ten years of delivering

TASTE
HOLDINGS

Annual Results
Presentation – May 2011

What’s covered

Strategic overview **(Carlo Gonzaga)**

10 years of delivering

2010 in review

Strategic jewellery division overview

Strategic food division overview

Financial review of results **(Evan Tsatsarolakis)**

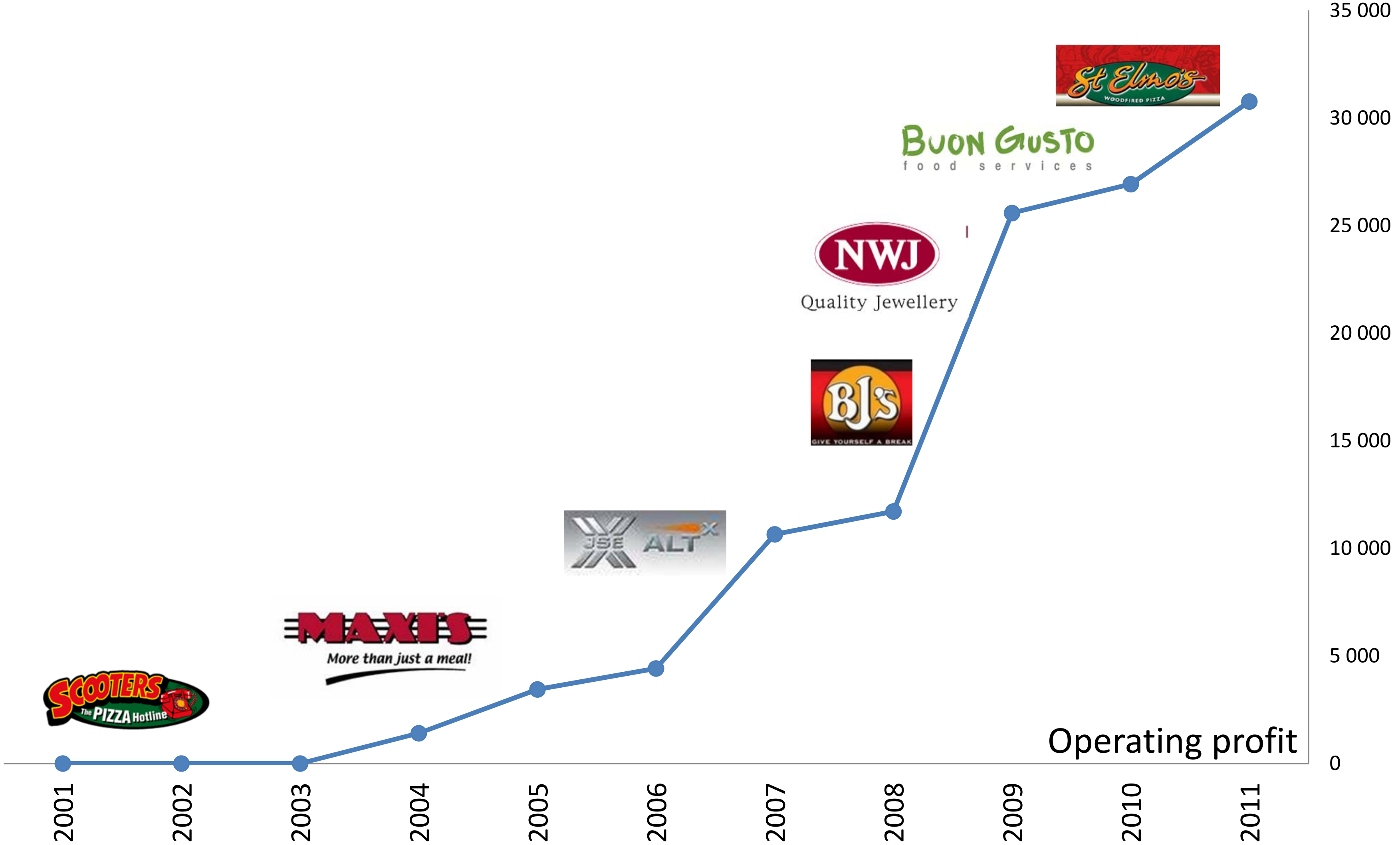
Why we like our business **(Carlo Gonzaga)**

Finger lunch (including Maxi’s burgers & Scooters Pizza panini’s)

Impossible is just a big word thrown around by small men who find it easier to live in the world they've been given than to explore the power they have to change it. Impossible is not a fact. It's an opinion. Impossible is not a declaration. It's a dare. Impossible is potential. Impossible is temporary.

