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30 June 2014

ASX Market Announcements
ASX Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Dick Smith beats Prospectus sales guidance

Dick Smith is pleased to announce unaudited pro forma sales of \$1,228m for the year ended 29 June 2014, ahead of its forecast pro forma sales guidance originally provided in the Prospectus dated 21 November 2013.

A highlight of the sales performance was the strong improvement in Australian sales, with Q4 FY14 pro forma sales increasing over 15%¹ and like-for-like sales growth of 4%¹. This improvement reflects the growth in our store network and 'can do' trading mentality. This was achieved despite encountering challenging trading conditions, including further deterioration in Australian consumer sentiment, which has declined steadily since issuing the Prospectus.

Dick Smith's strong offers continue to resonate well with our customers and, combined with our trading capability, have allowed us to exceed our expectations of improved sales performance, particularly in the fourth quarter.

Dick Smith reaffirms its pro forma profit forecasts for the year ended 29 June 2014, the key elements of which are:

Pro forma EBITDA	\$71.8m
Pro forma NPAT	\$40.0m

Dick Smith will report its 2014 results on 19 August 2014, including the 4E, Company Announcement and investor presentation, at which time further details will be provided.

Nick Abboud, Managing Director & CEO, will present Dick Smith's strategy in Asia this week. A copy of the presentation is attached to this announcement.

Yours sincerely



Michael Potts
Company Secretary

Enc.

¹ Unaudited, pro forma adjusted growth on prior year



Strategic Overview

Asia Road Show

Presented by Nick Abboud
Managing Director and CEO

July 2014

Dick Smith – *market leader in our key focus categories*



1. Source: Reader's Digest: Most trusted Australian Brands 2013: Iconic Brands category

Our core DNA – *delivering sustainable growth*

Acquisition

Now

Buy it

Improved
supplier terms

PL range
expansion &
cost review

Range
simplification

NZ buying
integrated into
Australia

Further
improvement
in supplier
terms

Move it

Cleared excess
stock & closed
surplus
warehouses

Innovative
logistics
through
StarTrack

NZ warehouse
utilising NZ
Post

Australia
warehouse
efficiency
review

Click & Collect
Store
fulfilment

Sell it

Store rostering
Assistant
managers
removed

CEO Club
Staff Incentives

3 distinct store
formats +
multi-platform
online offer

NZ marketing
integrated with
Australia

54 new stores
opened in FY14

Customer reach – *servicing a broad demographic*

4 channels

Category

Products

Brands

**dick
smith**

Office



- Computers/monitors
- Ultrabooks/ laptops/ notebooks
- Tablets
- Security products
- E-readers
- Related accessories and services

Acer	Apple
Asus	Belkin
Canon	Dick Smith
HP	Logitech
Microsoft	Samsung
Sony	Swann
Toshiba	Uniden

DAVID JONES ELECTRONICS POWERED BY dick smith

Mobility



- Mobile handsets
- Pre- and post-paid mobile plans
- Satellite networks
- Related accessories and services

