



Quarterly Update 3QFY13

Bring Home Health & Happiness

The release contains forward-looking statements, identified by words like ‘plans’, ‘expects’, ‘will’, ‘anticipates’, ‘believes’, ‘intends’, ‘projects’, ‘estimates’ and so on. All statements that address expectations or projections about the future, but not limited to the Company’s strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances. Therefore the investors are requested to make their own independent assessments and judgments by considering all relevant factors before making any investment decision. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

Key Metrics - Dairy



	3QFY13	3QFY12	YOY %
Liquid milk sales (llpd)	8.04	7.85	2.4%
Liquid milk price real. (Rs/l)	30.37	28.31	7.3%
Milk Procurement (llpd)	9.26	9.61	(3.6)%
Milk procurement price (Rs/l)	25.22	25.35	(0.5)%
Branded Value added Products sales (Rs mn)	392	304	29%
No. of Parlours	1176	1029	

Key Highlights - Dairy



- **11% yoy growth in turnover to Rs3133mn**
 - ❖ 2.4% yoy growth in Milk sales to 8.04LLPD (lakh litres per day)
- **29% yoy growth achieved in Branded Value Added Products sales**
 - ❖ 51% yoy growth in Packaged Curd sales (accounts for approx. 67% of Branded Value added products sales)
- **(3.6)% yoy de-growth in milk procurement to 9.3LLPD (lakh litres per day)**
- **EBITDA of Rs306mn (EBITDA margin of 9.8%) as against Rs207mn (EBITDA margin of 7.3%) in 3QFY12**
- **Opened 61 new Dairy Parlors during 3QFY13 taking the total number to 1176**
- **Export turnover of Rs4.6mn**
- **Main Dairy Plant received National Energy Conservation Award for 2012 in Dairy Sector from Ministry of Energy, Govt. of India**

Key Metrics Retail



Rs mn	3QFY13	3QFY12	YOY %
No. of stores	66	72	
Total carpet area ('000 sq ft)	202	186	9%
Effective Carpet Area (sq ft)	202	177	14%
Avg store sales (Rs/ sq ft/month)	1101	1224	-10%
Heritage Fresh Stores	667	650	3%
Institutional, General Trade & Others	67	91	-26%
Other Operating Income	36	41	-12%
Total Revenue	770	782	-2%
Total Gross Profit	151	151	0%
Gross margin (%)	19.7%	19.3%	
Gross margin Heritage Fresh (%)	20.9%	20.7%	
EBITDA at store level (Rs mn)	36	33	9%
EBITDA margin (%)	4.7%	4.2%	
Regional & Corporate Overheads	86	78	
EBITDA (Rs mn)	(50)	(45)	

Bring Home Health & Happiness

Key Highlights - Retail



- SSS (considering 62 comparable stores) stood at 6.2%
- 10% yoy productivity de-growth on account of 22000 sq ft addition at first floor level in 6 stores. Productivity tends to be lower on first floor
-
- Average Bill Value (ABV) increased by 8% yoy to Rs220(Rs204 in 3QFY12) on same store basis
- No. of Bills (NOB) fell by 1.69% yoy to 2.93mn (2.98mn in 3QFY 12) on same store basis
- Store Gross margin improved by 19bps to 20.9% and overall gross margin increased by 40bps
- Store fixed cost reduced to Rs172/sq ft/month (Rs 195 in 3QFY12)
- Regional & Corporate Overheads lower by Rs5/sq ft/month
- In Hyderabad, we consolidated our Distribution Centre during the quarter. This adversely impacted business for about 7-10 days

Bring Home Health & Happiness

Financial results



UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2012

(Rs. in lakhs)