IMPOSSIBLE IS NOTHING.

10-year track record + milestones



10-year track record + milestones

TASTE HOLDINGS

Key indicators	28-Feb-01	28-Feb-06	28-Feb-07	29-Feb-08	28-Feb-09	28-Feb-10	28-Feb-11	5 year CAGR [1]
Revenue ('000)	< 1 000	20 916	29 507	33 793	136 345	199 706	233 751	62%
Operating profit ('000)	0	4 418	10 649	11 715	25 585	26 927	30 768	47%
Total Stores (units)	9	120	147	161	260	275	329	22%
System-wide sales ('000)	6 000	241 000	308 000	373 000	567 000	676 000	752 000	26%
HEPS (cents)	0	3.0	6.6	7.9	10.2	9.3	10.7	29%

1 – CAGR – compound annual growth rate since listing in 2006
2 - became profitable in 2003

> 750 million in sales

NWJ moves up to be 3rd largest in SA

Launch of Buon Gusto food services

Acquiring St Elmo's Woodfired Pizza

Maiden dividend of 3.0 cents

IMPOSSIBLE IS NOTHING.

JEWELLERY

NWJ

JEWELLERY

[redacted]

STERLING

soul

gold with a heart of silver

Kimmi Kay

TSAR

COLLECTION

2010 in review - jewellery

Increases GP%

Increases transactions

Distribute more units

MOVE TO SILVER = VALUE

INVENTORY DAYS
W/HOUSE -8%
RETAIL -5%

GOLD INFLATION = OPPORTUNITY FOR INNOVATION

VALUE IS STILL KING

ELECTED NOT TO CONTINUE CONCESSION PILOTS

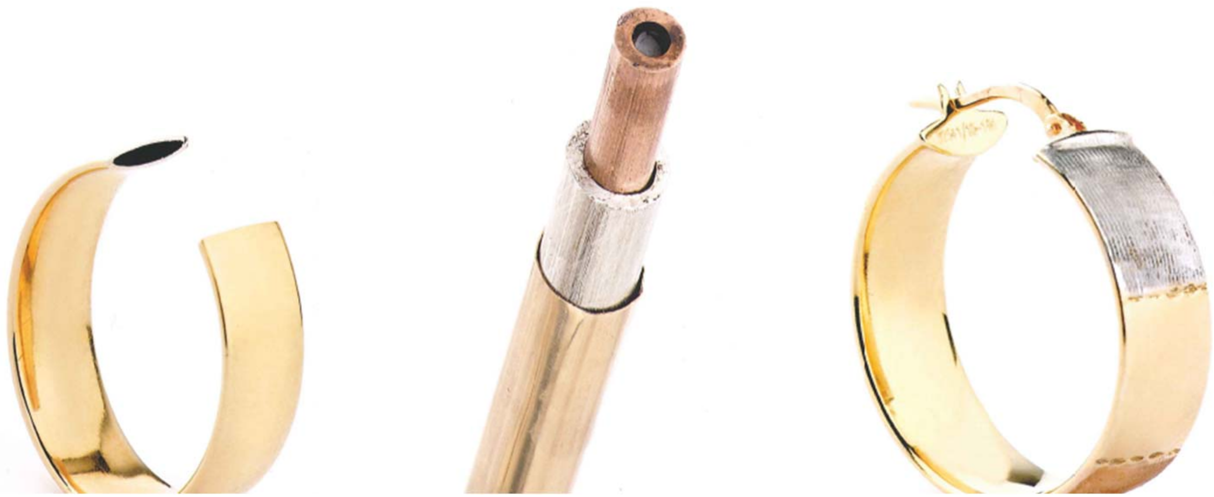
CONSUMER SPEND: UNPREDICATBLE *BUT* INCREASED LATE IN 2010

