

ASX Announcement

25 August 2008

Vita Group Limited (VTG) Records Improved Earnings

Vita Group Limited (ASX: VTG) the home of Fone Zone, Next Byte, One Zero and selected Telstra Shop locations, is pleased to announce an improved result over 2007.

Vita Group recorded \$18.2 million EBITDA in Financial Year 2007/08, up 10% on last year and within the previously advised market guidance of \$18 million to \$19 million (released to ASX on 6 June 2008). Vita Group has also delivered strong revenue and NPAT growth with increases of 57% and 14% respectively.

	12 months to June '07 (\$m)*	12 months to June '08 (\$m)*	Change %
Total operating revenue	197.8	311.2	57%
Gross operating margin	85.8	110.1	28%
Gross operating %	43%	35%	
EBITDA	16.5	18.2	10%
EBIT	10.8	11.6	7%
Net profit after tax	7.0	7.9	14%
Earnings per share (cents)	5.57	5.74	

* Rounded to the nearest '000

Revenue growth was driven by the acquisition of Next Byte, the largest Apple Premium Dealer in Australia, in September 2007. Since then, Next Byte, part of Vita Group's growth and diversification strategy, has increased store numbers, with the acquisition of three Apple Resellers in the last financial year. It is planned to open a further eight stores in the current year.

Vita Group's integration program of Next Byte is on track with a number of operational and financial systems and processes already introduced and producing positive results.

In line with a general decline in retail conditions, Fone Zone saw a lower than forecast result in the second half of the year. In response to these changed market conditions, some stores will be closed and a number of new stores will be opened in other locations. Vita Group has taken impairment and other charges totalling \$3.1 million to the 07/08 accounts related to these changes.



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We will continue to review and improve disciplines across all aspects of our business to optimise our results as consumer discretionary spending comes under greater pressure in this difficult economic market.

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