



SPECIALITY
RESTAURANTS LTD.

Speciality Restaurants Limited

August 2012



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
- 90 Restaurants serving Quality Food in Modern Ambience along with 12 confectionaries (as on August 10, 2012)
- Flagship Brands: Mainland China and Oh! Calcutta -- having presence for over 17 years
- Other Brands - Sigree, Flame & Grill, Haka, Just Biryani, 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



Brands

Core Brand	Particulars
	<ul style="list-style-type: none"> • Menu features authentic Chinese cuisine embracing the principle of “harmony in contrast,” which stems from the Chinese concept of yin and yang.
	<ul style="list-style-type: none"> • 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
	<ul style="list-style-type: none"> • Serve fresh offerings flavors of northwest Indian cuisine. • Characterized by modern Indian décor in bronze and red colors.
	<ul style="list-style-type: none"> • Menu features a wide array of kebabs • Modern and vibrant with grills placed on each table, promoting interactivity
	<ul style="list-style-type: none"> • Lebanese bar lounge targeted at the young professional segment of the Indian population
	<ul style="list-style-type: none"> • Serves Flavored Indian rice preparations with is a take-away and delivery format restaurant.
	<ul style="list-style-type: none"> • Sweet Confectionary
	<ul style="list-style-type: none"> • Serves Modern Chinese cuisine ideal for guests on-the-go
	<ul style="list-style-type: none"> • Menu features both dishes for children and dishes that embrace traditional Indian methods of cooking to retain nutrition
	<ul style="list-style-type: none"> • Bar lounge with a beach theme

Widespread Presence



55 Company owned and operated restaurants, 19* Franchisee* and 12 confectionery outlets spread across 22 cities in India and one city in Bangladesh**

Brand	Total **	Cities
Mainland China	42	22 cities in India and one in Dhaka, Bangladesh
Oh! Calcutta	8	Mumbai, Kolkata, Delhi, Pune, Bengaluru and one in Dhaka, Bangladesh
Sigree	5	Pune, Chennai, Kolkata, Mumbai and Hyderabad
Haka	3	Kolkata and Bhubaneswar
Machaan	5	Mumbai, Kolkata, Guwahati, Nashik and Surat
Flame & Grill	7	Bengaluru, Hyderabad, Nashik, Ludhiana, Aurangabad and Kolkata
Kix	1	Kolkata
Just Biryani	1	Mumbai
Kibbeh	1	Hyderabad
Shack	1	Kolkata
Sub-total	74	
Sweet Bengal confectionary	12	Mumbai
Total	86	

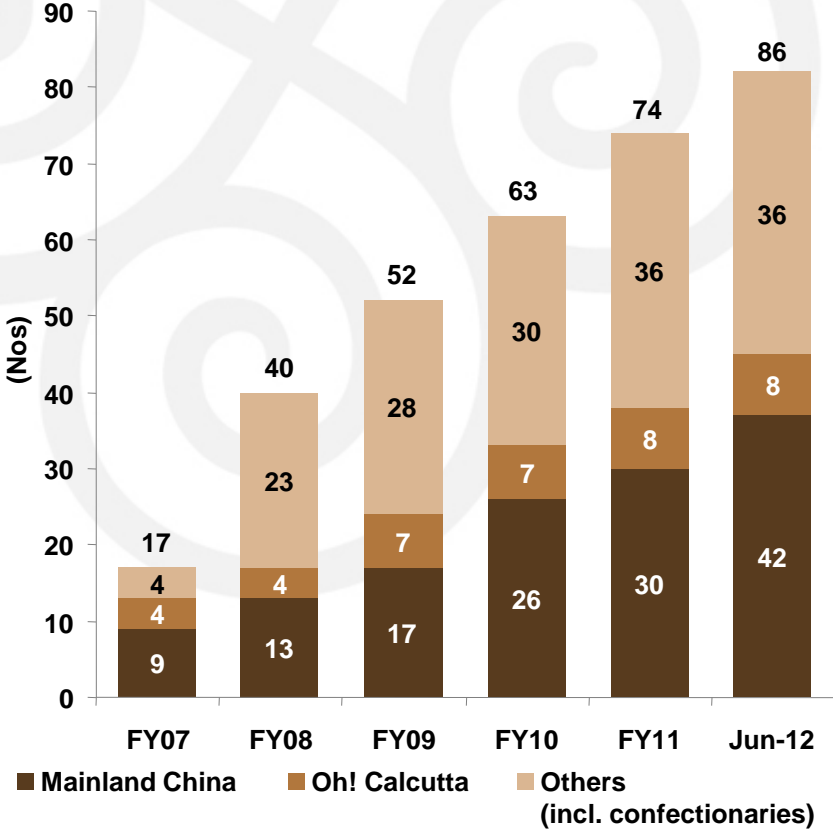
* This includes franchisee restaurants located in Dhaka, Bangladesh; ** Data as on June 30th, 2012

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

Note: In June 2012 quarter, the Company has opened four Company owned & operated restaurants and closed one franchise restaurant and one confectionary.

