



SPECIALITY
RESTAURANTS LTD.



March 2014

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.

FY 2013-14 Thus far

Macro Themes

- Inflation impacting Discretionary Spending
- GDP Growth Slipping
- High Interest Rate Regime

Industry Themes

- Decline of over 20% in the fine dining market in major cities in India - ASSOCHAM
- Long Term Potential remains intact

How we fared ?

- Steady Footfalls
- 90 restaurants and 14 confectionaries as on 31st December, 2013
- Mainland China remains the flagship brand contributing to 58% of revenues for 9M FY14
- Price hike implemented in end November 2013
- Expansion plans on track
- Despite macro headwinds, opened 14 restaurants in 9M FY14 (FY14 target - 15 restaurants)
- Expanding Global footprint through a Joint Venture in Doha, Qatar



Our Competitive Strengths



**Loyal
Customer Base**



**Brand
Leadership**



**Strong
Management Team**



**Operational
Leverage**



**Established
Presence at higher
end of Value Chain**

Our Brand Playbook – Core Brands

MAINLAND
CHINA

Oh! Calcutta

sigree
GLOBAL GRILL

- 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
- A new concept of dining and a recent addition to the group’s core brand portfolio, inspired by changing taste-buds
- The menu features a mélange of fresh, grilled flavours from all around the globe

Our Brand Playbook – Other Brands



- A new concept of providing fine dining experience through Outdoor Catering Service
- Customizes Gourmet cuisine from leading brands in the country under one roof at the customers preferred location



- Sweet Confectionary

HAKA

- 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



65 Company owned and operated restaurants, 25* Franchisee*** and 14 confectionery outlets spread across 25 cities in India and one city in Bangladesh

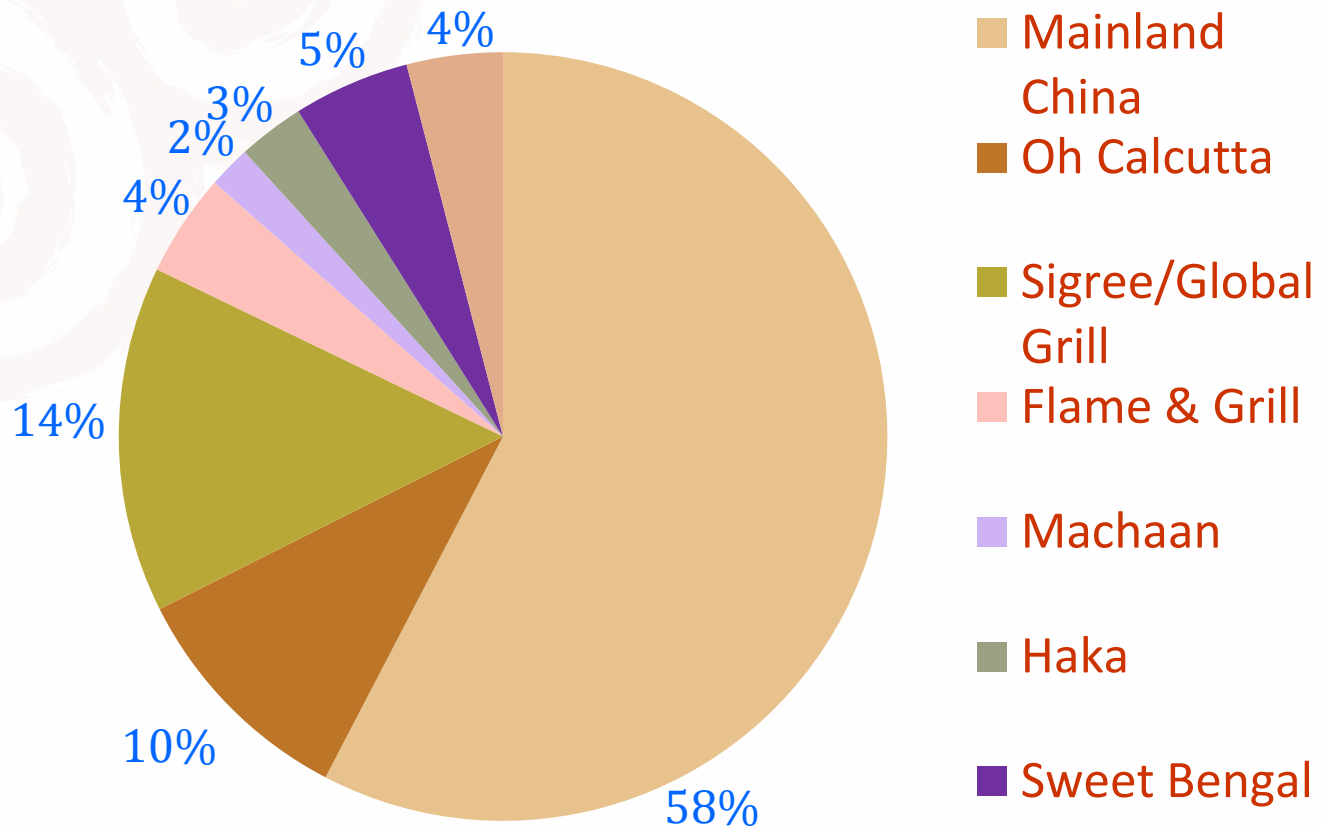
Brand	Total **	Cities
Mainland China	52	25 cities in India and one in Dhaka, Bangladesh
Oh! Calcutta	9	Mumbai, Kolkata, Delhi, Pune, Bengaluru, Hyderabad and one in Dhaka, Bangladesh
Sigree/ Sigree – Global Grill	12	Pune, Chennai, Kolkata, Mumbai, Hyderabad and Bengaluru
Haka	2	Kolkata
Machaan	5	Kolkata, Guwahati, Nashik, Surat & Howrah
Flame & Grill	5	Hyderabad, Nashik, Aurangabad and Kolkata
Kix	1	Kolkata
Kibbeh	1	Hyderabad
Shack	1	Kolkata
Mezzuna	1	Pune
Hoppipola	1	Bengaluru
Sub-total	90	
Sweet Bengal Confectionary	14	Mumbai
Total	104	