Particulars	STANDALONE						CONSOLIDATED					
	31.12.2012 (Unaudited)	30.09.2012 (Unaudited)	31.12.2011 (Unaudited)	31.12.2012 (Unaudited)	31.12.2011 (Unaudited)	31.03.2012 (Audited)	31.12.2012 (Unaudited)	30.09.2012 (Unaudited)	31.12.2011 (Unaudited)	31.12.2012 (Unaudited)	31.12.2011 (Unaudited)	31.03.2012 (Audited)
1. Income from operations												
a) Net Sales / Income from Operations (Net of excise duty)	38748.17	39759.09	35621.84	119309.93	101732.64	137685.10	38748.17	39759.09	35621.84	119309.93	101732.64	137685.10
(b) Other Operating Income	371.74	454.49	407.88	1427.19	1043.79	1655.47	371.74	454.49	407.88	1427.19	1043.79	1655.47
Total Income from operations	39119.91	40213.57	36029.72	120737.12	102776.43	139340.57	39119.91	40213.57	36029.72	120737.12	102776.43	139340.57
2. Expenses												
(a) Cost of materials consumed	23705.60	24024.45	25031.73	71362.23	68386.22	93736.97	23705.60	24024.45	25031.73	71362.23	68386.22	93736.97
(b) Purchase of stock-in-trade	6143.16	6284.19	6047.03	19027.02	16872.48	22931.04	6143.16	6284.19	6047.03	19027.02	16872.48	22931.04
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(138.74)	659.78	(2402.07)	3446.51	(2726.31)	(4761.96)	(138.74)	659.78	(2402.07)	3446.51	(2726.31)	(4761.96)
(d) Employees benefits expense	2188.97	2084.73	1829.01	6214.68	5341.40	6916.28	2188.97	2084.73	1829.01	6214.68	5341.40	6916.28
(e) Depreciation and amortisation expense	584.40	526.31	526.09	1640.85	1581.91	2118.65	584.40	526.31	526.09	1640.85	1581.91	2118.65
(f) Other expenses	4540.88	4466.42	4094.23	13279.75	11232.45	15391.92	4540.88	4466.42	4094.23	13279.75	11232.45	15391.92
Total expenses	37024.27	38045.89	35126.02	114971.04	100688.15	136332.90	37024.27	38045.89	35126.02	114971.04	100688.15	136332.90
3. Profit / (Loss) from operations before other income, finance costs & exceptional items (1-2)	2095.64	2167.68	903.70	5766.08	2088.28	3007.67	2095.64	2167.68	903.18	5766.08	2087.45	2992.80
4. Other Income	63.61	73.49	67.80	196.58	201.51	320.73	63.61	73.49	67.80	196.58	201.51	320.73
5. Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	2159.25	2241.17	971.50	5962.66	2289.79	3328.40	2159.25	2241.17	970.98	5962.66	2288.96	3313.53
6. Finance costs	343.51	459.02	410.72	1326.14	1427.12	1970.73	343.51	459.02	410.72	1326.14	1427.12	1970.73
7. Profit / (Loss) from ordinary activities after finance costs and before exceptional items (5+6)	1815.74	1782.15	560.78	4636.52	862.68	1357.67	1815.74	1782.15	560.26	4636.52	861.85	1342.80
