

Vita Group AGM – 25 October 2012

Chairman's response to questions received from shareholders

Do you believe you will be able to maintain or increase your current dividend for 2012-2013?

- We do not intend being specific about the quantum of dividend next year.
- The current strategy being pursued by management is the right one.
- We are confident it will underpin earnings growth over the short to medium term. This, coupled with a reduced call on capex, are the ingredients for growth in free cash flow. This then provides us with the opportunity to pay dividends.

Why is the share price still low?

- It's a combination of factors. Confidence in the market generally has been soft and that's reflected in the valuations ascribed to a range of companies at the moment.
- Another aspect is awareness of Vita Group in the market has been low. We have taken specific steps in the past four months to become more visible to investors, explaining the company and its strategy.
- Let me assure you that the Board and management team are very committed to restoring value to shareholders.

What are you doing to restore value and why should I continue to invest/trust in you?

- We believe the strategy to reposition our store network to align more closely with Telstra and Apple, and deliver higher-margin revenue streams will restore value.
- This was evident in FY12 when EBITDA increased 89% and we saw good earnings momentum in H2 of FY12.
- The group is also undertaking good work to reposition Vita and raise the awareness of the company with current and future investors.
- There are two things we can influence; the Group's financial performance and the relationship with our investors – current and future. Beyond that, the market will price the shares accordingly.

What timeframe is expected for this to be achieved?

- We cannot put a specific timeframe on movements in our share price – that is for the market to determine. However, we are confident that our strategy will deliver earnings growth over the medium term. We trust that this will be recognised by the market in due course.

Why should I continue to hold my shares?

- I would urge shareholders to look at the hard work being done to execute successfully on the Group's strategy. The Board believes the benefits are now evident, and that we should see earnings growth over the medium term. You have my assurance that the Board and management are committed to creating value for shareholders.

Diek Simpson