* This includes franchisee restaurants located in Dhaka, Bangladesh; **

Data as on December 31, 2013

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

Brand wise contribution to revenues for 9M FY14



Strategic Direction - FY 13-14

1. LEVERAGE OUR STRENGTHS

- Focus on Flagship Brands
- Innovate our Offerings without diluting or compromising on Quality

2. BRAND ADDITIONS

- Mezzuna
- Sigree - Global Grill

3. FOCUS ON SWEATING OF ASSETS

- Presence across Value Chain
- Mobi-Feast
- Hoppipola

4. ENHANCE OPERATIONAL EFFICIENCIES

- Enhance Employee Skills
- Backend Cost Controls
- Implementation of Price Hike

5. ENLARGE OUR PRESENCE

- Expansion in Existing Cities within India
- International Forays





1.LEVERAGE OUR STRENGTHS

MAINLAND CHINA AND OH! CALCUTTA

MAINLAND CHINA



MAINLAND CHINA

It's how India travels to far flung corners of China.

Mainland China, the flagship brand of Speciality Group is the largest chain of fine dining Chinese restaurants in the country with 52 outlets in 25 cities in India and 1 in Dhaka, Bangladesh.

The authentic cuisine is deeply bound to the principle of yin and yang. Flavours blends, textures harmonise and colours intermingle in perfect balance, dish after exotic dish.

Chinese master chefs from various provinces of China bring in new recipes and methods. Oyster sauces and Sichuan peppers, dried mushrooms and pickled gherkins, authentic ingredients are handpicked from sources in Guangdong and Hunan.

Mainland China enjoys the rare distinction of being the choice of critics and connoisseurs alike.

MAINLAND CHINA

Leverage the equity of Mainland China

- Leverage the brand equity enjoyed by *Mainland China* brand by expanding in new locations in Metro and Tier 1 cities
- Selectively undertake expansion plans in line with Macroeconomic Developments

Expansion Plans

- Plan to expand new restaurant formats such as Combos and Multi brands
- Include snack menu and keep restaurants open through the day in Malls – Increase Cover Turnover
- “Mainland China – Asia Kitchen” to open soon in Oberoi Mall, Goregaon, Mumbai as all day format