8 NEW STORES =
3^{RD} LARGEST IN SA

What does gold do to us?

soul

gold with a heart of silver



#1

Why we think you should care about NWJ

Why you should care about NWJ

- Control value chain
- Innovate for market
- Speed & flexibility

ONLY VERTICALLY INTEGRATED CHAIN IN SA

ONLY FRANCHISED CHAIN IN SA

- No Capex for growth
- Skin in the game
- Largest per store marketing spend + fastest growth: 57% in 2 years

SOLID FOUNDATION FOR GROWTH

- Structural uniqueness
- Right package for the market

REPOSITIONING IS SPOT ON

- Highest value perception
- LOL sales >12%
- 17 in new look, 12 planned – long runway

FOOD

2010 in review – food franchising

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Consumer may have headroom

Pizza category is growing

System-wide sales increase 14%

Revamps: Scooters 2x LOL, 19 in 2010. St Elmo's starting in May

Same-store sales increasing

Pizza: >7%

Modest new store growth

Franchisees still adjusting to costs

Leverage alliance partnerships . Built 2 combo stores in 2010. Grow.

Scooters opened first non-delivery unit. Diverse menu offering. Evaluate

St Elmo's WOODFIRED PIZZA

Acquired St Elmo's. Repositioning the brand. New image in June. Focus on WC and casual sit down. Grow.


