



Tupperware Brands Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

Thank you, sir. (Operator Instructions) And we'll go first today to Doug Lane of Jefferies.

Doug Lane - Jefferies

Hi, good morning everybody.

Rick Goings

Good morning, Doug.

Doug Lane - Jefferies

I have a couple of questions on the Beauty Other Rick, can you give us just maybe step back and let's focus on that a little bit because it is losing a little bit of money and is a big investment area for you these days. What are the main companies there and what sort of strategy going forward and at what point do you think we should see some margin being built next segment?

Rick Goings

Yes, Doug, we see Nutrimetics is our biggest piece of that and the main piece of Nutrimetics business is probably 80% of it is Australia and New Zealand business that's the one that Sara Lee came in and paid about a quarter of a AUS\$1 billion for about seven years ago. But they had let it become almost a wholesale buying club. So, we put Rick Heath and there Rick by the way was President of our BeautiControl business.

So, Rick's been there two years and he has been converting, they basically have gotten to selling paper kits, now the kit price is well over a \$100. It includes training, but that's a radical change for a business, that Nutrimetics also has branches and/or either a separate operating units in Greece, in France, in the Netherlands, the UK and a smaller one in Thailand. So that's Beauty Other.

By the way, the other piece you really would get into, or these Brazil business, which is in the investment mode. By the way, we are focused so much on Brazil because it is the third largest cosmetic market in the world. One of our competitors does \$1 billion a year there.

So, we have got a good management team in place and where we're making our investment there, Doug, is in zone mangers. And she is an employee. She then recruits, trains, and motivates a sales force.

We are also -- this year we are building in our facilities there, our own cosmetic manufacturing facility that will really supply to Southern Cone. We've -- in the past had to use outsource or we ship in from the Northern markets.

Ditto with our Argentine business, there we just moved the managing director -- the Head of Sales from our Fuller Cosmetics down there, and Rafael is focusing on growing there. So, I fully believe that -- I'll project ahead five years when we are talking about where the business is really generating dynamic growth, you will see Mexico, you will see the Central America, Venezuela, Brazil, Argentina, and [Paraguay] will be the stories there.

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