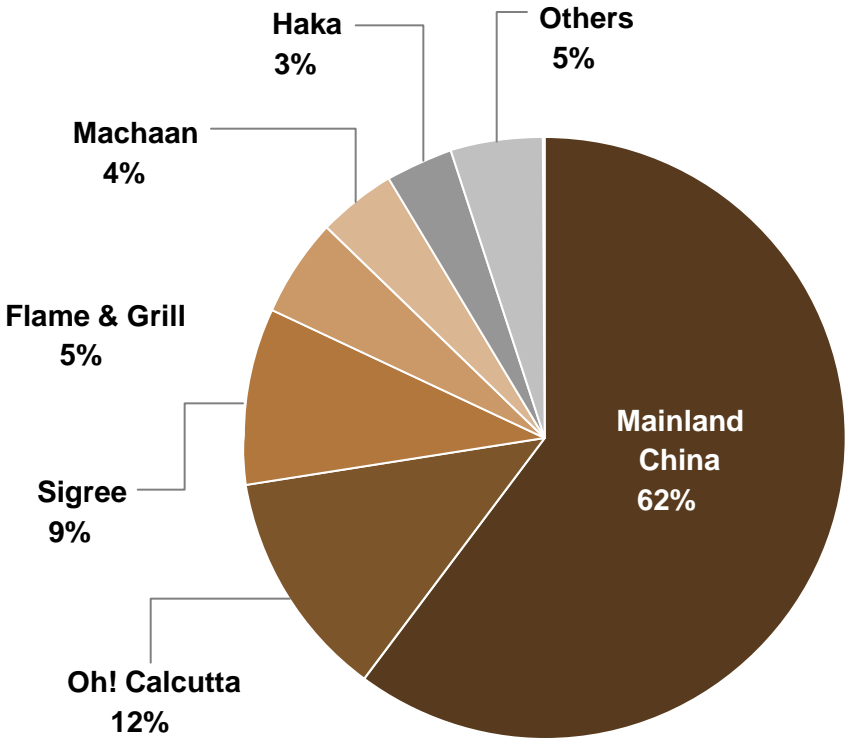
Restaurants Growth and Revenue by Brands

Brandwise Growth



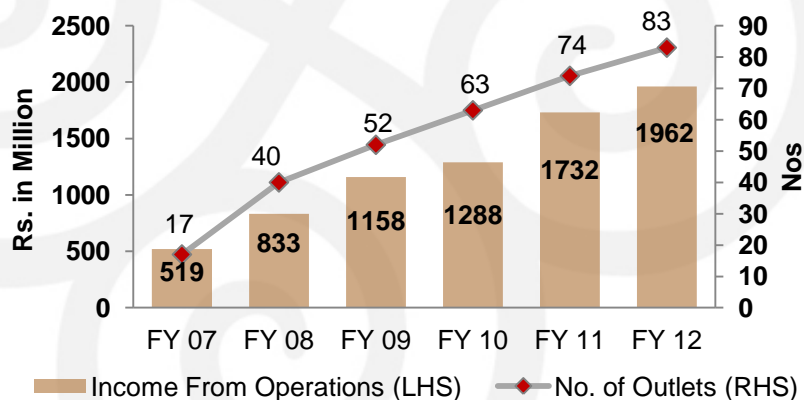
No. of Franchisees → 1 2 11 18 19

Revenue Split By Brands (FY12)