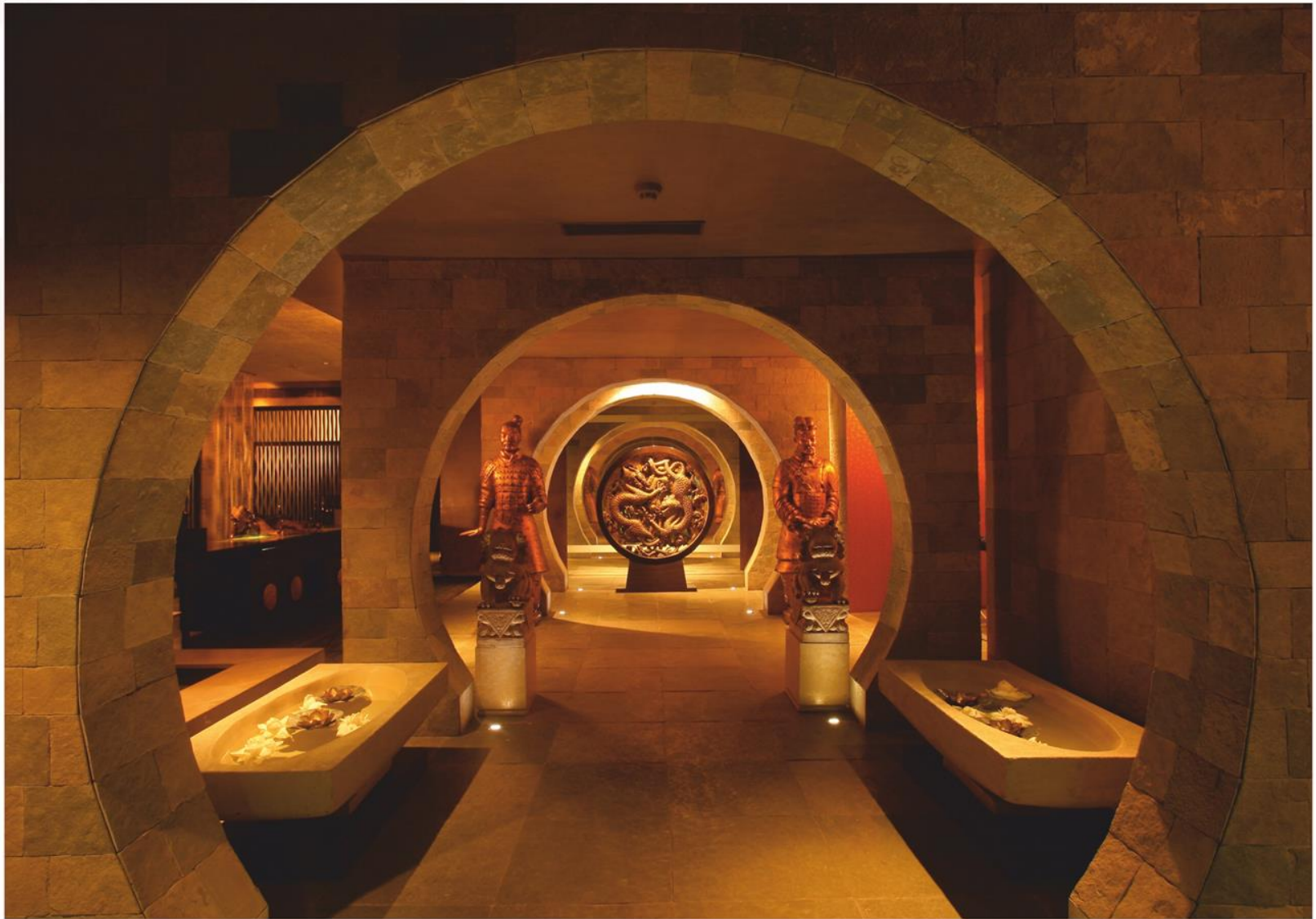
MAINLAND CHINA

Focus on COCO Model for Expansion

- Cost Curve – 120 days to launch and 6 - 9 months thereafter to breakeven
- Focus on COCO model for expansion combined with FOCO model opportunistically

Innovative Offerings

- Smaller Portion in addition to existing Regular Portion Menu based on Research conducted, implemented in restaurants across India
- Saves Costs and Generates higher Revenues
- Tie up with ICICI Bank Ltd. to create special offer for ICICI Card Holders









Oh! Calcutta



Oh! Calcutta

Oh! Calcutta is an ode to a passionate city, with rare dishes from a 300 years old melting pot of cultures.

Our famed flavours, painstakingly restored from the lost culinary delights of old colonial clubs, family legacies of undivided Bengal and descendants of Nawab's chefs bring alive a legendary cuisine.

They make Oh! Calcutta the most awarded cuisine in India and among Asia's top restaurants by the prestigious Miele Guide, Singapore.



Oh! Calcutta

- Recreating the magic of the flavours of a great city where nostalgia and taste melts together on the palate
- The brand caters to ever growing demand of the discerning Indian Guest to venture out beyond the Tandoori Chicken and Makhani Daal













2. BRAND ADDITIONS

MEZZUNA AND SIGREE - GLOBAL
GRILL



CAFÉ
MEZZUNA

ALL DAY BAR AND KITCHEN





**CAFÉ
MEZZUNA**
ALL DAY BAR AND KITCHEN

Café Mezzuna, the newest venture by Speciality Restaurants reveals an untasted world of sun-kissed Mediterranean, Italian, Spanish and French flavours. With olive drizzled pastas, hand made fettuccini, thin crust pizzas, crepes and lots of other hearty and fresh deliciousness.

