

**ASX Code: FAN**

27 October 2015

The Manager  
Company Announcements Office  
Australian Securities Exchange  
Level 4 Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

62 Hume Hwy,  
Chullora NSW 2190

PO Box 445  
Chester Hill, NSW 2162

Tel: (02) 8717 2600  
Fax: (02) 8717 2660

[www.fantasticholdings.com.au](http://www.fantasticholdings.com.au)  
ABN: 19 004 000 775

Dear Sir / Madam

**2015 Annual General Meeting – Chairman and Managing Director AGM  
Address**

In accordance with Listing Rule 3.13.3, attached are the AGM addresses to be given by Fantastic Holdings Limited's Chairman and Managing Director at the Annual General Meeting to be held today at 10:30am.

Yours faithfully,

George Saoud  
Company Secretary

## **CHAIRMAN'S ADDRESS**

I AM PLEASED TO ANNOUNCE THAT FOR FY15 THE GROUP ACHIEVED SALES REVENUE OF \$496.9 MILLION AND GROWTH OF 11% ON THE PRIOR YEAR.

THE GROUP ANNOUNCED A FULL YEAR STATUTORY NPAT OF \$13.2 MILLION. THIS WAS AN INCREASE OF 128.1% ON PRIOR YEAR. GROUP LIKE-FOR-LIKE SALES GROWTH FOR FY15 WAS POSITIVE 12.2%.

A FULLY FRANKED FINAL DIVIDEND OF 5.00 CENTS BROUGHT THE TOTAL YEAR'S DIVIDEND TO 15.00 CENTS PER SHARE (INCLUDING A SPECIAL DIVIDEND OF 4.00 CENTS).

THE BOARD HAS BEEN STRENGTHENED WITH THE APPOINTMENT OF ROBYN WATTS AS NON-EXECUTIVE DIRECTOR AND MARGARET HASELTINE'S APPOINTMENT AS DEPUTY CHAIR DURING THE YEAR.

THE BOARD THANKS THE ENTIRE FANTASTIC HOLDINGS GROUP TEAM FOR THEIR CONTINUED ENERGY, PASSION AND DEDICATION. WE ALSO THANK OUR SHAREHOLDERS FOR THEIR SUPPORT AS WE CONTINUE TO BUILD ON THE STRONG RESULTS ACHIEVED IN FY15.

I NOW HAND OVER TO OUR MANAGING DIRECTOR, STEPHEN HEATH.

## MANAGING DIRECTOR'S ADDRESS

GROUP STATUTORY SALES FOR THE YEAR WERE A RECORD \$496.9 MILLION, AN INCREASE OF 11.0%. STATUTORY GROUP EBIT OF \$19.0 MILLION REPRESENTS A 116.9% INCREASE ON PRIOR YEAR.

COMPARATIVE STORE SALES INCREASED BY 12.2%. THIS INCREASE WAS LARGELY DELIVERED BY FANTASTIC FURNITURE AND PLUSH WHOM TOGETHER ACCOUNT FOR CIRCA 85% OF GROUP SALES. THE GROUP DELIVERED STRONG SECOND HALF L4L SALES MAINLY FROM FANTASTIC FURNITURE WITH AN INCREASE OF 15.9% AND PLUSH SECOND HALF L4L SALES GROWTH OF 35.1% ON PRIOR YEAR.

AN ENHANCED PRODUCT OFFERING, IMPROVED ADVERTISING COMMUNICATION & CUSTOMER SERVICE, AND A MORE ENGAGED WORKFORCE IN FANTASTIC FURNITURE AND PLUSH HAVE DELIVERED THE INCREASE IN SALES. THIS IS EVIDENCED IN OUR EMPLOYER OF CHOICE SURVEY SCORES AND CUSTOMER AFFINITY MEASURES IN OUR NET PROMOTER SCORES.

OUR LE CORNU BUSINESS HAD A CHALLENGING YEAR AND SUFFERED FROM A LOSS OF MARKET SHARE FROM THE GROWTH ACHIEVED IN THAT MARKET FROM FANTASTIC FURNITURE & PLUSH AND WAS IMPACTED BY THE OPENING OF OUR ASHLEY STORE. DESPITE THE IMPROVED COMPETITION, LE CORNU HAS A STRONG HISTORY AND OFFERS MANY UNIQUE PROPOSITIONS THAT MANAGEMENT ARE FOCUSED ON TO REBUILD MARKET SHARE AND BUSINESS PRODUCTIVITY.

DARE GALLERY WAS SUCCESSFULLY DIVESTED DURING THE YEAR AND OUR CHINESE BASED JOINT VENTURE MANUFACTURING FACILITY CAME INTO PRODUCTION, COMMENCED SHIPPING AND HAS SINCE EXPANDED ITS PRODUCT RANGE OF SOFA PRODUCTS.

THE GROUP'S UNDELIVERED CUSTOMER ORDERS AT 30 JUNE 2015 WERE \$34.3 MILLION COMPARED TO \$31.7 MILLION IN THE PRIOR YEAR, AN INCREASE OF 8.4%.

OPERATING CASH FLOW FOR THE YEAR WAS \$24.3 MILLION, COMPARED TO \$11.7 MILLION IN THE PRIOR YEAR. AT 30 JUNE 2015, FHL HAD A CASH BALANCE OF \$36.7

MILLION AND DEBT OF \$5.0 MILLION RESULTING IN A NET CASH POSITION OF \$31.7 MILLION.

THE STRONG SALES AND EARNINGS RESULTS OF FY15 PROVIDES A STRONG PLATFORM FOR FURTHER GROWTH AND AS A GROUP WE WILL CONTINUE TO FOCUS ON DELIVERING VALUE THROUGH OUR EFFICIENCY AND PRODUCTIVITY INITIATIVES THAT ENABLE US TO KEEP THE CUSTOMER EXPERIENCE CENTRAL TO EVERYTHING WE DO.

THE FOCUS OF BOARD AND MANAGEMENT IS FIRMLY ON EXPANDING OUR CORE RETAIL BUSINESSES THROUGH TO DOMESTIC MATURITY AS PRODUCTIVELY AS POSSIBLE, WHILST DEVELOPING OUR REGIONAL CAPABILITY IN MANUFACTURING AND SOURCING TO SET THE FOUNDATIONS FOR FUTURE RETAIL AND WHOLESALE SALES GROWTH.

ENCOURAGINGLY, THE STRONG SALES EXPERIENCED IN FY15 HAS CONTINUED INTO THE NEW YEAR WITH FIRST QUARTER GROUP L4L SALES GROWTH OF 16.9%.

I WISH TO OFFER MY THANKS TO THE ENTIRE FANTASTIC HOLDINGS TEAM. THEIR HARD WORK AND DEDICATION IS MUCH APPRECIATED.

FINALLY, I WANT TO THANK OUR SHAREHOLDERS FOR THEIR SUPPORT AS WE CONTINUE TO BUILD THE FOUNDATIONS FOR LONG TERM SUCCESS AND GROWTH.