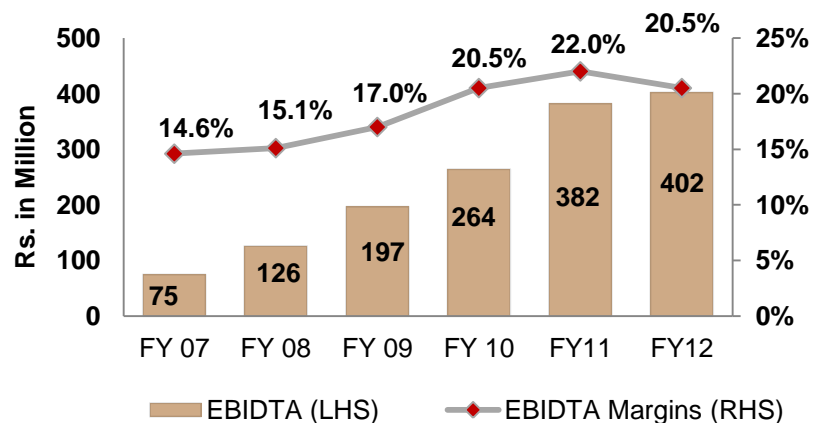


Select Financials

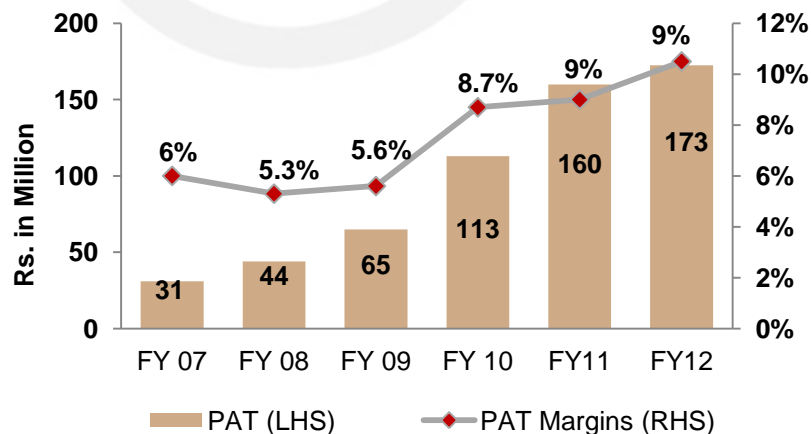
Income From Operations and Outlets



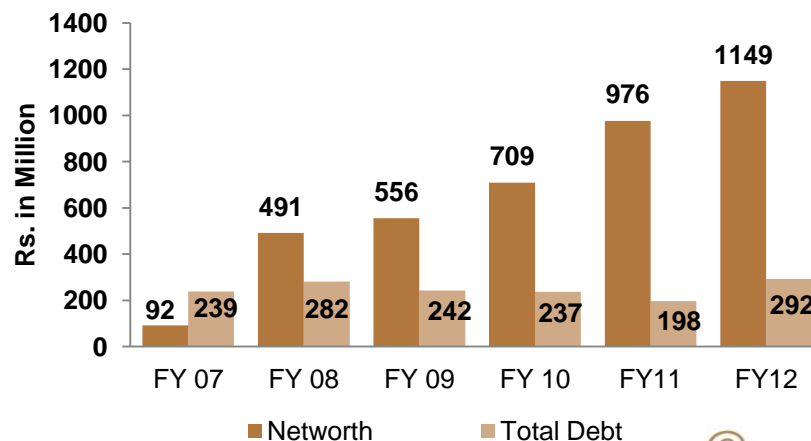
EBITDA and EBITDA Margins



PAT and PAT Margins



Net worth and Total Debt



No. of Restaurants as of March 2012

EBITDA: Earnings before interest, tax, depreciation and amortization



Financial Overview

Rs. In Lakhs

Particulars	3 months ended			Previous Year Ended
	30.6.2012	31.03.2012	30.6.2011	31.03.2012
Income From Operations				
Net Sales	4974	4425	4369	18781
Other Operating Income	285	216	312	842
Total Income from Operations	5259	4641	4681	19623
Expenses				
Cost of Materials Consumed	1345	1195	1157	5102
Employees Benefits Expense	1124	1097	957	4231
Depreciation & Amortization Expense	318	374	252	1287
Lease Rent	793	793	655	2870
Other Expenses	943	889	755	3669
Total Expense	4523	4348	3776	17159
Profit from Operations before Other Income and Finance Cost	736	293	905	2464
Other Income	145	43	56	271
Profit from Ordinary Activities as per Finance Cost	881	336	961	2735
Finance Costs	47	64	54	266
Profit from Ordinary Activities before Tax	834	272	907	2469
Tax Expense	206	48	283	744
Net Profit for the Period	628	224	624	1725



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
- Promotion Offers – **“Dine by Nine”** Flat 25% discount between 7-9pm