In a laidback all-day dining place inspired by the country trattorias of Italy. It's always blue skies, sparkling laughter and famous food at Café M!

We must be doing something right here - Just into its first year and Mezzuna is already a winner of two Times Good Food Awards for Best Thin Crust Pizza and Best All Day Dining Café in Pune. A second outlet is now stirring up Kolkata.



CAFÉ
MEZZUNA
ALL DAY BAR AND KITCHEN

- All day bar and restaurant, serving International cuisine, was 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



CAFÉ
MEZZUNA
ALL DAY BAR AND KITCHEN

- All day casual dining - Higher Cover turnover as timing is longer (open between 9 am to 12 midnight)
- Cuisines encompassing Mediterranean, Moroccan, East Asian, Continental, Spanish, Mexican and Italian flavours with a fantastic range of liquor which is of prime importance.
- Within a year of opening has been awarded – Times Foods Awards for 2014 in Pune in the following category:
 - *The Best All Day Dining Restaurant*
 - *The Best Pizza*









sigree

GLOBAL GRILL



sigree

GLOBAL GRILL

Global Grill is a delicious storm of flavours from all corners of the earth. Unlimited starters like Malaysian satays, Mexican grills, Japanese yakitori, American barbecues are served at the Live Grills. They set a lively pace of flavours with a limitless course of seasoned seafood, tender meat and crunchy vegetables turning over live charcoal fire.

The main course spreads across continents with an eclectic balance of Pad Thai , Moroccan tagine, Khau Suey, Italian Lasagne and more. Royal Shawarma and Biryani also enjoy pride of place.

A Live Pasta counter with chefs tossing pasta in fresh sauces provide food for all senses. French confections vie with royal Indian desserts as a sweet climax to an almost endless, worldwide journey of flavours.

Barely over a year old and Global Grill has won the Times Good Food Awards for Best Multi Cuisine Buffet in Mumbai. It has opened its second outlet in Mumbai besides being in Chennai and Bangalore.

sigree

GLOBAL GRILL

- A new concept of dining and latest addition to the group portfolio serving 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
- Plans to expand the number of outlets given the encouraging response