8. Exceptional Items	—	—	—	—	—	—	—	—	—	—	—	—
9. Profit / (Loss) from ordinary activities before tax (7-8)	1815.74	1782.15	560.78	4636.52	862.68	1357.67	1815.74	1782.15	560.26	4636.52	861.85	1342.80
10. Tax expense												
Current Tax (MAT)	362.93	361.78	115.71	925.69	184.06	290.00	362.93	361.78	115.71	925.69	184.06	290.00
Prior period tax	(1.19)	(43.19)	0.00	(44.39)	(0.72)	(0.80)	(1.19)	(43.19)	0.00	(44.39)	(0.72)	(0.80)
Deferred Tax Charge / (Credit)	5.31	15.28	20.39	13.62	52.32	135.04	5.31	15.28	20.39	13.62	52.32	135.04
11. Net Profit / (Loss) from ordinary activities after tax (9-10)	1448.69	1448.28	424.68	3741.59	627.02	933.42	1448.69	1448.28	424.16	3741.60	626.19	918.56
12. Extraordinary Items (net of tax expense of Rs. 58.29 lakhs)	233.05	—	—	233.05	—	—	233.05	—	—	233.05	—	—
13. Net Profit / (Loss) for the period (11-12)	1215.64	1448.28	424.68	3508.54	627.02	933.42	1215.64	1448.28	424.16	3508.55	626.19	918.56
14. Share of profit / (loss) of associates	—	—	—	—	—	—	(0.07)	(0.08)	0.00	(0.20)	0.00	(0.25)
15. Minority Interest	—	—	—	—	—	—	0.00	0.00	(0.02)	0.00	(0.18)	(1.65)
16. Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13+14-15)	1215.57	1448.20	424.17	3508.35	626.37	919.96	1215.57	1448.20	424.17	3508.35	626.37	919.96
17. Paid-up equity share capital	1152.95	1152.95	1152.95	1152.95	1152.95	1152.95	1152.95	1152.95	1152.95	1152.95	1152.95	1152.95
Face value per share (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
18. Reserves excluding revaluation reserves as per Balance Sheet of previous year	8159.63	—	—	—	—	—	8159.63	—	—	—	—	8124.12
19. Earnings per share (Rs.)												
a) EPS before Extraordinary Items for the period, for the year to date and for the previous year (not annualized):												
I. Basic	12.57	12.56	3.68	32.45	5.44	8.10	12.57	12.56	3.68	32.45	5.43	7.97
II. Diluted	12.56	12.56	3.68	32.44	5.44	8.10	12.56	12.56	3.68	32.44	5.43	7.97
b) EPS after Extraordinary Items for the period, for the year to date and for the previous year (not annualized):												
I. Basic	10.54	12.56	3.68	30.43	5.44	8.10	10.54	(0.00)	0.00	30.43	5.43	7.97
II. Diluted	10.54	12.56	3.68	30.41	5.44	8.10	10.54	12.56	3.68	30.41	5.43	7.97
20. Particulars of shareholding												
Public shareholding												
- Number of shares	7004427	6208753	6259253	7004427	6259253	6259253	7004427	6208753	6259253	7004427	6259253	6259253
- Percentage of shareholding	60.75	53.85	54.29	60.75	54.29	54.29	60.75	53.85	54.29	60.75	54.29	54.29

