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Westlife Development Ltd.

Hardcastle Restaurants Pvt. Ltd.

Q2 FY2015 Earnings Update

November 7, 2014

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Strategic Pillars – 4 Quadrants



Q2 FY2015 Results & Highlights

✓ **Restaurant Expansion**

- System-wide restaurants at 192; gross addition of 24 new restaurants Y-o-Y to drive long-term growth; Q2 addition at 4
- Most restaurants to open in FY15 are in ground-break; openings as per plan

✓ **Revenues**

- Consumer confidence on-ground continues to remain weak
- Comparable sales at -7.9% compared to -9.0% in Q1 FY15

✓ **Significant investments in brand extensions and re-imaging initiative**

- McCafé – ramped up to 27 within an year; encouraging results; expansion on track
- McDelivery – delivering positive results across online & web delivery

✓ **Gross Margins expanded by ~90 bps Y-o-Y**

- Focus on reduction in food, paper & distribution costs
- Efficient product mix and menu pricing

✓ **Cash and cash equivalents at ~INR 1,674.5 million**

Challenging macro-environment persists

Region-wise Presence – Q2 FY15

Total Restaurants – 192

22 Restaurants

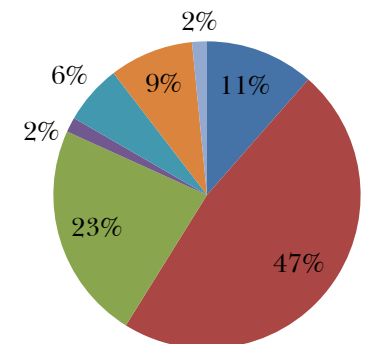
91 Restaurants

44 Restaurants

3 Restaurants

17 Restaurants

3 Restaurants



Gujarat
 Karnataka
 Tamil Nadu
 Madhya Pradesh
 Maharashtra
 Kerala
 Telangana

Intelligent Market Penetration

Basis Global Index of
1.32 restaurants per
100,000 people

Balance
Potential of
600+ stores



190 Cities untapped
in our region, since
current presence in
20 cities

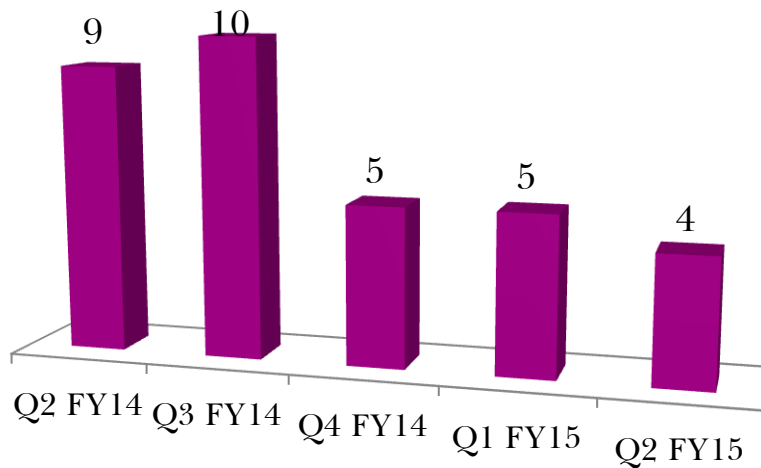
1/3 of Key,
Core and Non
Core Cities Un-
penetrated

Competitive advantage with Drive-Thru's



Drive-Thru portfolio continues to grow at steady pace

Expansion in key & core cities



- ✓ 24 new restaurants added in last 12 months
- ✓ 4 new restaurants opened in Q2 FY15 – all in Maharashtra
- ✓ All openings this quarter are in a tough real-estate market like Mumbai

Brand differentiation through menu platform

✓ **Saucy wraps**

- Launched three variants of veg, egg and chicken



✓ **Classics with Twist**

- Launched a limited-time offer with variants of McVeggie and McChicken



Building customer loyalty



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Brand differentiation
through brand extension

