

Chairman address to Financial Year 2015 Annual General Meeting of Shareholders

DICK SIMPSON, CHAIRMAN

I am pleased to be able to report that last year was another very strong year for the Vita Group.

This result is a testament to the hard work and dedication of the entire Vita team, from the executive leadership through to our customer-facing team members in stores and business channels, and to our support team – who all do fantastic work to enable the success of our business.

We began the current phase of our strategic journey in 2009 when the Board resolved to invest in developing Australia's largest independently owned network of Telstra retail stores. At the time we explained that this strategic course would be capital intensive during the investment phase, but would leave us with a powerful platform for growth, and an enduring alliance with Australia's leading telecommunications brand.

That is exactly what the team have delivered. Maxine and her team have had a constant focus on the strategic plan, which includes optimising the performance of each individual point of presence.

We have made excellent progress in retail and have set the benchmark. We will now use our core capabilities to additionally focus on delivering exceptional customer experiences in the small-to-medium business (SMB) and enterprise markets.

We have made significant investment in Vita's people, with a focus on improving leadership, sales capability and the customer experience. The team have become skilled at quickly adjusting our product mix in response to changing markets. We recruit team members who fit with our culture and we provide effective learning and development – all of which leads to an improved customer experience, which in turn generates profitability. This culture and core capability set will underpin our success in the SMB and enterprise markets.

To illustrate how dramatic these changes have been, Vita now has 149 points of presence. This is down from the 214 we had 6 years ago, yet today we generate more revenue, EBITDA and net profit.

Last year the Group recorded a 34% increase in revenue to \$601 million and a 48% increase in EBITDA to \$49.7 million.

Underlying EBITDA, which excludes the non-cash benefit from the run-off of our discontinued ESP swap/warranty product, was up 45% to \$39.2 million.

Our net profit last year was \$25.4 million. The Board declared an ordinary dividend of 7.98 cents per share, up 72%; and a total of 8.00 cents per share in special dividends.

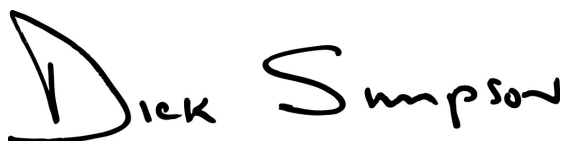
Of course we cannot stand still. We plan to continue to invest in our future growth. We will continue to optimise the retail network and build the capability in the business channels.

This is based on our current network of 21 Telstra Business Centres and is complemented by our enterprise offering for government and enterprise customers.

The Board appreciates the loyalty our shareholders have shown over this investment period. We would like to assure you that our focus on sustaining growth remains as firm as ever.

As we look ahead, I believe that the depth we have built in senior leadership ranks will hold Vita in great stead in the coming years.

The Board thanks all Vita team members for their dedication in delivering such as an outstanding result in FY15.



About Vita Group

Brisbane-based Vita Group is a national, ASX-listed provider of telecommunications, computers and related products through retail and business channels. As at the end of June 2015 Vita Group was operating 149 outlets, comprising 100 Telstra-branded retail stores, 16 Telstra Business Centres, 5 Fone Zone and 16 One Zero outlets, and 12 Next Byte stores. Vita Group also operates a fast-growing mobile accessories division under the Sprout brand, and a range of other value-added products and services. For further information, visit <http://www.vitagroup.com.au>.