



Taste Holdings

Vunani Small Cap Showcase



Carlo Gonzaga – CEO

011 608 1999

www.tasteholdings.co.za

Mount Nelson Hotel – Cape Town

30 September 2009

20 minutes.

Why does Taste exist?

What does our world look like?

Why we will emerge stronger.

1. Why does Taste exist?

stated strategic intent

Taste is a South African based **management group** that is **invested in a portfolio** of mostly **franchised**, **category specialist** and **formula driven**, quick service restaurant and retail brands that have the following characteristics:

- sustainably and compellingly branded
- strong value proposition
- differentiated but complementary
- opportunities for vertical integration
- add and derive value

1. Why does Taste exist?

creating competitive advantage

Taste Holdings Group

- Divisional and brand strategy approval
- Collaboration between divisions
- Acquisition strategy
- Operating framework for divisions
- Human capital management
- Control cash flows

Taste Collaboration Channels

Site

- Location approval, lease negotiations, property portfolio management
- Retail outlet design
- Store development, project management

Intelligence

- Market research
- Operational information
- Technology platforms

Customers

- Shared customer research into LSM 6 – 10 market
- Group media procurement
- Brand strategy approval through EXCO
- Customer satisfaction index measured through Taste Excellence Index

Franchisees

- Performance management and incentivisation
- Franchise best practice

1. Why does Taste exist?

how we create value

We are clearly focused on becoming the preferred vertically integrated franchisor in Africa – not by size but by excelling in our chosen areas of diversified operation. We believe being the best means that superior returns for franchisees and stakeholders are just as important as responsible governance and corporate citizenship.

2. What does our world look like?

Food segment

- ❖ low entry-pricing working well – Spend staying the same
- ❖ buying down from “fine dining” + higher uptake of value offers
- ❖ greatest challenges:
 - ❖ big malls foot counts are down, filtering to stores in the malls
 - ❖ Scooters Pizza needs to get to critical mass of new look stores
 - ❖ new store openings slower these 6 months to previous 6 months
 - ❖ value perception of pizza
 - ❖ western Cape region the most value conscious
 - ❖ over-g geared franchisees under pressure despite interest rate drops
- ❖ input inflation stabilised – no increases on the s/t horizon
- ❖ re-imaged stores continue to out-perform – both Scooters & Maxi's
- ❖ have contained core expense growth over last year



Hot. Tasty. Fast

MAXI'S

More than just a meal

TASTE
HOLDINGS

2. What does our world look like?

Jewellery segment

- ❖ experienced buying down, into silver especially – started manufacturing
- ❖ big malls experiencing lower footcounts – filtering into stores
- ❖ Western Cape region needs to become familiar with the brand + critical mass
- ❖ spending patterns have been unpredictable
- ❖ spend stayed the same (combination of gold and \$ = flat gold price)
- ❖ experienced once-off destocking in franchisee outlets in earlier part of the year
- ❖ very seasonal business – majority of sales in second half of year

3. Why we will emerge stronger

- ❖ Scooters will launch mall store concept this year + revamp gaining momentum
- ❖ Revamps in both food brands producing real sales growth
- ❖ Maxi's now offering proven express format to petroleum companies
- ❖ NWJ launched new image in July – now in three outlets
 - ❖ access to sites + franchisee revamps
- ❖ NWJ has structural competitive advantage
 - ❖ franchise network = larger funds + more motivated franchisees
 - ❖ manufacturing division = flexibility
- ❖ December season NWJ: orders placed by franchisees exceeded expectations
- ❖ Vertical integration of food segment passed first phase assessment
- ❖ Banks easing lending criteria
- ❖ Although store growth slowed slightly, pipeline for 2H will be better than 1H
- ❖ Brands strong value propositions
- ❖ Costs have been contained during the year

4. Why invest?

- ❖ strong cash flow characteristics – even NWJ
- ❖ have relative structural advantage in jewellery
- ❖ proven, sustainable business model
 - ❖ understand the role of Taste
- ❖ founders still in the business
- ❖ liquidity improved vastly – 35'000 average daily up to 345'000 average daily

***“Never doubt that a small group of committed citizens
can change the world,***

Indeed it is the only thing that ever has.”

Contact details of Taste Holdings:
Carlo Gonzaga (CEO) 083 262 8920 (011) 608 1999
Evan Tsatsarolakis (CFO) 082 8829325 (011) 608 1999



Contact details of Vunani Corporate Finance:
Stef Greef 083 300 0333 (011) 447 2951



Contact details of Ahoy! PR:
Mike Caminsky 082 447 6670 (031) 201 4382

