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Press Release

Immediate release: 3 May 2007

Taste Holdings, the AltX-listed company that owns the Scooters Pizza and Maxi's restaurant brands, exceeded prospectus forecasts in the audited year end results for the twelve months ending 28 February 2007, predominantly through the organic growth of its brands. Revenue at R29.5 million represented an increase of 41% (2006: R20.9 million) and attributable earnings increased by 196% to R8.4 million (2006: R2.8 million)

Headline earnings per share increased by 120% to 6.6 cps (2006: 3.0 cps), and earnings per share increased by 157%, from 2.8 cents to 7.2 cents. No acquisitions were made during this period, highlighting the strong organic growth within the brands.

Taste listed as the first food franchising company on the Alternative Exchange (ALT^X) of the JSE Limited, on 21 June 2006. The group's primary business is the franchising of trademarks in the Quick Service Restaurant (QSR) and fast-food sectors, currently through its Maxi's and Scooters Pizza brands.

The good performance during the twelve month period is a combination of strong organic growth from its brands and substantial operating margin improvement from the previous year. Operating profit improved by 126% to R10.9 million (2006: R4.8 million) with a 37% (2006: 23%) operating margin, which CFO, Duncan Crosson said was, "primarily a function of achieving the economies of scale that are achievable as the franchise system grows." The groups total store base increased 24% from 119 to 147, "positioning the group in a strong position to benefit from the favourable trading conditions within the sectors that its brands operate", said Crosson.



Taste Holdings Limited, Reg No. 2000/002239/06

Directors: C.F. Gonzaga (BsocSci, LLB), D.J. Crosson (B.Compt.Hons.), L.S. Minnaar (BCom), L. Gonzaga, R.L. Daly (BA, LLB), K.M. Utian (BCom, BAcc, CA(SA)), T.D. Edwards, J. Currie (BSc)





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The continued growth of the consumer markets in which Taste's brands operate augers well for the coming period. "The number of time-starved, value conscious consumers continues to grow, which, along with the still growing middle class, is driving the current growth in the segment" said CEO, Carlo Gonzaga. Gonzaga added that "Taste's brands are well positioned within this sector as both brands have very strong family and value propositions. Furthermore, the recruitment of former CEO of Pleasure Foods Ltd, Christo Calitz, appointed in the dual role of Group Marketing Executive and Managing Director of Maxi's, to the team adds further depth and strength to an already experienced management team."

Both the company's brands increased system wide sales as well as like on like sales, which excludes sales from new stores. Across the network the group's system wide sales increased 36% from the previous period. These increases were on the back of sub-inflationary menu price increases, consistent with the value offerings of both brands. This sales growth is directly linked to the size of the brands' marketing funds, which positions the brands well to continue this growth in the coming period.

Scooters Pizza's continued focus on being the leading pizza delivery chain and a leader in innovation saw the chain being voted the prestigious "Best Pizza in Johannesburg" in 2006, as well as being a finalist in the FASA Brand Builder of the year award, an award it has won twice previously. The year has seen the brand gain significant market share in its territories, through a focused strategy of improved service and product innovation. Value continues to be a key driver in this sector and the brand's pricing model is well suited to the current inflationary environment.

Maxi's Restaurants, the brand acquired in April 2005, underwent an extensive revamp during 2006, with a number of areas of the business seeing renovation and improvement. An updated store design was introduced during the year, as well as the first Halaal store, thereby exposing the brand to a large, new market. An aggressive new product strategy during the year capitalized on the opportunistic afternoon and dinner consumer seeking value, while still building on the brands core



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business of breakfast and lunch. Christo Calitz, the previous CEO of Pleasure Foods (which incorporated the Wimpy and Milky Lane brands), has been appointed in the dual role of Group Marketing Executive and Managing Director of Maxis. “This, along with investment in the brand, positions Maxi’s well to meet future growth expectations” said Gonzaga.

The group’s strong cash position positions it favourably to acquire a third brand in the medium term, as well as acquire key sites for conversion to it’s current brands. The launch of the Scooters Pizza next generation outlet in March, at the opening of the 100th Scooters Pizza store, positions the brand well to expand into other markets that it has not previously traded in, as well as to increase sales in existing outlets when they revamp.

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