TOASTIES
BURGER COMBOS
COMBOS
BURGERS
DRINKS
CHIPS
COMBO'S
DEALS
PIZONE
SCOOTERS
pizza


SCOOTERS
pizza

St Elmo's

WOODFIRED PIZZA

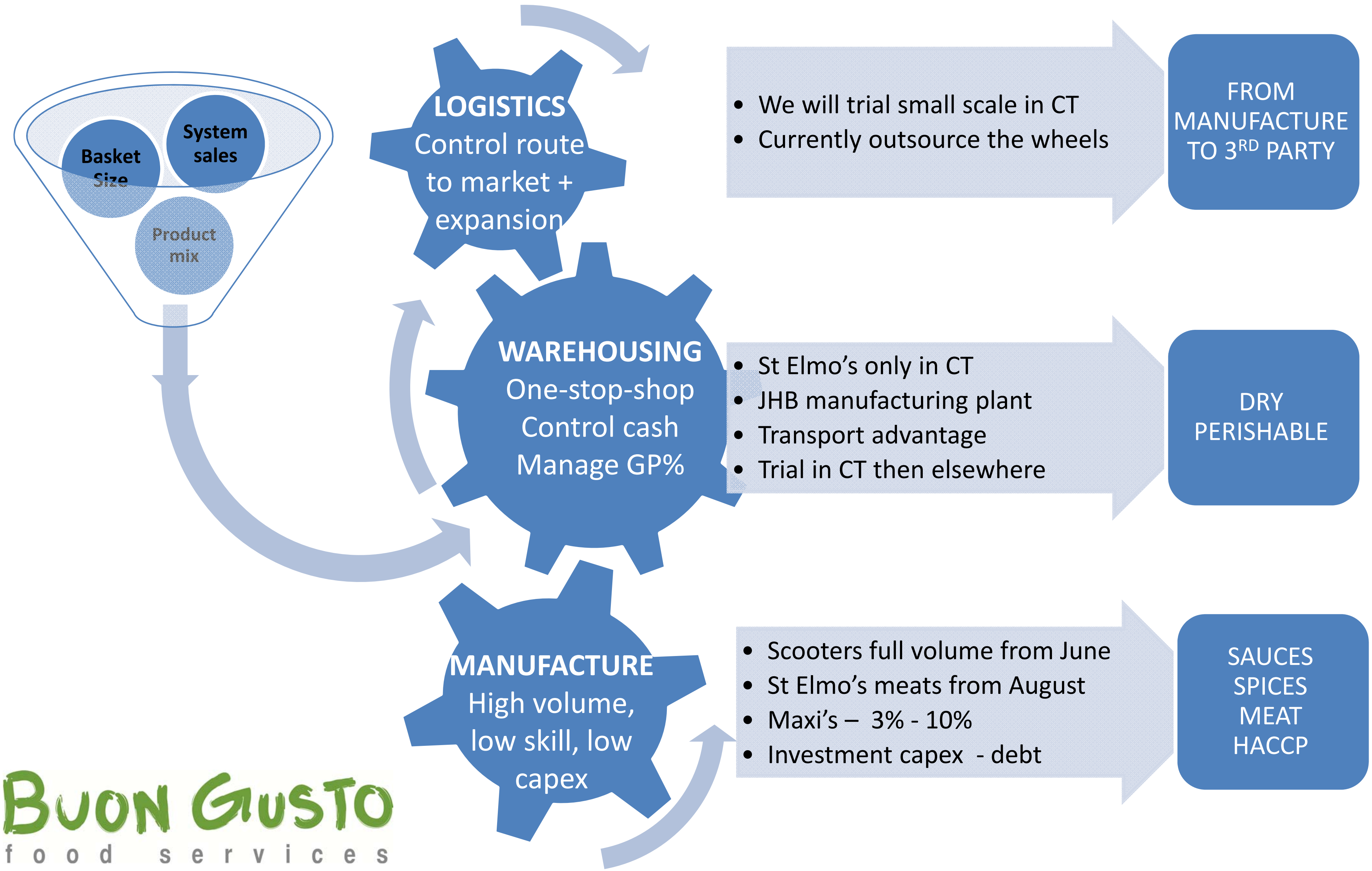
St Elmo's

WOODFIRED PIZZA

#2

How we’re building the engine for our “Food Ferrari”

Building the engine



BUON GUSTO
food services

Financial Overview - Revenue

	% change	28 Feb 2011 R'000	28 Feb 2010 R'000
Food	42%	**63 160**	44 339
Franchise		**37 688**	32 387
Manufacturing		**14 680**	894
Retail		**10 792**	11 058
Jewellery	10%	**171 611**	155 952
Franchise and wholesale		**116 056**	103 159
Retail		**52 347**	52 793
Concession retail		**3 208**	
Eliminations		**(1 020)**	(684)
Group revenue	17%	**233 751**	199 607

Revenue contribution

Food	**27%**	22%
Jewellery	**73%**	78%

Revenue

Food revenue increase
- Food manufacturing
- St Elmo's acquisition

Jewellery revenue increase
- Organic and new store growth
- Concession retail

Future revenue affected by:
- Momentum of the food manufacturing facility (100% of sauces and spices for the food brands)
- St. Elmo's franchise revenue annualised
- New store growth
- Decrease in the number of corporate food outlets (in terms of the food division strategy)
- No concession retail in the 2012 year

Gross profit

	% change	28 Feb 2011 R'000	28 Feb 2010 R'000
Gross profit	15%	**121 904**	105 862
GP %		**52%**	53%
Food GP%		**75%**	87%
Jewelley GP%		**44%**	43%

- Increase of 15% on gross profit vs. increase of 17% in revenue

Future GP margin to be affected by:

- Food GP margin affected by:
  - Food manufacturing (decrease GP)
  - Retail stores (increase GP)
- Jewellery GP margin remaining stable
- Overall margin to stabilise at 50% in 2/3 years

Operating costs

	% change	28 Feb 2011 R'000	28 Feb 2010 R'000
Operating costs	15%	**(91 907)**	(79 655)
as a % of revenue		**39%**	40%
Cost composition (not comparable in 2009)			
Staff related costs		**58%**	59%
Occupancy costs		**17%**	17%
Depreciation and amortisation		**7%**	7%
Other		**18%**	17%

Increase due to:

- Once off non-comparable costs
- Food manufacturing start up cost in 1H 2011
- St Elmo's acquisition
- Jewellery concession retail start-up costs

Core costs increased by 13% over 2010.

