

28 October 2011

ASX Company Announcements Office

Written Questions from Shareholders for 2011 AGM

A number of questions were received from shareholders before the AGM. The Chairman provided the following responses at the meeting.

Q: *Do you anticipate paying an interim and final dividend this financial year?*

A: Given that we are only early into the trading year, no decision has been made covering dividends for this year as yet.

The Board is keen to maintain our payout ratio of 65% of profit after tax. We know that shareholders look for this. We also need to balance this objective against the capital needed to continue to grow as well as the tough trading conditions that currently apply.

Q: *Is Vita looking at steps to reduce the large number of small shareholdings in the company?*

A: No. We enjoy a wide ranging shareholder group and this gives us a broader base of owners. I assume the question is directed at the cost to maintain multiple shareholders rather than a few. The answer to this is that most of the management is now done electronically, so there is only a small incremental cost to have the benefit of having a broader investor base.

Q: *To what extent is the company's PE ratio being marked down by investors because of high management salaries? What are you doing to improve the share price?*

A: A couple of observations:

The cost base of Vita Group, including the remuneration of the senior management is highly competitive with other similar businesses. We also conduct market surveys on salaries. Let me assure you we are not overpaying our executives. As a philosophy, we pay the executives at market rate as it is important we are able to hold them fully accountable for the Company's performance.

Having said that, the improvement in results last year was stellar. Top line growth of 33% and underlying profit improvement of 68% are truly remarkable for a company of our size. These results underpin our view that Vita Group is not a typical "retailer". In our presentation to investors and market analysts, we are trying to point out this difference.

In the end, good profit and dividend payments will speak for themselves and hopefully raise the share-price. Our PE ratio is one that most companies would love to have.