

Vita Group Limited 2010 AGM

.the way we work .the way we succeed .the way we learn .the way we relate
.the way we grow .the way we inspire .the way we succeed .the way we serve
.the way we inspire .the way we relate .the way we relate .the way we learn
.the way we play .the way we grow .the way we inspire .the way we succeed



vita
GROUP LIMITED

27 October 2010



.today's AGM

Dick Simpson
Chairman



- Dick Simpson, Chairman
- David McMahon, Joint CEO
- Maxine Horne, Joint CEO
- Neil Osborne, Non-executive Director
- Diana Ryall AM, Non-executive Director
- Melinda Snowden, Non-executive Director

.today's agenda

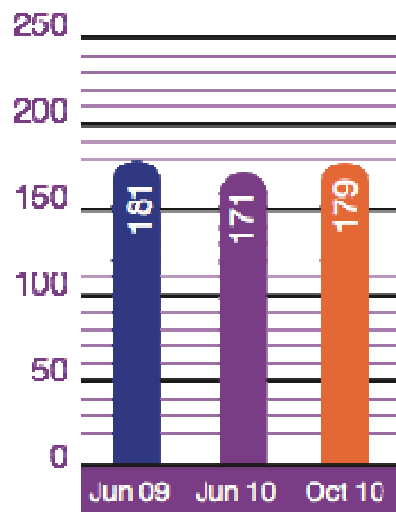
- Chairman's address
- Joint CEO's address
- Financial report, including questions and comments from shareholders
- Resolutions & voting
 - Resolution 1: Re-election of Melinda Snowden
 - Resolution 2: Re-election of Dick Simpson
 - Resolution 3: Re-election of Diana Ryall
 - Resolution 4: Renewal of proportional takeover approval provisions
 - Resolution 5: Adoption of remuneration report
- Close of meeting

.the way we serve

David McMahon
Joint CEO



.the way we operate



COLOUR KEY

- Fone Zone
- Next Byte
- One Zero
- Telstra Stores
- Telstra Business Centre

Queensland

- 26 Fone Zone Stores
- 4 Next Byte Stores
- 27 One Zero Stores
- 15 Telstra Stores
- 3 Telstra Bus. Centre

New South Wales

- 20 Fone Zone Stores
- 5 Next Byte Stores
- 9 One Zero Stores
- 5 Telstra Store
- 1 Telstra Bus. Centre

South Australia

- 3 Fone Zone Stores
- 2 Next Byte Stores
- 1 One Zero Store
- 3 Telstra Store

Tasmania

- 7 Fone Zone Stores
- 1 Next Byte Store
- 2 Telstra Stores

Victoria

- 7 Fone Zone Stores
- 4 Next Byte Stores
- 4 One Zero Stores
- 2 Telstra Store

Western Australia

- 16 Fone Zone Stores
- 2 Next Byte Stores
- 2 One Zero Stores
- 5 Telstra Stores