3. FOCUS ON SWEATING OF ASSETS

HOPPIPOLA, MOBIFEAST AND QSRS

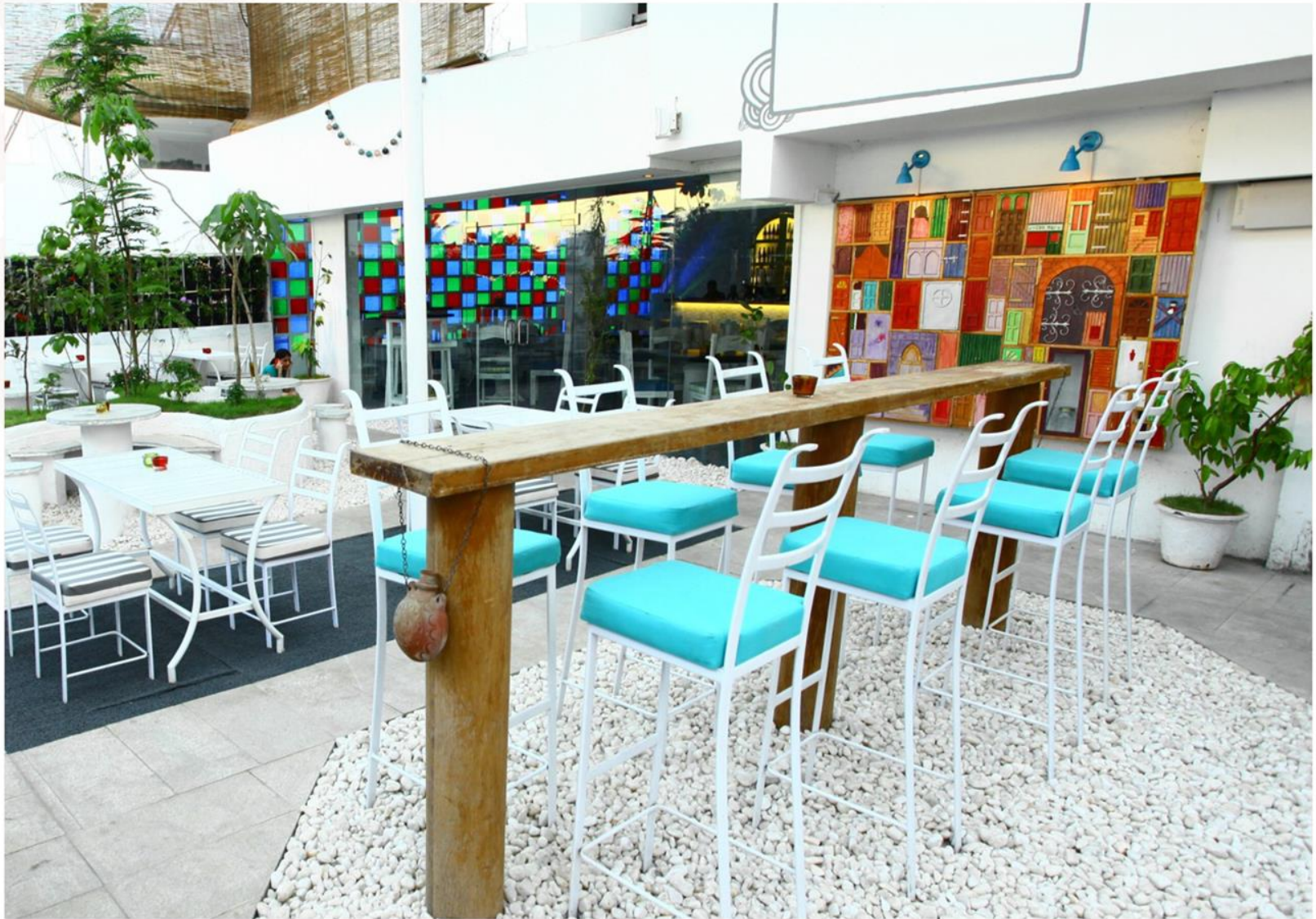






- All day Bar offering Contemporary food including regular nibbles and finger food
- No rental costs as it operates from vacant terraces at existing Company's locations
- Marketing through the Social Media route targeting age group of 18-24
- Initiative is focused on margin expansion







mobifeast

Speciality Outdoors



When the who's who of corporate, bureaucrat, fashion and industry throw a party, who do you think they give a call. Mobifeast. A venture by Speciality Restaurants, the largest restaurant chain in India, 8 of the country's finest dining brands, and 97 restaurants allow us to bring culinary treats like no one else can.

You can have India's most awarded cuisine of Oh! Calcutta, the country's favourite Chinese of Mainland China, slow cooked specialities of Sigree, world flavours of Global Grill and delicatessen food of Mezzuna, all on your party menu. And it gets better with a countrywide service reputed for impeccable detailing.

Backed by our 5000 strong workforce who have trained and experienced with some of India's best dining brands, Mobifeast brings the finest experience in hospitality to your event. It is a lifetime occasion for you. Why should it be any different for us?



- Build presence across the value chain
- Cater unique food offering from the kitchens of the leading brands in the country under one roof
- Operates through the Central Food Processing Unit at Sankrail near Howrah
- The business model involves no major fixed costs while deploys idle resources resulting in only incremental variable costs



QSR Initiatives

- Offers gourmet cuisine delivered at the door step
- Utilize existing resources and expertise of providing high quality food
- Tie up for Logistics Management and Delivery

4. OPERATIONAL EFFICIENCIES



Operational Efficiencies

- Trimming work force and training employees to be multifaceted to enhance productivity
- Synergies on the floor to save time
- Re-negotiation of Rentals to ensure profitability given the strong brand equity enjoyed by the Company



5. ENLARGE OUR PRESENCE



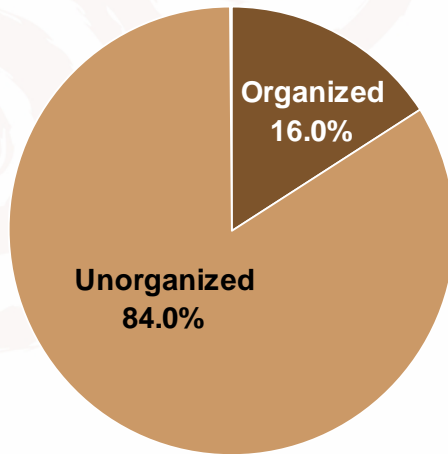
Enlarge our presence

- International Forays
 - Joint Venture in Doha, Qatar
- Selective expansion in Different locations in India

Industry potential

Market segments and growth projection – Organised Segment

2010



Total Industry: Rs 4,30,000 mn (Rs 430 bn.)