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

Launch Mizuna – All Day Dining Bar & Restaurant serving Italian/Mediterranean Cuisine

- First piloted restaurant will come up in Pune
- Targeted at audience in the age group of 19-24 using innovative marketing strategies
- Higher Margins as 35-40% sales emanating from liquor sales
- Higher Cover as timing will be longer as it will be open 9am to 12 midnight
- Consultants from UK and recruitments from Top Hotels in India

Focus on COCO Model for Expansion

- Cost Curve – 120 days to launch and 6 months thereafter to breakeven
- FOCO model allows Company to enter and operate in markets which the company may not otherwise exploit, particularly in Tier II cities



Key Growth Drivers

Focus on Innovative and Emerging Trends in the Business

- Focus on 'takeaway market' – one of the fastest growing in the restaurant business segment
- Focus on ready to eat and one meal packages
- Integrate it with our existing business model

Price Hikes & Cost Control

- Typically SRL undertakes price hikes twice a year or depending on inflationary pressures
- Yearly contracts with suppliers
- Economies of Scale in Sourcing

Innovative Marketing Strategies

- Loyalty Programmes
- increasing brand awareness complemented with periodic promotions and festivals

Key Strengths

Portfolio of Brands

- Award winning leading portfolio of fine dining brands including *Mainland China*
- *Mainland China* and *Oh! Calcutta* brands have a presence for over 17 years
- Consistency across same brands

Service Orientation

- Focus on traditional Indian principle – “*Atithi Devo Bhava*” (Guest is God)
- Over 19 years of experience in carefully designing and adjusting menus to suit taste and preferences of target guests
- Guest loyalty programme aimed at building long term relationships with guests

Robust Processes and Scalable Model

- Uniform and consistent standards across each brand to ensure guest satisfaction
- Scalable process oriented delivery model
- Constant monitoring of food quality and service standards through food quality and service audits

Strong Financial Position and Profitability

- “Asset light model” as all the restaurant properties are leased
- Strong financial position provide financial flexibility to fund growth and expansion
- Have been expanding for the past 12 years with consistent track record of profitable growth



Key Strengths (Cont'd.)

Experienced Promoter, Management Team and Dedicated Staff

- Founder Promoter has first hand experience in working with fine dining restaurants
- Experienced senior management; most of them recruited from five star hotels in India
- Dedicated staff across our network of company and franchise restaurants
- Emphasis on staff welfare through regular training, skill enhancement, free meals, housing facilities, etc.
- Retained strong market position and expanded across India

