Exec. Non-Indpdt. Dir.	• Over 15 years of experience in software, investment banking and private equity



Key Management

Mr. Indraneil Palit
Chief Operating Officer

- Holds a diploma in hotel management, catering technology and applied nutrition
- 28 years of experience in the hospitality industry including at the Indian Hotels Company Limited

Mr. Phiroz Savak Sadri
Director* – Operations &
Brand Standards

- Holds a bachelors degree in commerce and a diploma in hotel management, catering technology and applied nutrition
- 24 years of experience in the hospitality industry including at Indian Hotels Company Limited

Mr. Rajesh Dubey
Director* - Food Production

- Holds a diploma in hotel management, catering technology and applied nutrition
- 23 years of experience in the hospitality industry; prior to joining the Company, was executive sous chef with Indian Hotels Company Limited

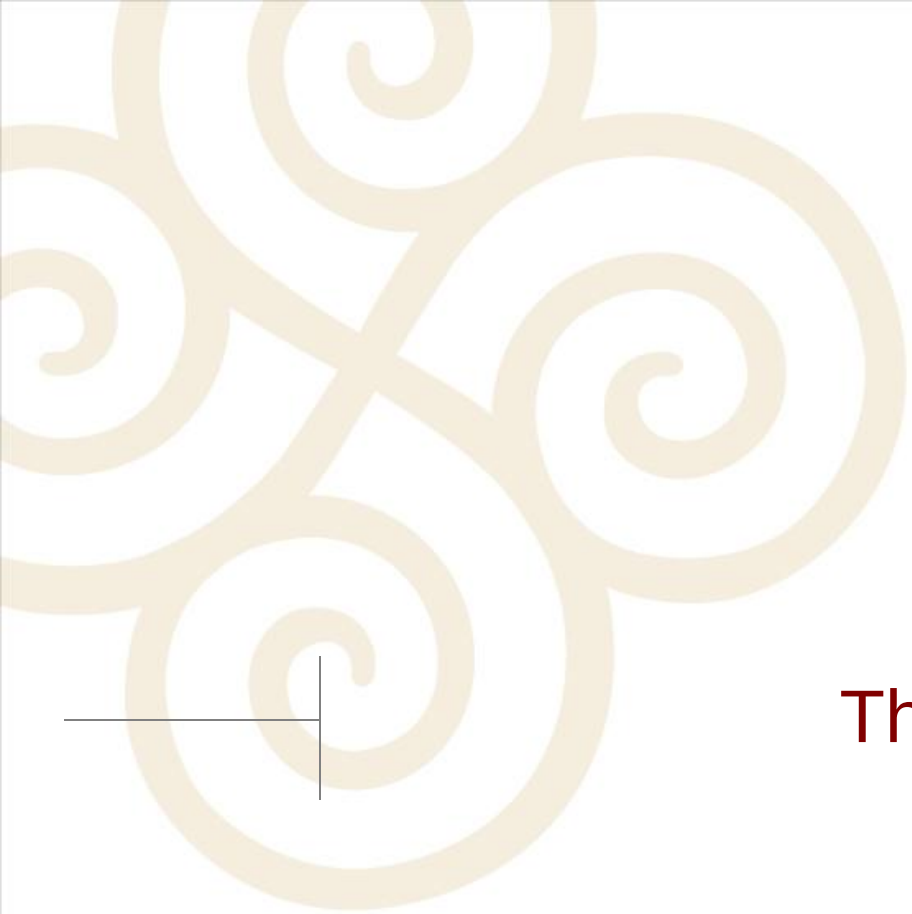
Mr. Rajesh Mohta
Chief Financial Officer

- Holds a bachelors degree in commerce and is an associate member of the ICAI
- 23 years of experience in finance and accounts; prior to joining the Company, worked as general manager (finance) at Rockwood Hotels & Resorts Limited

Mr. V.S. Satyamoorthy
Company Secretary and
Compliance Officer

- Holds a bachelors degree in commerce, is an Associate member of the ICAI, ICSI and a graduate member of the ICWAI
- 30 years of experience in areas of accounts, finance and secretarial matters

* Non-Board position



Thank You