ACT

- 2 Fone Zone Stores

Northern Territory

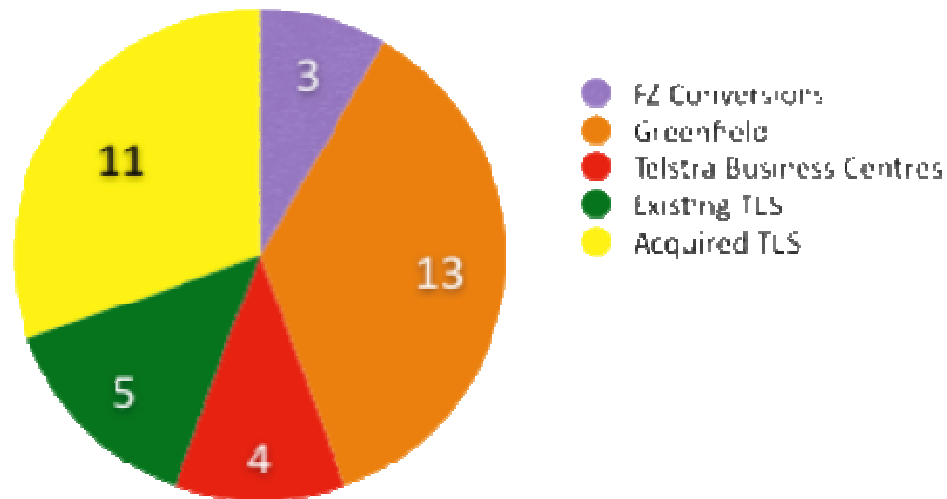
- 1 Fone Zone Store

<i>Store numbers</i>	30 Jun 09	Opened	Closed	30 Jun 10	27 Oct 10
<i>Telecommunications</i>					
Fone Zone	106	-	17	89	82
One Zero	47	-	6	41	43
Telstra Stores	6	15	-	21	32
Telstra Business Centres	-	1	-	1	4
<i>Computing</i>					
Next Byte	22	-	3	19	18
	181	16	26	171	179

- Increasing focus on T stores

.36 Telstra branded stores opened

Telstra branded store numbers as at 27 Oct 10



- First 25 T stores completed ahead of schedule
- Combination of new greenfield stores, Fone Zone conversions and acquisition of other TLS
- Second phase of 25 T stores underway – estimated completion date December 2011

.the way we performed



.the way we performed in FY10

(\$m) 12 months to 30 June	2010	2009	Change
Total operating revenue	291.7	297.4	(2)%
Gross operating margin	103.3	103.2	0%
<i>Gross operating margin %</i>	35.4%	34.7%	
EBITDA	17.0	13.9	22%
EBIT	11.4	8.1	42%
EBT	10.8	6.9	58%
NPAT	7.7	5.4	42%
Earnings per share (cps)	5.43	3.84	41%
Return on equity	16.2%	13.6%	260bps

.FY10 divisional overview

- **Telecommunications**

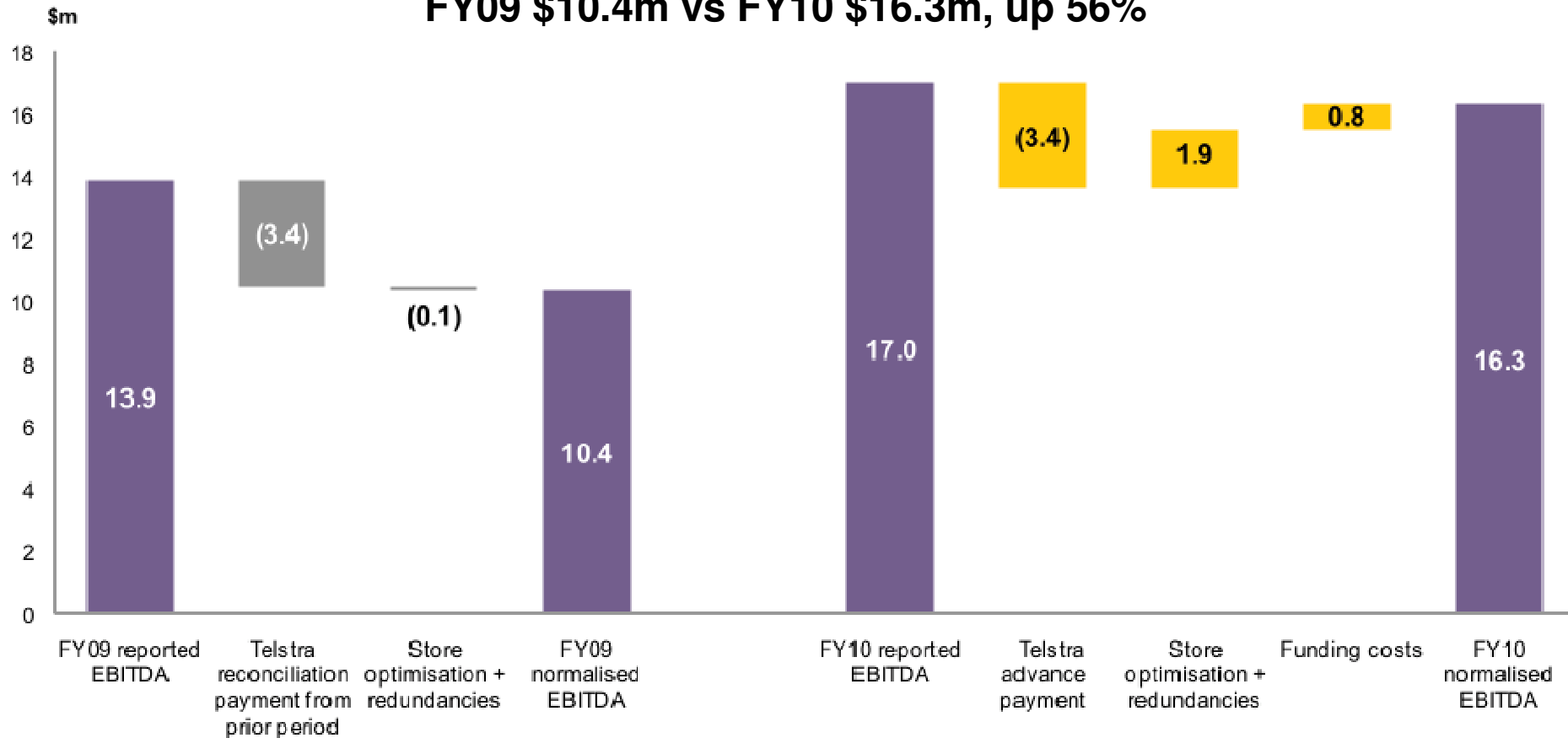
- Revenue down 2% to \$153.7m due to closure of existing Fone Zone stores that have been replaced by T stores from Nov 09 onwards (yet to reach maturity)
- EBITDA up 4% to \$17.2m due to tight cost control including reduced employment costs (excludes \$13.9m of trailing commission payment within “Support Services” – normalised EBITDA up 67%)