Amazon	Apple
Garmin	Huawei
LG	Nokia
Pivotal	Samsung
Sony	Vodafone
Telstra	Optus

MOVE

Entertainment



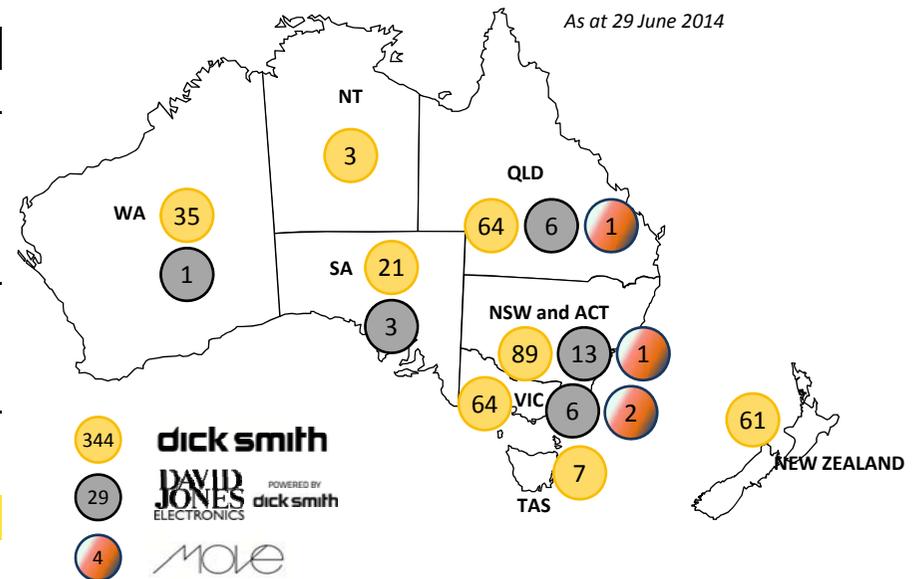
- Televisions
- Audio products
- Visual components
- Digital cameras
- Gaming and movies
- Related accessories and services

Bang & Olufsen	
Beats by Dre	Bose
Dick Smith	GoPro
JVC	LG
Nikon	Olympus
Samsung	



Largest store network – ~400 stores by FY15

	FY13	At 29 June 2014		
	30-Jun	Opened	Closed	Total
Australia				
Dick Smith	262	22	1	283
Electronics Powered by DS	0	31	2	29
MOVE	0	4	0	4
	262	57	3	316
New Zealand				
Dick Smith	61	0	0	61
	61	0	0	61
TOTAL	323	57	3	377



3 formats - *complementary and distinct store brands*

dick smith

Dick Smith
(344 stores)



Famous for knowledge, convenience and range



Core demographic:
Broad appeal, skewed to men and families

Over 400 sites identified

David Jones Electronics
Powered by Dick Smith
(29 stores)



Famous for brands and service



Core demographic:
Predominantly more affluent women

Average weekly sales +80% in April 2014 versus October 2013
Good momentum going into FY15

Move
(4 stores)



Latest on-trend products



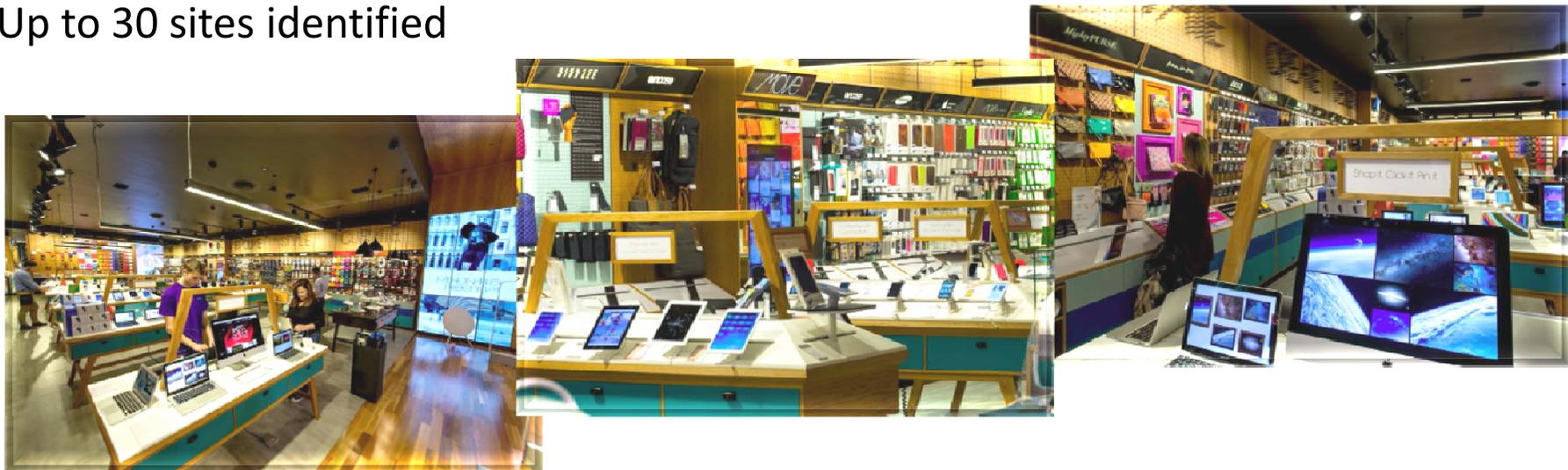
Core demographics:
Affluent, younger women and men