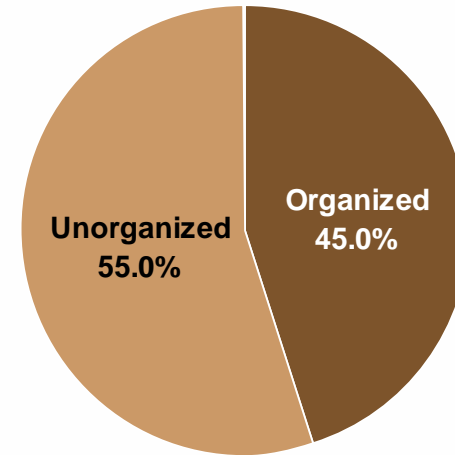
CAGR: 8%

Organized Segment: Rs 69,000 mn (Rs 70 bn.)

CAGR: 30-32%

Organized Segment: over 3,000 outlets

2015*



Total Industry: Rs 6,25,000 mn (Rs 625 bn.)

Organized Segment: ~Rs 2,80,000 mn. (Rs 280 bn.)

Source : Technopak Report 2009; NRAI Report 2010

Industry potential

Changing Demographic Profile

- Over 65% of India's population is below 35 years of age, and the age group between 21 and 40 years constitutes the majority among those who eat out regularly
- Increasing population of the middle-class and increasing proportion of the population living in urban centres

Rising Income Levels

- Urban India expected to have a nearly fourfold increase in the per capita disposable income from 2008 to 2030

Interest from PE players

- Historically difficult to obtain financing
- Recent increase in private equity financing for established industry players with mature operations

Growth Drivers

Growing Working Population and Rising Urbanization

- Working population in India is estimated to constitute 62% of the total population by 2016
- By 2030, Indian cities are likely to house 40% of India's population and account for 69% of India's GDP