Diversified Business Model

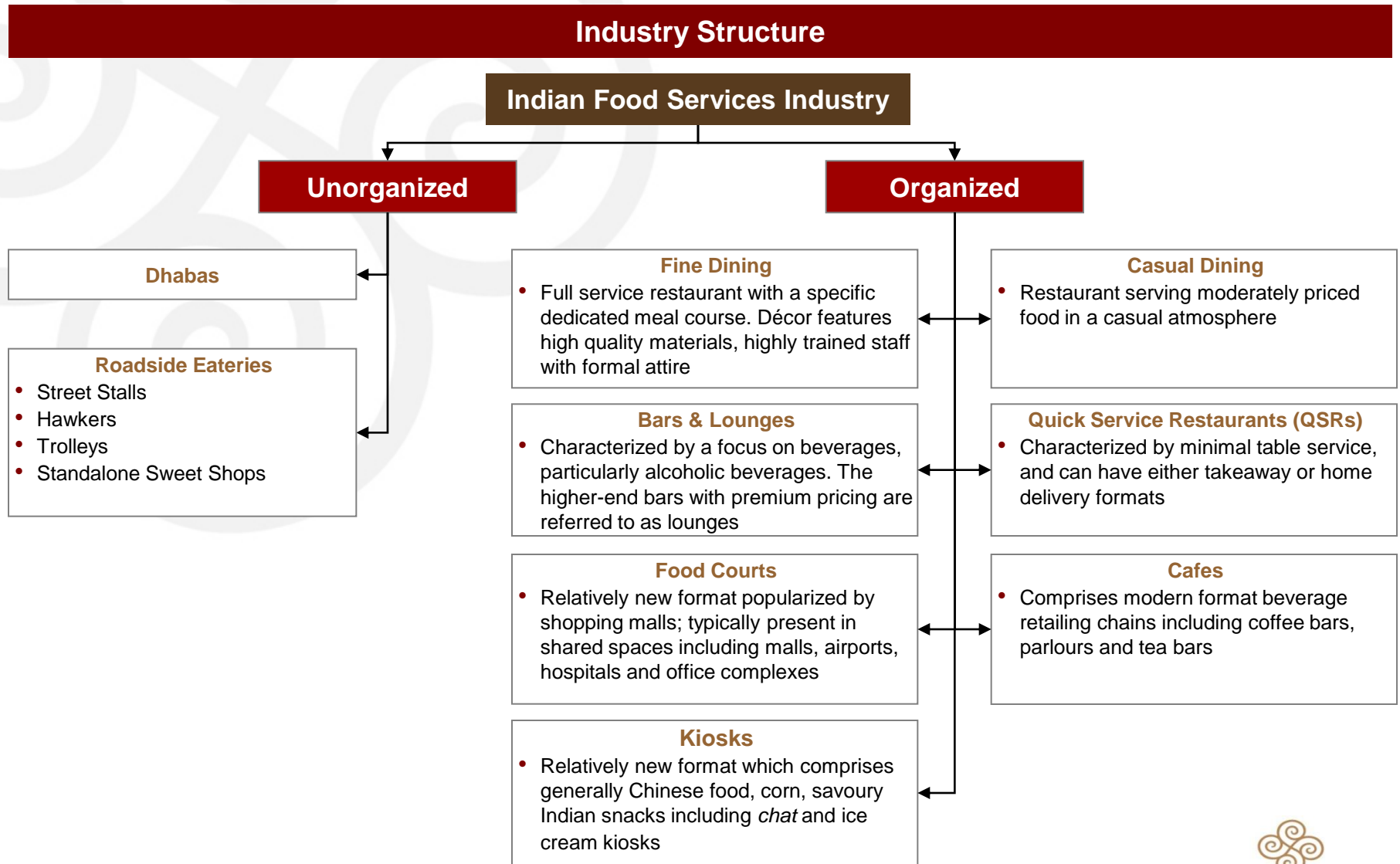
- Each of the brands offer a diverse and unique dining experience
- New brand concepts introduced from time to time
- Combos (where two branded restaurants are co-located) and Multibrands (where more than two branded restaurants are co-located) provide operational synergies

Strategic Locations

- Most of the restaurants located in Metros and Tier 1 cities
- Majority of restaurants located in western India where proportion of people dining out is the highest (*Source: NRAI Report 2010*)
- Restaurant location portfolio consists of quality sites located in business districts, neighborhoods and high streets