- **Computing**

- Revenue down 5% to \$122.4m due to fewer stores
- EBITDA up 23% due to operational improvements, reduced employment expenses, increased average revenue per store due to new products, and introduction of new services (eg The Learning Academy)

.normalised earnings

FY09 \$10.4m vs FY10 \$16.3m, up 56%



.year on year improvements

- New Telstra dealer arrangements benefiting both parties
- T store initiative financially advantageous
- Fone Zone EBITDA up 4% year on year
- Next Byte revenue up 10% per store and EBITDA up 23% year on year
- Net debt reduced by \$12.9m

.the way we see FY11



.the way we see FY11

- Retail trading conditions to remain challenging
 - uncertain outlook for retail sector and consumer confidence
 - Vita well placed as participant in high growth sectors of mobile communications and Apple
- Telecommunications
 - smart phones underpinning market growth
 - Telstra offerings more competitive
 - sales up 45+% Q1 yoy
 - connections up 36% Q1 yoy
- Computing
 - competition to increase further as Apple market penetration increases
 - new products (eg iPad and iPhone 4) driving market growth
 - sales up 51% yoy
- Overall
 - We anticipate the EBITDA for FY11 to be similar to FY10, despite the \$4.5m reduction in Telstra's trailing payment

.key priorities for FY11

Telecommunications

- Maximise T store opportunity
- Refresh Fone Zone positioning
- Expanded offerings into Business and Call Centre operations
- Strengthen strategic importance to Telstra

Computing

- Ride the Apple wave
- Refresh and reposition retail stores
- Make service our differentiator
- Increase Telstra connectivity

.Questions?



The material in this presentation is a summary of Vita Group Limited's (Vita) activities and results, and is current at the date of preparation, 27 October 2010. Further details are provided in the Company's full year accounts and results announcement released on 27 August 2010.

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This presentation should be read in conjunction with other publicly available material. Further information including historical results and a description of the activities of Vita is available on our website, www.vitagroup.com.au

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27 October 2010