Up to 30 stores, in key demographic locations

Multi-banner proposition targets diverse customer demographics

Move – *fusing fashion, lifestyle and technology*

- Unique ‘fashtronics’ concept earning attention world-wide
 - Move considered one of the most innovative store concept globally
 - Short-listed for ‘Design concept of the year’ 2014
- Anticipate ~\$2m annual store sales on 160m² trading footprint
 - Sales ramp up over 2 years from opening, reflecting social media marketing focus
- Targeting key demographic - young, female, affluent
- 4 stores in 3 states
 - Performance consistent with internal expectations
- Up to 30 sites identified



Omni-channel – *innovation driving superior sales*

Multiple online platforms



Home | Help | My Account | Store Locator | Investor Centre | Welcome Guest | Login | Register

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dicksmith.com.au

Search entire store here. Search 0 Items \$0 View Cart or Checkout

TV & Video Audio & MP3 Photography Computers & Tablets Printers & Office Mobsiles & Wireless Navigation & Travel Gaming Home & Security Promotions

Home | Help | My Account | Store Locator | Investor Centre | Welcome Guest | Login | Register

dick smith
dicksmith.co.nz

Search entire store here. Search 0 Items \$0 View Cart or Checkout

TV & Video Audio & MP3 Photography Computers & Tablets Printers & Office Mobsiles & Wireless Navigation & Travel Gaming Home & Security Promotions

ebay **Westfield** **catch of the day**

First to market transactional App



1. DOWNLOAD THE DICK SMITH APP
2. SCAN QR CODES TO BUY!

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2. SCAN QR CODES TO BUY!

There is a trademark of Apple Inc., registered in the US and other countries. iPad and iPhone are trademarks of Apple Inc., registered in the US and other countries. Google Play is a trademark of Google Inc.

Scan traditional media and buy instantly



OLYMPUS PEN EPL3 Digital Camera 12.3MP, Tiltting 3" LCD, 14-42mm removable lens, full HD recording. MSRP

\$399

BONUS \$50 GIFT CARD

SCAN TO BUY NOW

Store fulfilment driving efficiency



CLICK & COLLECT
IT'S THAT EASY!

LEARN MORE >

Store fulfilment



Our largest range in our smallest stores



5% of H2 FY14 retail sales are now online; growing to 10% over 3 years

Dick Smith website – a content rich experience

The image displays a collage of screenshots from the Dick Smith website, illustrating its content-rich experience. The top row shows the website's header with navigation menus and a search bar. Below this, there are several promotional banners: a GoPro advertisement featuring a skier, a Samsung Curved UHD TV advertisement with the text "SURROUND YOUR SENSES", and an advertisement for various Apple products including iPod touch, iPhone, iPad, Mac, and iPod. Each advertisement includes product images and a "Shop" button.

Private Label – *delivering ongoing growth*

- 11%+ of sales
- New ranging to drive growth from 11% to 15% over 3 years
- Superior margin and pricing dynamics
- New categories including tablets, audio & seasonal in store before Christmas
- Good, Better, Best range, with Move to be introduced



Growth drivers – *Multi-pillar strategy*

With substantial improvements to financial performance delivered, Dick Smith is now strongly positioned for sustainable earnings growth beyond FY2014

