

Press Release

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Taste acquires BJ's franchise agreements in Caltex service station forecourts

Taste Holdings, owners of the Scooters Pizza and Maxi's brands, announced today that they have entered into an agreement to acquire all BJ's franchise agreements located in Caltex service station forecourts within South Africa with effect from 1 March 2008.

According to Carlo Gonzaga, CEO of Taste Holdings, "The Group will take over all BJ's sites located within Caltex service station forecourts along the national highways within South Africa. The intention is to convert all the current eight high performance sites of BJ's to the latest generation new image Maxi's outlets with the potential to increase this to approximately 13 sites within the Caltex highway network. Plans for the iconic Bridge site in Midrand have already begun as this will be the first BJ's to be converted to a Maxi's outlet."

"The BJ's transaction supports the growth strategy of the Maxi's brand by targeting high traffic, high profile sites that cater predominantly for breakfast, lunch and early dinner trade. The three Maxi's stores in Alberton City, Menlyn and Jakaranda, that were revamped with the new image look last year, have all shown an increase of between 16% and 32% year on year growth. The success of the revamps has meant that eight existing stores will revamp during 2008," comments Gonzaga.

According to Gonzaga, the BJ's transaction is both earnings and margin enhancing for the Maxi's brand in that the revenues from the converted sites have no incremental operating costs within the brand. "In addition, the deal will increase the Maxi's footprint nationally and distinguish Maxi's from other competitors in its sector. Access to the highway network will provide Maxis with an added platform for new store growth," concludes Gonzaga. This acquisition will increase the Maxi's national footprint to over 50 outlets and the total number of Scooters Pizza and Maxi's outlets to over 165.

The BJ's transaction is unconditional.

More on MAXI'S

The Maxi's brand has been gaining momentum under the leadership of Christo Calitz as Taste Group Marketing Executive and Managing Director of Maxi's.

The new generation store design, launched in June 2007, has been unequivocally accepted by landlords and developers, thereby opening up growth opportunities for the brand.

The success of the revamped image has resulted in demand from existing franchisees and landlords to revamp current sites in prime locations, eight of which will be completed by the end of the 2008 year. Initial indications from revamped outlets show an increase in year-on-year sales of between 16% - 32%, exceeding expectations.

The menu offering has been streamlined to further improve food preparation times, resulting in a higher table turnaround times and improved customer service perceptions. The Maxi's expansion strategy during the next 12 months will continue focusing on high traffic, high profile sites including shopping malls in the three main metropolitan areas.