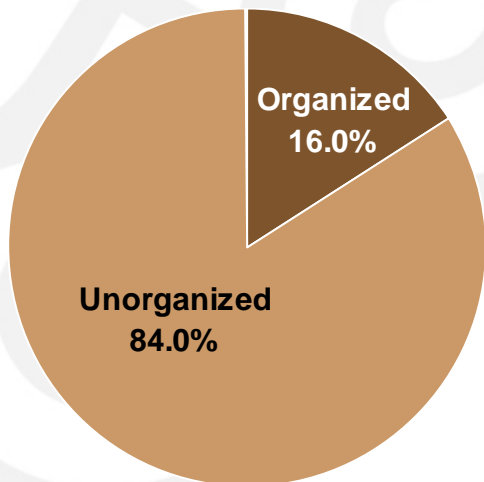
Industry Potential



Industry Potential

Market segments and growth projection

2010



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

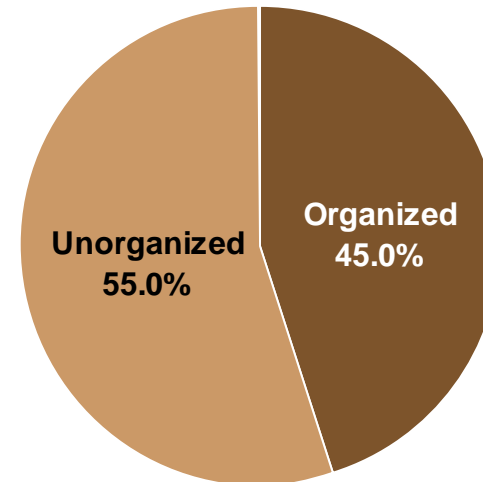
CAGR: 8%

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

CAGR: 30-32%

Organized Segment: over 3,000 outlets

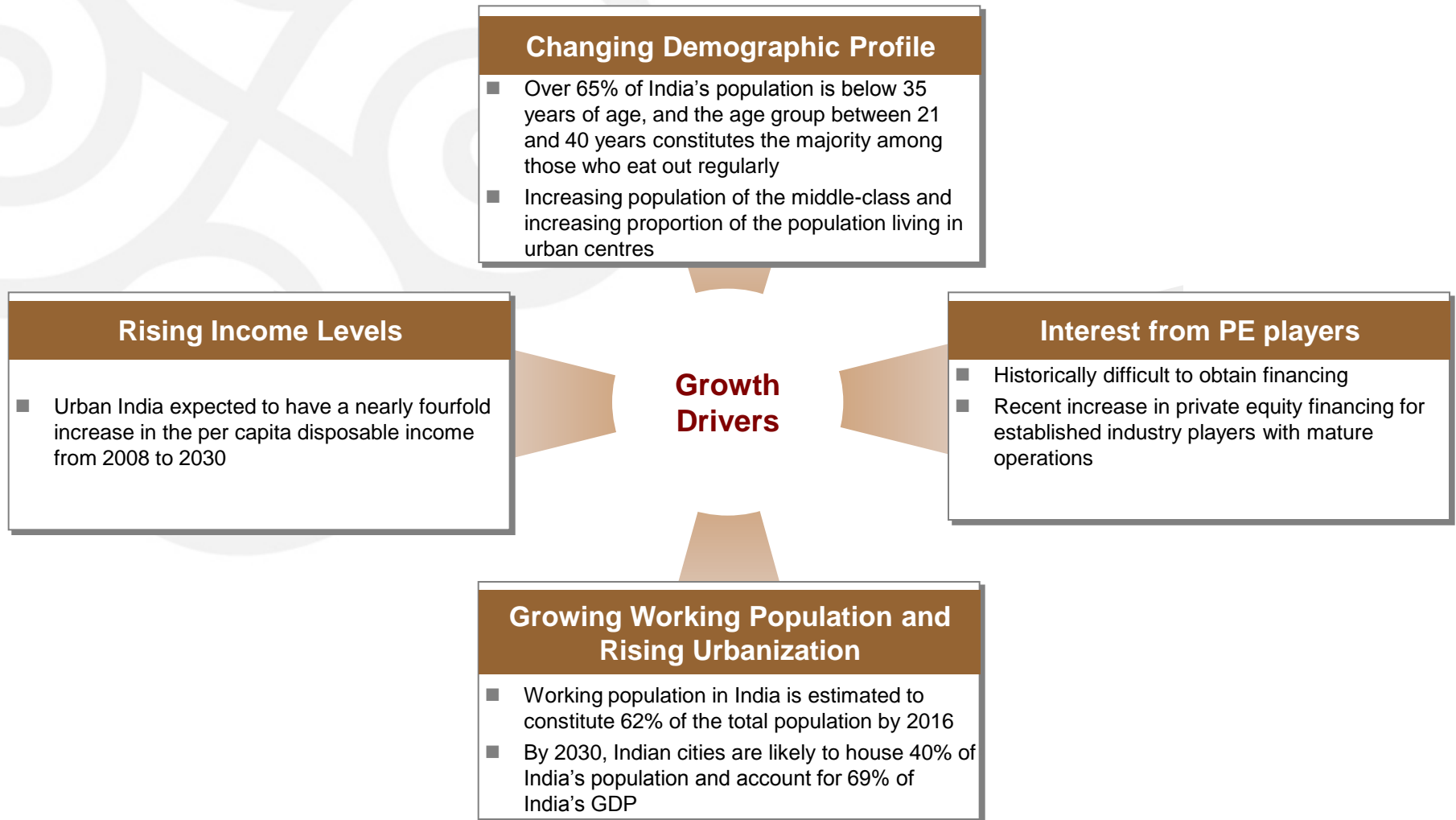
2015*



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

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

Industry Growth Drivers

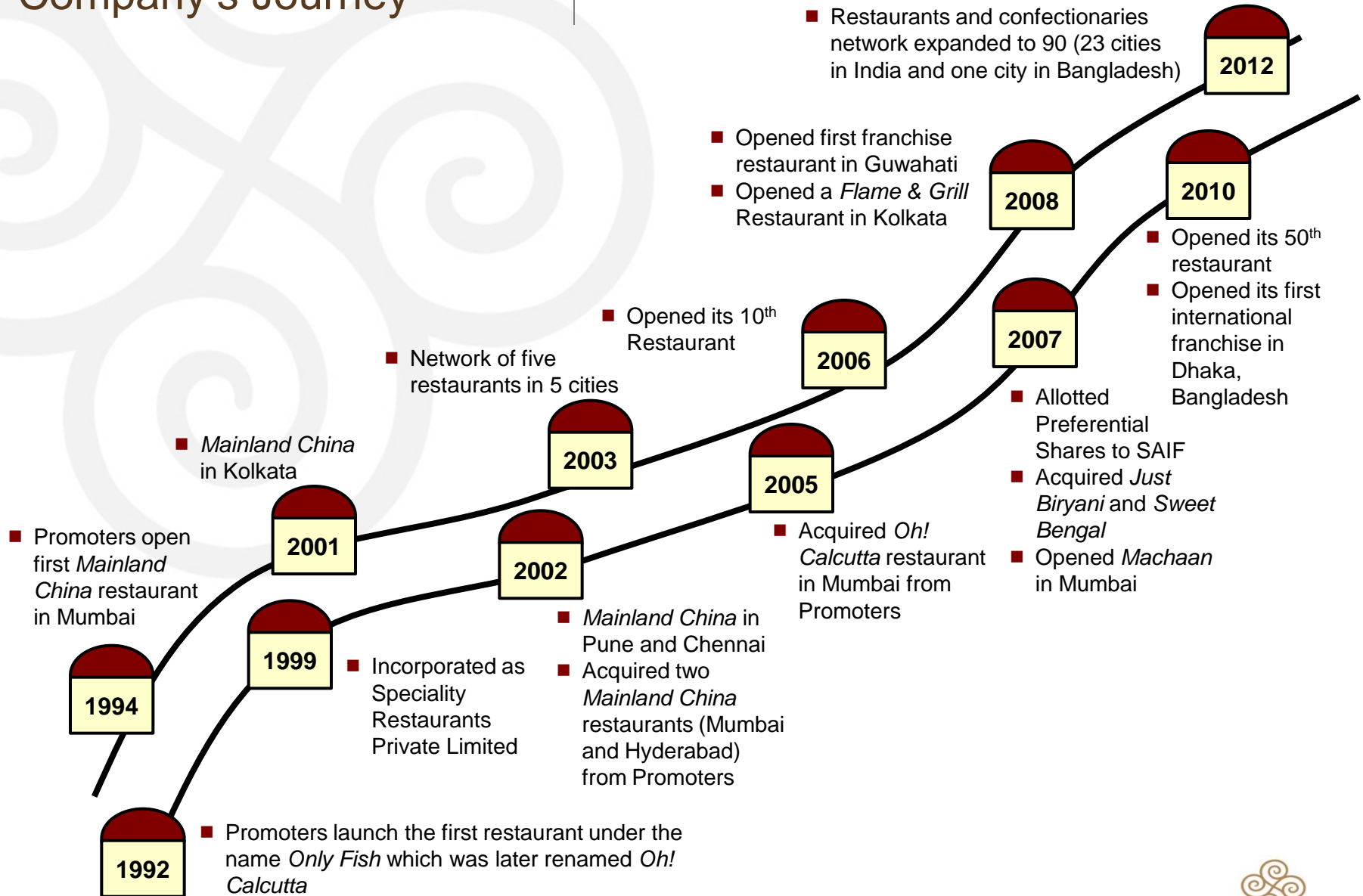




ANNEXURES



Company's Journey



Awards

Brand

Recent Awards

MAINLAND
CHINA

"Coca Cola Golden Spoon Award" for most admired food service retailer for dine-in international cuisine for 2011

'One of Asia's Finest Restaurants' by Miele Guide for 2009/10 and 2010/11

Times Food Award for 'Best Chinese' for 2010, 2011 and 2012
"Coca Cola Golden Spoon Award" for the most admired food service retailer of the year dine-in international cuisine

'One of Asia's Finest Restaurants' by Miele Guide for 2009/10 and 2010/11

Oh! Calcutta

'Best Regional Restaurant' in NDTV Good Times Food Awards 2010

Times Food Award for 'Best Bengali Restaurant' for 2010, 2011 and 2012

'Best Bengali Restaurant' in Times Food & Nightlife Awards Kolkata 2010

sigree

'One of Top 5 Restaurants in India' by Miele Guide 2009/10

Times Food Award for 'Best North Indian' for 2010 and 2011



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. Jayanta Chatterjee
Director* – Business
Development & Planning

- Holds a bachelors degree in commerce
- 21 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. Sanjay Goyal
GM – Materials Management
and Controls

