About The Company:

Jubilant FoodWorks India Limited (formerly known as Domino's Pizza India), which is the master franchisee for India, Nepal, Bangladesh and Sri Lanka, is promoted by Mr. Shyam Bhartia and Mr. Hari Bhartia of the Jubilant Organosys Group. It opened its first Domino's Pizza store in India in January 1996, at New Delhi. Today Domino's Pizza India has grown into a countrywide network of stores, with a team of over 6500 people. Over the period since 1996, Domino's Pizza India has established a reputation of being a delivery specialist capable of delivering its pizzas within 30 minutes or else FREE to its community of loyal customers from all its stores around the country. Today, Dominos Pizza India has a network of over 280 stores in India and is the market leader in the organized pizza delivery segment with over 65% market share. Domino's is the 9th Best Employer in India and the only QSR to be present in the Best Employers of India survey 2009, conducted by Hewitt. Domino's Pizza was born in the US in 1960 when the legendary Tom Monaghan bought his first pizza store and called it 'Dominick's". Rechristened as 'Domino's Pizza' in 1965, with its familiar red and white logo with the three dots, it has grown into a more than USD 5.1 billion brand with over 8500 stores in 55 countries around the world .

Book Running Lead Manager:

Kotak Mahindra Capital Company Limited

FITCH Ratings:

Fitch has assigned an **IPO Grade 3** to Jubilant FoodWorks Ltd IPO. This means as per Fitch, company has **average fundamentals**. Fitch assigns IPO grading on a scale of 5 to 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals

How will the capital raised by be used?

- **Expand presence by entering into new cities-F**uture growth expansion is seen in TIER II and TIER III cities.
- **Pre payments of loan**: The Term loan aggregating to Rs. 1,171.70 million. Company intends to utilize Rs. 350.00 million from the net proceeds for the prepayment of the to reduce the interest rate burden on the company
- **The benefit of listing on the Stock Exchanges**: It will be a prudent strategy to get the benefit of visibility and channel to raise the long term funding requirement. A listed entity would also be able to attract skilled and talented manpower.

Details of IPO

Issue Size:22,670,447 Equity Shares of Rs 10.
Face value: Rs 10/-per share
Floor Price: RS 135/-per share
Cap Price: Rs 145
Lot Size:40 Equity shares x multiples of 40 Equity shares each
Issue period: Jan 18—Jan 20,2010

Issue structure

S. No.	Main Category	No of equity shares reserved for the main category
1	QIB	50% (Upto 10,201,702 Equity Shares)
2	Non Institutional	15% (At least 3,060,510 Equity Shares)
3	Retail	35% (At least 7,141,191 Equity Shares)
Total Issue size	1+2+3	20,403,403 Equity shares

Why to Invest

- **Exclusive franchisee of a globally successful brand*:*** Over its 49-year history, the Domino's business has grown into a global network of over 8,500 pizza stores in more than 60 countries, involving over 2,000 franchisees
- **Operational excellence.**: Employee training programs which cover every aspect of a store's operations, including among others, receiving an order, pizza preparation, baking, cutting, routing and delivery. As a result, the average delivery time for an order is only 22.50 minutes
- **Robust supply chain.**: Operate on, four regional supply chain centers, or commissaries, located in Noida (Delhi NCR), Mumbai, Bangalore and Kolkata
- **Leverage market position to launch new food services brands in India*:*** A favored choice of consumers seeking a convenient, quality and affordable meal, particularly in the food delivery segment

Risk:

- ✓ Dependence on Domino's International for certain decision under Master Franchise Agreement an other agreements.
- ✓ Competition from other big players like Pizza Hut, Papa John's, Pizza corner ,McDonalds and other local outlets.
- ✓ Increasing cost of raw materials.
- ✓ Negative cash flow in last five years.

Financials And Valuation:

For fiscal 2009, 2008 and 2007, company's net sales are Rs. 2,806.10 million, Rs. 2,111.57 million and Rs. 1,386.81 million, respectively, and company made a profit after tax of Rs. 67.43 million, Rs. 77.57 million and Rs. 55.80 million, respectively. At the issue price of Rs 135 - 145, on the EPS of Rs 1.1 for FY2009, the PE works out to 123 to 132 times.

Conclusion:

India supports over 17.5% of the world population. The size of the Indian food industry estimated at US$ 200 billion in the year 2006-07, is estimated to reach US$ 300 billion by 2015. *(Source: Technopak Report 2009)*The changing demographic profile ,increasing in level of disposable income and youth population makes this industry outlook better in coming times. Food eating habits has become more of lifestyle now. We recommend the long term investors to subscribe the issue.

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Disclaimer

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