

## A competitor's idea of a transcript:

J SMITH: Hi, Jon Smith here. Could you comment please on the pricing trends for the business? I mean the core business, sorry.

S MILLER: There isn't really anything new to report. Prices have continued to decline, we've seen that, and that's been because of, well, I think, client consolidation remains the primary driver. Our competitors continue to buy each other and that affects the whole industry.

I BELL: I notice your growth rates remain stable. Although most of your competitors have reported significant expansion in (a pack??), I was hoping you could talk some more about why that's happening.

S MILLER: I'd be delighted to let you know we are re-positioning throughout that geography. On premium products in particular, our premium products there have delivered us substantial success there. Especially with our older demographics. That said, notwithstanding that, our growth there, we're not --- yet to see it translate into wider segments of the market. Generally, that's what our repositioning's going to address. The first step, the first positive step that I can announce is the investment of the redundancies in our distribution channels, which... The way we flooded the market through such excess supply was not helping our image. Long-term, better distribution will add value to our brand and sales in the a-pac region. Next question?

OPERATOR: I have a question from Rachel Powell. Go ahead, Ms Powell.

R POWELL: Thanks. Morning Stephen. I'm just looking at your sales growth over the last 12 months which was strong growth. Where are you getting, what is your operational leverage?

## Global Lingo's idea of a transcript:

**Jon Smith:** Could you please comment on the pricing trends for the core business?

**Steve Miller:** There is not really anything new to report. We have continued to see prices decline as a result of client consolidation, which remains the primary driver. When our competitors continue to buy each other, such consolidation affects the whole industry.

**Ian Bell:** I notice that your growth rates remain stable, although most of your global competitors have reported significant expansion in APAC. I was hoping that you could talk a little more about why that is happening.

**Steve Miller:** I am delighted to let you know that we are repositioning throughout that geography. Our premium products in particular have delivered us substantial success there, especially with older demographics. That said, we are yet to see our growth there translate into wider segments of the market. Generally, that is what our repositioning will address. The first positive step that I can announce is the divestment of the redundancies in our distribution channels. The way in which we flooded the market through such excess supply was not helping our image. In the long term, better distribution will add value to our brand and sales in the APAC region.

**Rachel Powell:** Looking at your strong sales growth over the past 12 months, what is the source of your operational leverage?