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



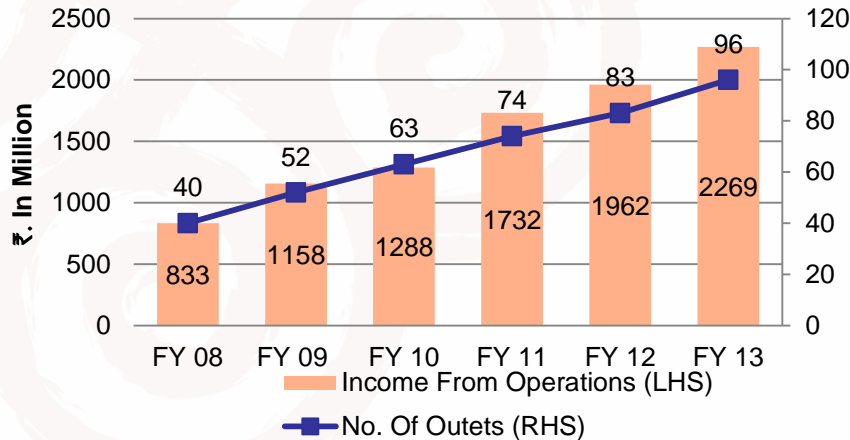
Financial Overview

₹ In Million

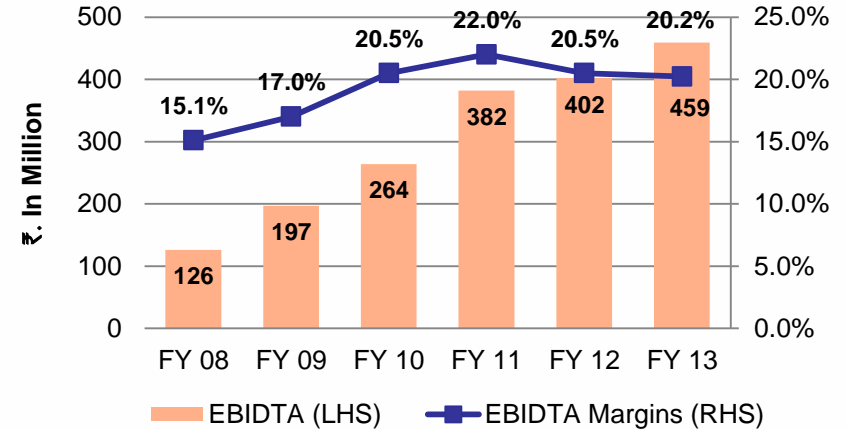
Sr. No	Particulars	For the Quarter ended on		For the Nine Months ended on		Financial Year	
		31.12.2013	31.12.2012	31.12.2013	31.12.2012	2013	2012
1	Income from operations						
	(a) Net Sales	671.8	585.4	1,825.6	1,603.9	2,148.3	1,878.1
	(b) Other operating income	50.2	26.1	137.9	80.8	120.9	84.2
	Total Income from operations	722.0	611.5	1,963.5	1,684.7	2,269.2	1,962.3
	Expenses						
	(a) Cost of materials consumed	210.1	170.9	558.3	455.5	609.6	510.2
	(b) Employees benefits expense	158.9	136.4	459.5	381.1	512.8	423.1
	(c) Depreciation and amortisation expense	47.2	37.6	135.5	105.0	149.3	128.7
	(d) Other expenses	146.2	115.7	387.9	313.9	442.3	366.9
	(e) Lease Rent	97.6	85.5	285.3	251.3	336.6	287.0
2	Total Expenses	660.0	546.1	1,826.4	1,506.8	2,050.6	1,715.9
3	Profit from operations before other income and finance costs (1-2)	62.0	65.4	137.1	177.9	218.6	246.4
4	Other Income	27.5	23.4	71.9	64.9	91.2	27.1
5	Profit from ordinary activities before finance costs (3+4)	89.5	88.8	209.0	242.8	309.8	273.5
6	Finance costs	0.3	0.1	0.5	4.9	5.0	26.6
7	Profit from ordinary activities before tax (5-6)	89.2	88.7	208.5	237.9	304.8	246.9
8	Tax expense	22.3	22.0	53.9	57.2	70.7	74.4
9	Net Profit after tax (7-8)	66.9	66.7	154.6	180.7	234.1	172.5

Select Financials

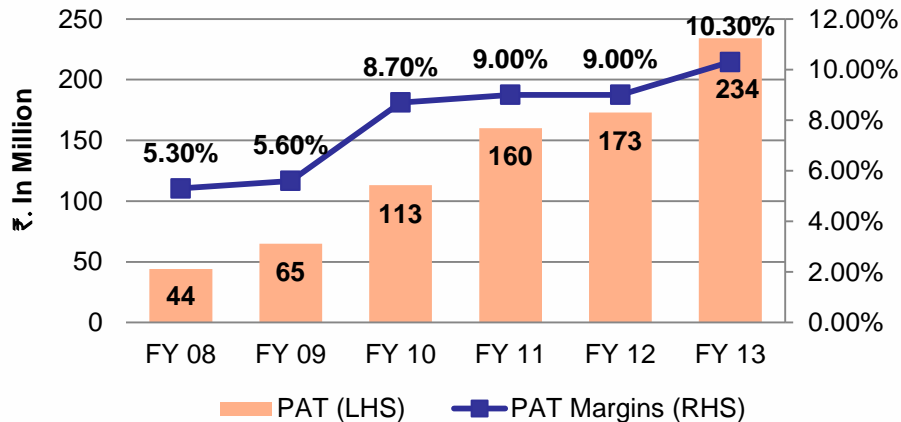
Income From Operations and Outlets



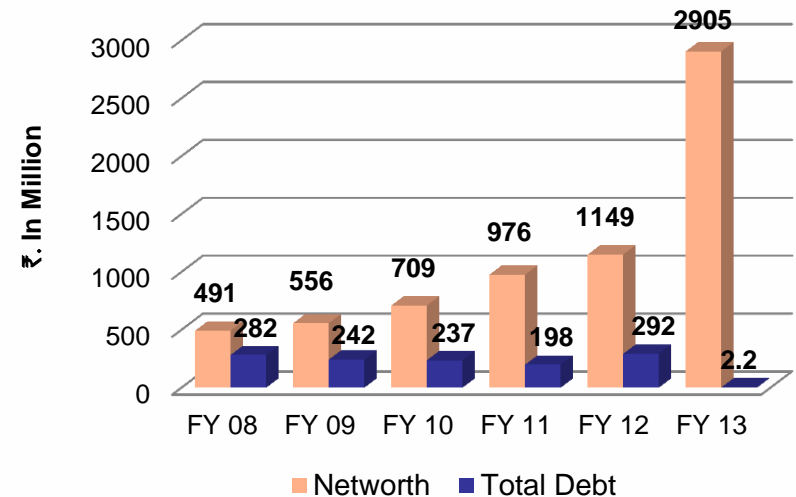
EBITDA and EBITDA Margins



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

Balance Sheet Highlights H1 FY 2014

• Cash and Cash Equivalents	₹ 61.9
• Total Fixed Assets	₹ 1,288.1
• Total Current Assets	₹ 1,619.9
• Current Investments	₹ 1,227.5
• Total Debt	₹ 8.1