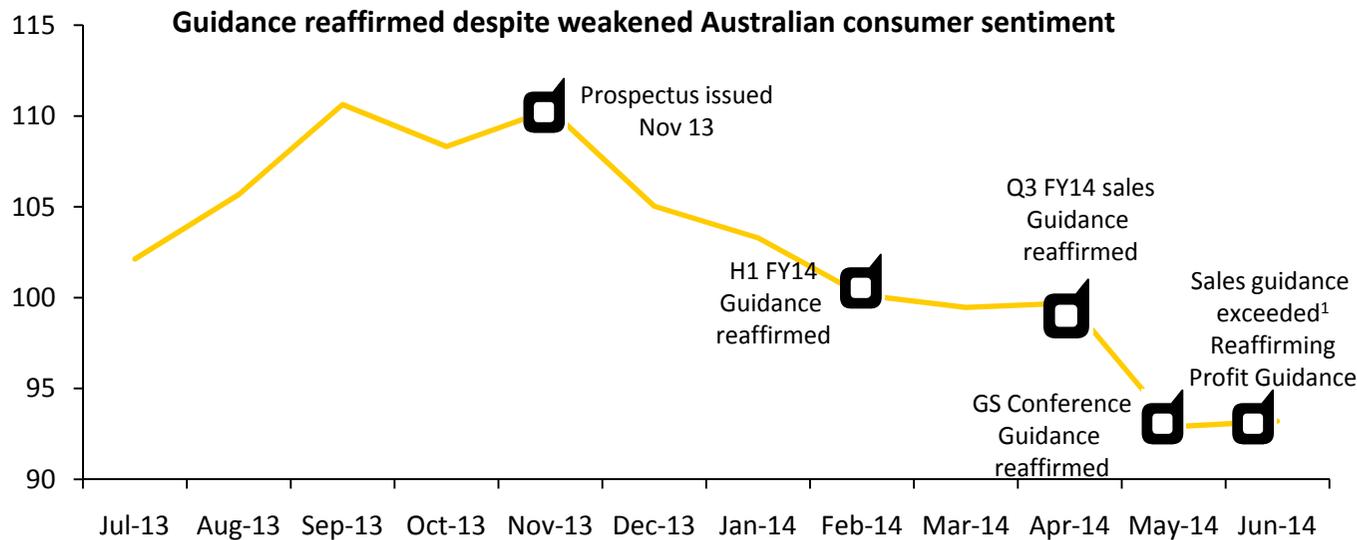


Financial Summary - *FY14 reaffirmed*

- ✓ Reaffirm FY14 guidance
- ✓ Achieved market commitments to date: H1 FY14 results, Q3 FY14 & FY14 sales¹
- ✓ FY14 sales¹ of \$1,228m exceed Prospectus guidance

Prospectus	FY14F
Sales	\$1,226m
EBITDA	\$71.8m
EBIT	\$58.7m
NPAT	\$40.0m
EPS	16.9c ²

2. Based on FY14 pro forma Prospectus NPAT and 236.5m shares



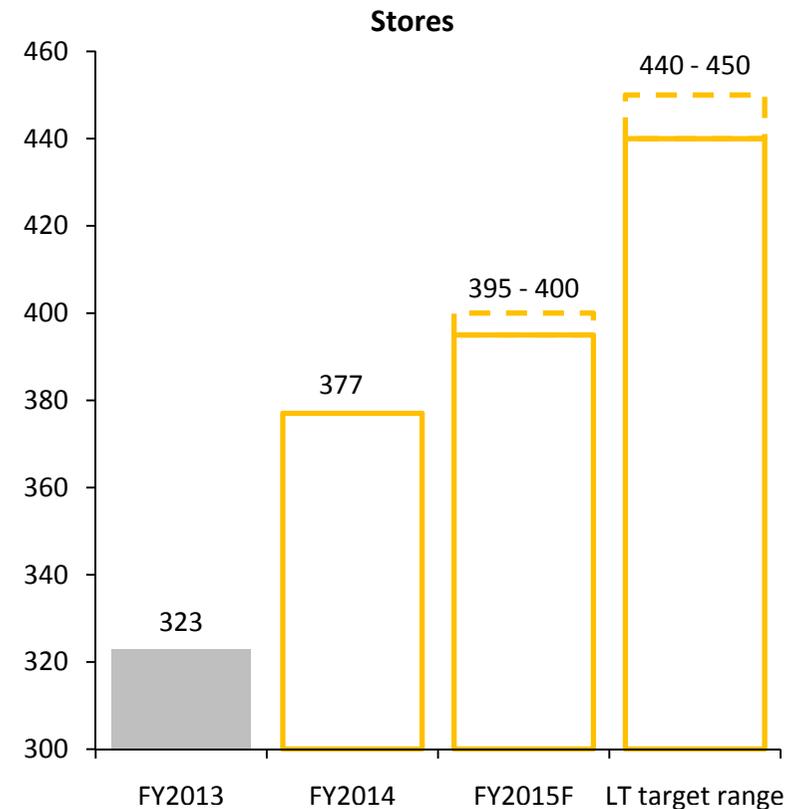
1. Unaudited, pro forma sales. Source: Westpac - Melbourne Institute