Restaurants before re-imaging



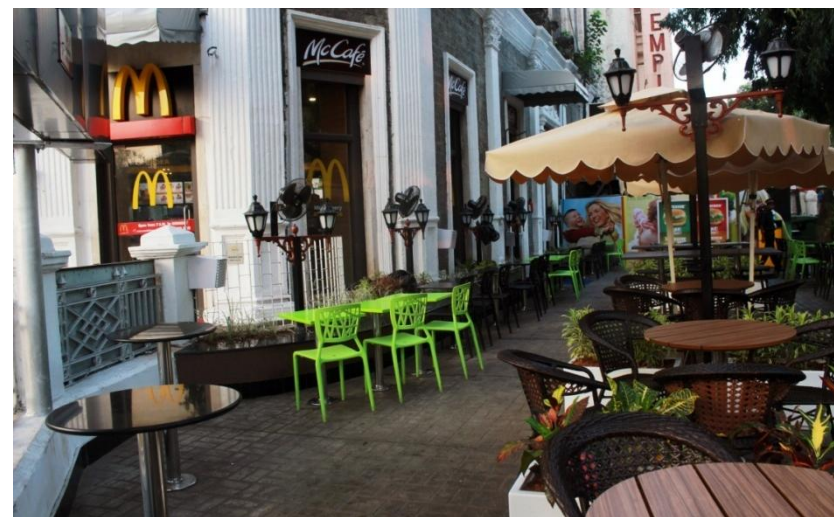


Brand differentiation through re-imaging and McCafé





Brand differentiation through re-imaging and McCafé



McCafé – strong beverage platform

- ✓ Significantly expanded McCafé footprint across new markets in west India (outside Mumbai)
 - Opened in Ahmedabad, Pune and Nashik
- ✓ Total of 27 McCafé's currently across the system as of today
- ✓ Expansion on track for FY15 and beyond
- ✓ Building complimentary business across non-core day parts and new customer base
- ✓ Strong platform for better comparable sales and margins in future
- ✓ Confident of achieving 50-75 McCafé's by Dec 2015; doubling the same in next 2-3 years



Re-imaging with McCafé results

- ✓ Continue to modernize the customer experience through major restaurant re-imaging initiatives
- ✓ Providing contemporary restaurant designs & relevant experience to our consumers (making trendier and younger)
- ✓ Yielding profitable results when coupled with opening of McCafé

McDelivery System (MDS)

- ✓ Encouraging business results over the web & online delivery platforms
- ✓ Launched our mobile application across iOS, Windows, Android and BlackBerry
- ✓ Focused on efforts around convenience to deliver enhanced customer experience



DOWNLOAD APP



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Consolidated Results

FINANCIAL ANALYSIS

Financial analysis

Particulars (INR Mn)	Q2 FY15	Q2 FY14	H1 FY15	H1 FY14
Total revenues	1,870.2	1,835.3	3,878.9	3,818.9
Restaurant operating margin (RoM)	118.8	232.3	353.7	453.4
RoM %	6.4%	12.7%	9.1%	11.9%
Operating EBITDA	29.2	138.3	150.2	256.6
Op. EBITDA %	1.6%	7.5%	3.9%	6.7%

- Revenue growth in Q2 & H1 driven by expansion of new restaurants across the region and new menu additions
- Increased base of new restaurants (~45% of total restaurant base)
- Higher occupancy & utility costs
- Increase in royalty & minimum wages

OUTLOOK



Outlook

Revenue

- ✓ Taking total restaurants count to 230-250 by Dec 2015; progressing on track
- ✓ Confident of achieving 50-75 McCafé's by Dec 2015; doubling the same in next 2-3 years
- ✓ Driving penetration by entering new markets
- ✓ Focus on restaurants re-imaging to continue

Innovation / Menu

- ✓ Drive innovation across menu to provide uniquely McDonald's products across all consumer segments and day-parts
- ✓ Focus on delivering high-quality and affordable food & beverages to our customers
- ✓ Consumer focus through free Wi-Fi, cashless, digital enablement

Profitability

- ✓ Continuing efforts around gross margin improvement
- ✓ Drive initiatives around efficient business unit economics and other cost containment initiatives
- ✓ Optimizing opportunities through continuous evaluation of restaurant portfolio

Consumer confidence continues to be muted; recovery expected over 6-9 months
Committed to invest INR 7,500 million over next 5 years

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