Bring Home Health & Happiness

Financial results-Segmental



SEGMENT REPORTING FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2012							(Rs.in lakhs)					
Particulars	STANDALONE						CONSOLIDATED					
	Quarter Ended			Nine Months Ended			Quarter Ended			Nine Months Ended		
	31.12.2012 (Unaudited)	30.09.2012 (Unaudited)	31.12.2011 (Unaudited)	31.12.2012 (Unaudited)	31.12.2011 (Unaudited)	31.03.2012 (Audited)	31.12.2012 (Unaudited)	30.09.2012 (Unaudited)	31.12.2011 (Unaudited)	31.12.2012 (Unaudited)	31.12.2011 (Unaudited)	31.03.2012 (Audited)
1. Segment Revenue												
a. Dairy	31329.33	31987.30	28271.45	96380.53	80608.80	109397.20	31329.33	31987.30	28271.45	96380.53	80608.80	109397.20
b. Retail	7691.71	7929.01	7799.69	23809.99	22196.88	29901.03	7691.71	7929.01	7799.69	23809.99	22196.88	29901.03
c. Agri	946.11	1100.65	723.75	3081.46	2452.78	3258.35	946.11	1100.65	723.75	3081.46	2452.78	3258.35
d. Bakery	116.87	99.68	89.82	299.90	246.05	315.22	116.87	99.68	89.82	299.90	246.05	315.22
e. HFRL	---	---	---	---	---	---	---	---	---	---	---	---
f. Power SPV	---	---	---	---	---	---	---	---	---	---	---	---
g. Heritage Conpro Ltd	---	---	---	---	---	---	---	---	---	---	---	---
Total Segment Revenue	40084.02	41116.64	36884.71	123571.88	105504.51	142871.80	40084.02	41116.64	36884.71	123571.88	105504.51	142871.80
Less: Inter Segment Revenue	964.12	903.07	854.99	2834.76	2728.08	3531.23	964.12	903.07	854.99	2834.76	2728.08	3531.23
Net Sales / Income from Operations	39119.90	40213.57	36029.72	120737.12	102776.43	139340.57	39119.90	40213.57	36029.72	120737.12	102776.43	139340.57
2. Segment Results (Profit (+) / (Loss) (-) before finance costs and tax)												
a. Dairy	2951.03	2888.43	1737.94	8020.94	4521.16	6066.63	2951.03	2888.43	1737.94	8020.94	4521.16	6066.63
b. Retail	(669.62)	(560.94)	(585.90)	(1789.89)	(1889.00)	(2305.24)	(669.62)	(560.94)	(585.90)	(1789.89)	(1889.00)	(2305.24)
c. Agri	(84.42)	(54.84)	(153.91)	(165.12)	(242.22)	(306.19)	(84.42)	(54.84)	(153.91)	(165.12)	(242.22)	(306.19)
d. Bakery	(37.75)	(33.34)	(26.63)	(105.14)	(102.03)	(128.69)	(37.75)	(33.34)	(26.63)	(105.14)	(102.03)	(128.69)
e. HFRL	---	---	---	---	---	---	0.00	0.00	(0.28)	0.00	(0.28)	(0.66)
f. Power SPV	---	---	---	---	---	---	0.00	0.00	(0.24)	0.00	(0.24)	(6.53)
g. Heritage Conpro Ltd	---	---	---	---	---	---	0.00	0.00	0.00	0.00	(0.31)	(0.69)
Total Segment Results	2159.24	2239.31	971.50	5960.80	2287.92	3326.51	2159.24	2239.31	970.98	5960.80	2287.09	3318.63
Less: i. finance costs	343.51	459.02	410.72	1326.14	1427.12	1970.73	343.51	459.02	410.72	1326.14	1427.12	1970.73
ii. Other un-allocable Expenditure net off	---	---	---	---	---	---	---	---	---	0.00	---	6.98
Add: iii. Other un-allocable Income	0.00	1.86	0.00	1.86	1.88	1.88	0.00	1.86	0.00	1.86	1.88	1.88
Total Profit before Tax	1815.73	1782.15	560.78	4636.52	862.60	1357.67	1815.73	1782.15	560.26	4636.52	861.85	1342.80
3. Capital Employed (Segment Assets - Segment Liabilities)												
a. Dairy	11533.05	12246.74	12733.61	11533.05	12733.61	14202.59	11533.05	12246.74	12733.61	11533.05	12733.61	14202.59
b. Retail	5871.52	5810.55	6028.58	5871.52	6028.58	6071.70	5871.52	5810.55	6028.58	5871.52	6028.58	6071.70
c. Agri	3507.75	3544.26	3535.48	3507.75	3535.48	3671.62	3507.75	3544.26	3535.48	3507.75	3535.48	3671.62
d. Bakery	1135.10	1143.83	1178.54	1135.10	1178.54	1166.17	1135.10	1143.83	1178.54	1135.10	1178.54	1166.17
e. HFRL	---	---	---	---	---	---	(0.07)	(0.08)	(0.61)	(0.07)	(0.61)	(0.34)
f. Power SPV	---	---	---	---	---	---	---	---	60.31	---	60.31	23.11
g. Heritage Conpro Ltd	---	---	---	---	---	---	(0.07)	(0.16)	(0.11)	(0.07)	(0.11)	(0.34)
h. Unallocated	422.65	459.27	448.44	422.65	448.44	379.87	422.65	459.27	448.44	422.65	448.44	379.87
Total	22470.08	23204.65	23924.65	22470.08	23924.65	25491.95	22469.94	23204.41	23984.24	22469.94	23984.24	25514.39

Bring Home Health & Happiness

Current Share holding pattern



As on 31 December 2012

Particulars	mn shares	% holding
Promoters	4.5	39%
FII's	0.0	0%
Domestic Institutions	2.5	22%
Others	4.5	39%
Total	11.5	

Dairy - Spread of Operations



- Widest regional footprint in India among privately held dairy companies. Spread across 6 states
 - Andhra Pradesh
 - Tamil Nadu
 - Karnataka
 - Maharashtra
 - Kerala
 - Orissa
- Present in the highest milk producing states in India
- One of the Top 3 private sector dairy companies in India in sales and volumes