^ In Million ; Figures as on September 30, 2013

Financial Highlights For Q3 FY 2014

Sales

- Good Traction due to Maturity of new stores opened
- Price hike implemented in end November 2013

Expenses

- Topline increase helped absorb rising costs
- Inflationary Pressures persist

EBITDA

- Stabilization of Margins in a tough environment

Profit after Tax

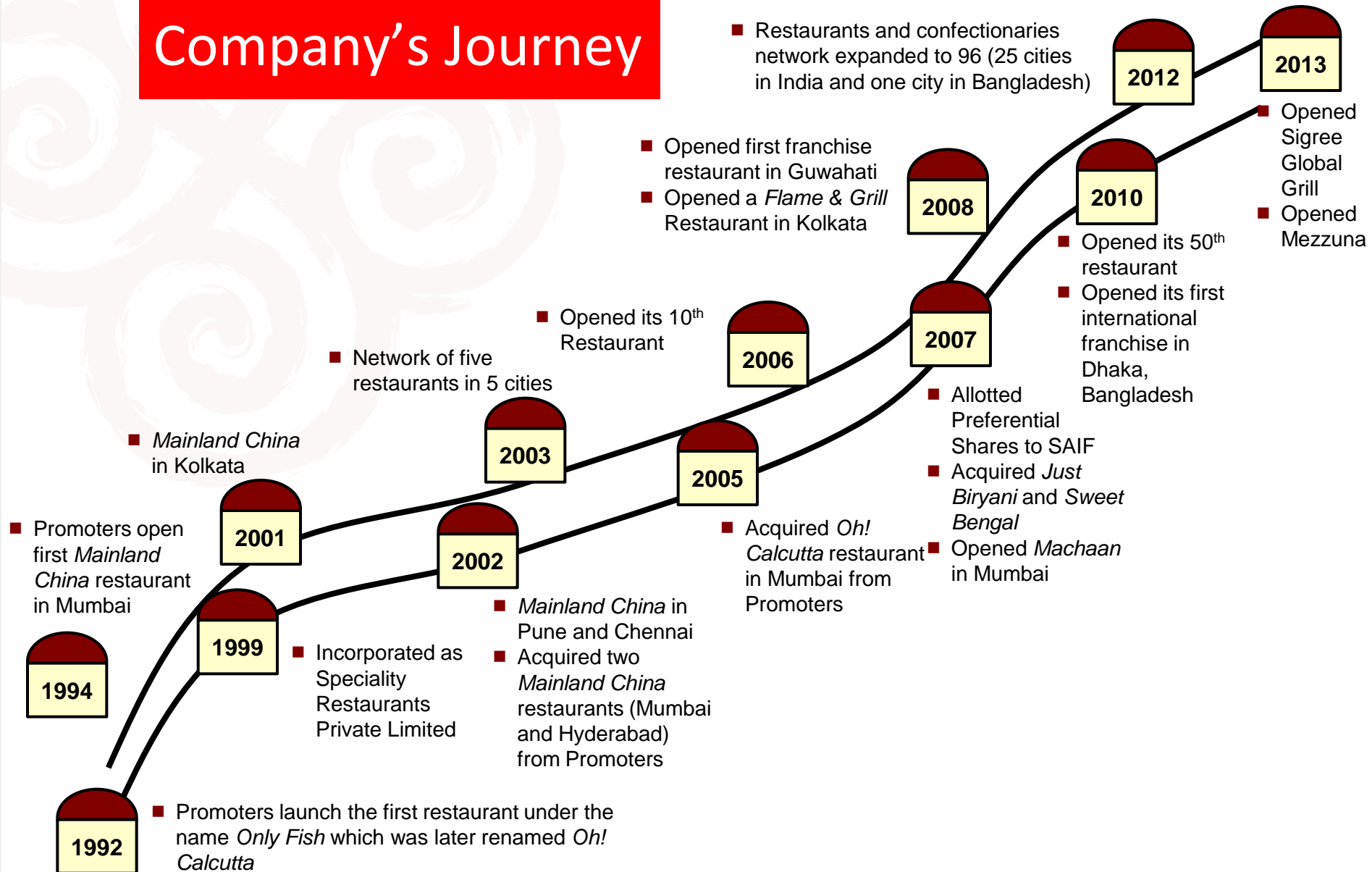
- Higher Tax expenses on account of improved Operational efficiencies
- Deferred FMP Dividend boosts Other Income (one-time)



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



Directors' Profile

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



Thank You