- Holds a bachelors degree in commerce, bachelors degree in law, a diploma in hotel management, diploma in international trade management and is a certified purchasing manager
- 22 years of experience in the hospitality industry; prior to joining the Company, worked as materials manager at one of the leading hotels in India

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



New Restaurant Rollout Process

#1 Business Development Team

- Initial audit of the potential location in terms of
 - Other restaurants in the vicinity
 - Type of guests
 - Rental costs of the premises
- Submit its report to the project team

#2 Project Team

- Based on the input provided by business development team, the project team reviews the location/outlet on technical parameters such as
 - kitchen & dining area
 - parking space
 - Regulatory permissions for the project
- Submits its report to commercial development team

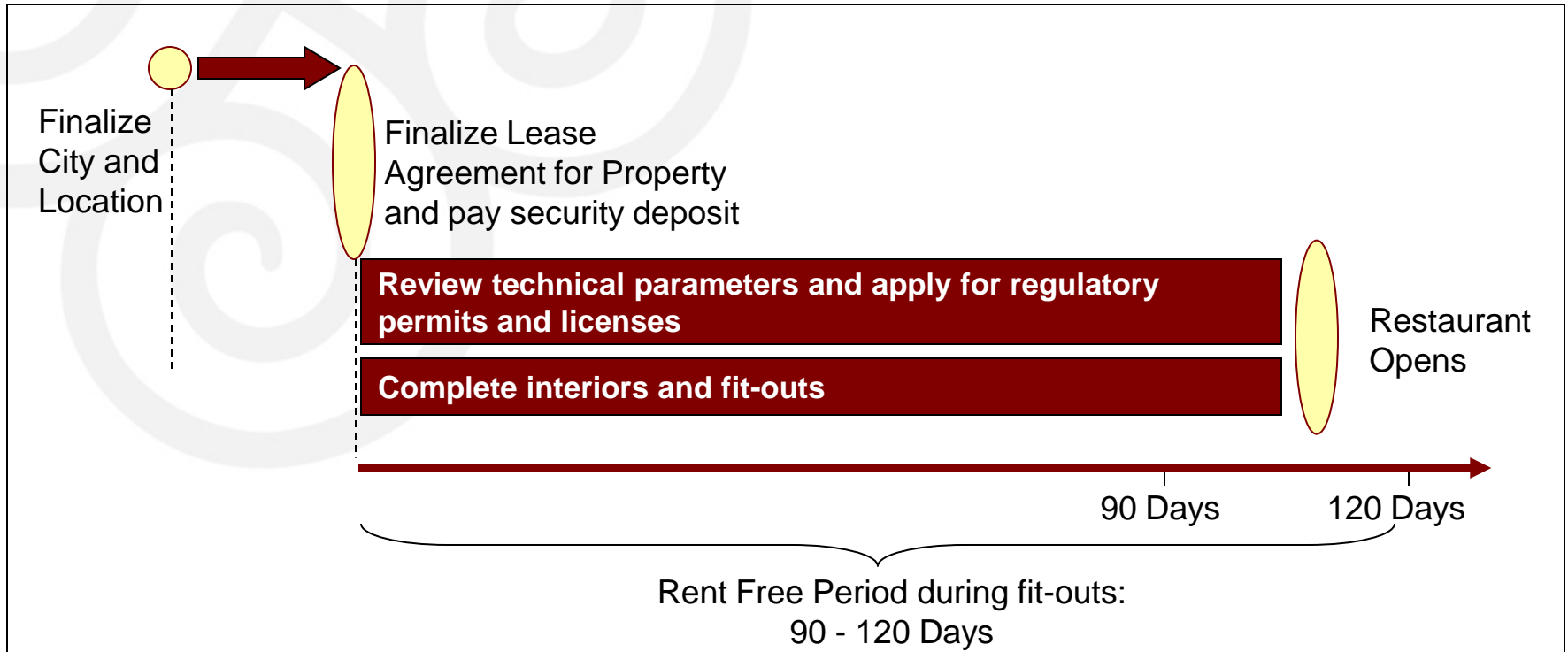
#4 Management Approval

- Management team reviews the report provided by Commercial development team
- Analyses comments and suggestion provided by all the concerned departments
- Approves or disapproves the location

#3 Commercial Development Team

- The team develops a detailed business case for a particular site comprising five year projections with quantitative and qualitative data including
 - Guest traffic
 - Average price per meal
 - Business results of competitors or retailers
 - Strategic location of the site

Restaurant Rollout Timelines





Thank You