Particulars	Andhra Pradesh	Tamil Nadu	Karnataka	Maharashtra	Kerala	Orissa	Delhi	Total
No of Chilling Plants	92	9	0	3	--	--	--	104
Chilling Capacity (LPD)	1100000	201000	50000	59000	--	--	--	1410000
Milk Procurement (*LPD)	719350	129754	11147	53092				913343
No of Processing & Packing Plants	10	1	1	1	--	--	--	13
Packing Capacity (LPD)	900000	50000	150000	50000	--	--	--	1150000
Utilized for Milk & Milk Products (LPD)	866494	35253	115705	42117	11500	6500	5893	1088462

*LPD: Liters per day

Distribution Network Structure



One Level

87% sales

Sales Office

Agents/Retailer/Parlours

Consumer

- No of Sales offices 24
- No of Distributors/Agents - 4250
- No of outlets - 85,000
- No of Households serviced on daily basis: 10,00,000
- No of vehicles (trucks/tankers/puff vehicles) servicing Heritage everyday: 1,000 (employing ~ 3,000 people)

Two Level

11% sales

Sales Office

Distributors/Stockists

Agents/Retailers

Consumer

Three Level

2% sales

Sales Office

CFA/CA

Distributors/Stockists

Agents/Retailers

Consumer

Range of Products



Milk



UHT Milk & Fresh Cream



Flavoured Milk

Tetra Packs & Bottles



Curd



Fruit n Curd



Lassi



Butter Milk



Sweets



PT Butter & Cheese



Cooking Butter



Bring Home Health & Happiness

Range of Products



Buffalo Ghee



Cow Ghee



Paneer



Dairy Whitener



Skim Milk Powder



Ice Cream

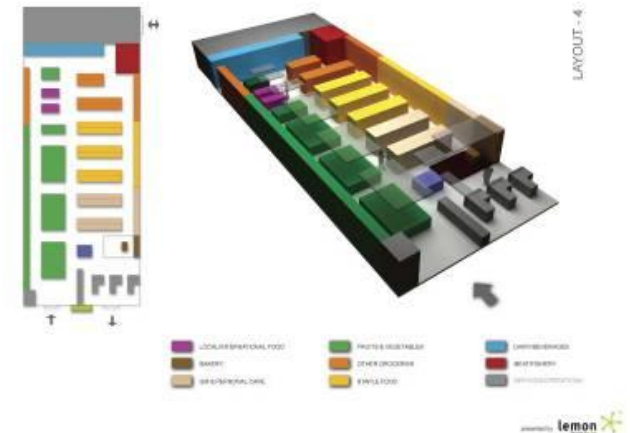


Bring Home Health & Happiness

Business Profile - Retail Division



- Started in 2006 as a logical extension to dairy division to benefit from the food and grocery retail boom in India
- Average store area is ~3,000 sft and contains over 6,000 SKUs
- A typical store is on 9 years lease
- International concepts/standards in branding, layout, design and display
- Layout, ambience, and cleanliness standards have become a benchmark in the industry. All stores are air-conditioned, owned, operated, and maintained by the company
- Rated the highest in Customer Satisfaction among Food & Grocery chains in South India by WPP group



All Stores are in prime retail/residential locations and are on the ground floor with an average frontage of 40ft

Quality & FRESHness



- **FRESH is not just a part of our name**
 - It is the essence of the relationship we have built with our customer
 - It stands for the freshness of the products we sell
 - It's also about the originality of our business model
- **Direct procurement of fruits & vegetables from farmers/Heritage Agri and FMCG & grocery products from manufacturers**
- **Dedicated bakery facility to cater to select stores by offering a wide range of fresh bakery products**

Company's value proposition is high quality fresh produce, grocery & FMCG products at competitive prices coupled with high level of service & convenience



Bring Home Health & Happiness

Pack Houses Infrastructure



Bring Home Health & Happiness

Economic Activity - Manpower



S No	Division	Regular Jobs	Part timers/Casuals Jobs	Total
1	Dairy	1809	1678	3487
2	Retail	1843	265	2108
3	Agri	82	78	160
4	Bakery	43	50	93
Grand Total		3777	2071	5848



Thank You

Bring Home Health & Happiness