Operating profit

TASTE HOLDINGS

	% change	28 Feb 2011 R'000	28 Feb 2010 R'000
Food	10%	**17 712**	16 111
Franchise		**17 810**	17 194
Manufacturing		**690**	(156)
Retail		**(788)**	(927)
Jewellery	11%	**24 248**	21 867
Franchise and wholesale		**17 292**	13 376
Retail		**7 265**	8 491
Concession retail		**(309)**	
Corporate services	1%	**(11 192)**	(11 051)
Group operating profit	14%	**30 768**	26 927
Operating profit margin			
Food		**28%**	**36%**
Franchise		**47%**	**53%**
Manufacturing		**5%**	**-17%**
Retail		**-7%**	**-8%**
Jewellery		**14%**	**14%**
Franchise and wholesale		**15%**	**13%**
Retail		**14%**	**16%**
Concession retail		**-10%**	
Group		**13.2%**	**13.5%**

Operating profit

Included in FY 2011 operating profit:

- Jewellery retail concession losses
- Start up costs for food manufacturing division
- St Elmo's transaction costs
- Food retail stores
- Jewellery retail stores

Will not recur in FY 2012, and coupled with:

- Vertical integration strategy of food division
- St Elmo's franchise

14% - 15% operating margin targeted in the future

Balance sheet

	28 Feb 2011 R'000	28 Feb 2010 R'000
Net asset value per share (cents)	**69.6**	58.9
Net tangible asset value per share (cents)	**28.6**	21.4
Gearing	**31%**	44%
Current ratio	**2.2**	2.2
Acid ratio	**1.0**	0.9
Interest cover	**7.0**	5.6

Cash flow

	% Change	28 Feb 2011 R'000	28 Feb 2010 R'000
Cash generated by operating activities	-7%	**32 036**	34 429
Interest received		**615**	699
Taxation paid		**(5 068)**	(6 995)
Investing activities		**(4 440)**	(7 136)
Acquisition of subsidiary		**(9 461)**	
Loans repaid (including interest)		**(4 869)**	(15 620)
Vendor loans repaid		**(6 446)**	(3 554)
Net cash generated		**2 367**	1 823

Working capital changes	Change R'000	St Elmos R'000	Nett change R'000
Increase in inventories	(7 124)	725	**(6 399)**
Net increase in accounts receivable and accounts payable	(2 484)	354	**(2 130)**
Decrease in advertising levies	2 769	325	**3 094**
Increase in provisions	180		**180**
	(6 659)	1 404	**(5 255)**

Cash flow

Investing activities

- Food manufacturing division capex
- Galaxy stores
- Corporate owned food outlets
- Loans to advertising funds

Acquisition of subsidiary

- St Elmo's

Loans repaid

- Vendor loan fully paid off
- Loan repayments for NWJ and St Elmo's

	28 Feb 2011 R'000	28 Feb 2010 R'000
Cash conversion ratio (Target EBITDA:cash from operations- 1)	**0.86**	1.06

Cash flow

Dividend

- 3.0 cents per ordinary share
- Conservative dividend cover of 3.6
- Maiden dividend
- Future dividend cover between 3.0 – 3.6 times

Future cash flows

- Gearing decreasing
- Capex decrease as business is not capital intensive
- No vendor loan repayments
- Target cash conversion of 1
- Future dividend

	28 Feb 2011 R'000	28 Feb 2012 R'000	28 Feb 2013 R'000
Investing activities (replacement capex)	**(4 440)**	(2 000)	(1 500)
Acquisitions	**(9 461)**		
Loans repaid (including interest)	**(4 869)**	(20 000)	(18 800)
Vendor loans repaid	**(6 446)**		
Dividends paid (example only- based on current)		(5 600)	(5 600)
Expected cash outflows	**(25 216)**	(27 600)	(25 900)

#3

How we'd like you to think about our business

Impossible is nothing

TASTE HOLDINGS

2 in 3

Building the food engine will unlock substantial value		Annualisation of St Elmo's effects	None of the once-offs in 2010
Strong challenger brands in diversified categories	Strong levers for sales growth – new stores + same store (value propositions + re-imaging)	Entrepreneurial, motivated people with skin in the game	Cash generative Investment capex funded Working capital

“Some people listen to themselves, rather than listen to what others say. These people don’t come along very often. But when they do, they remind us that once you set out on a path, even though critics may doubt you, it’s ok to believe that there is no “can’t” or “won’t”, or “impossible”.

They remind us that it’s okay to believe that impossible, is nothing.”

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