- ✓ Trading mentality: traders running the business
- ✓ Strong balance sheet, with no debt, reflecting strong cash generation
- ✓ Dividend payout ratio of 60-70% (fully franked) allows for organic and future growth

Delivering on our commitments

Sales growth – *multiple drivers*

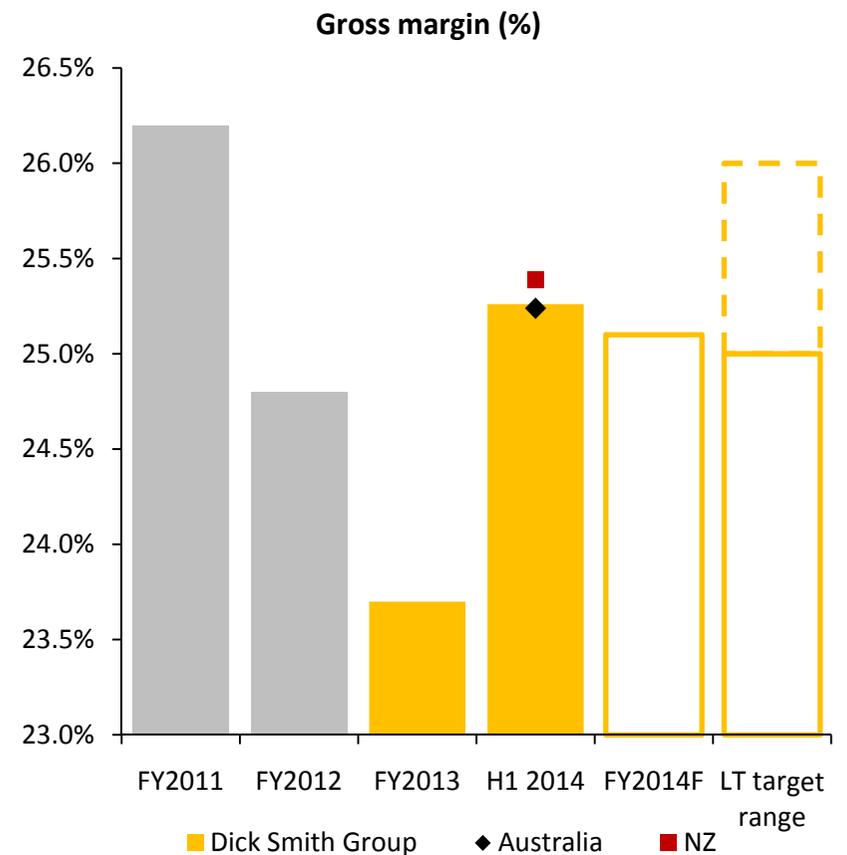
- New stores – up to 450 store potential
 - ~20 new stores to open in FY15
 - 53+ more stores in Q1 FY15 than Q1 FY14
- Underlying sales growth of ~1-2%
 - Clean comparative sales base for FY15
 - Integrated marketing full year benefit
 - David Jones April sales ~2x av October week
 - Mobility: post-paid key focus for FY15
 - New categories: fitness, lights, coffee machines
- Private label to grow ~1pp of sales pa
 - New products, better pricing to drive GM uplift
- Online ~5% of H2 FY14 retails sales, growing to 10% of sales



Further sustainable growth to come

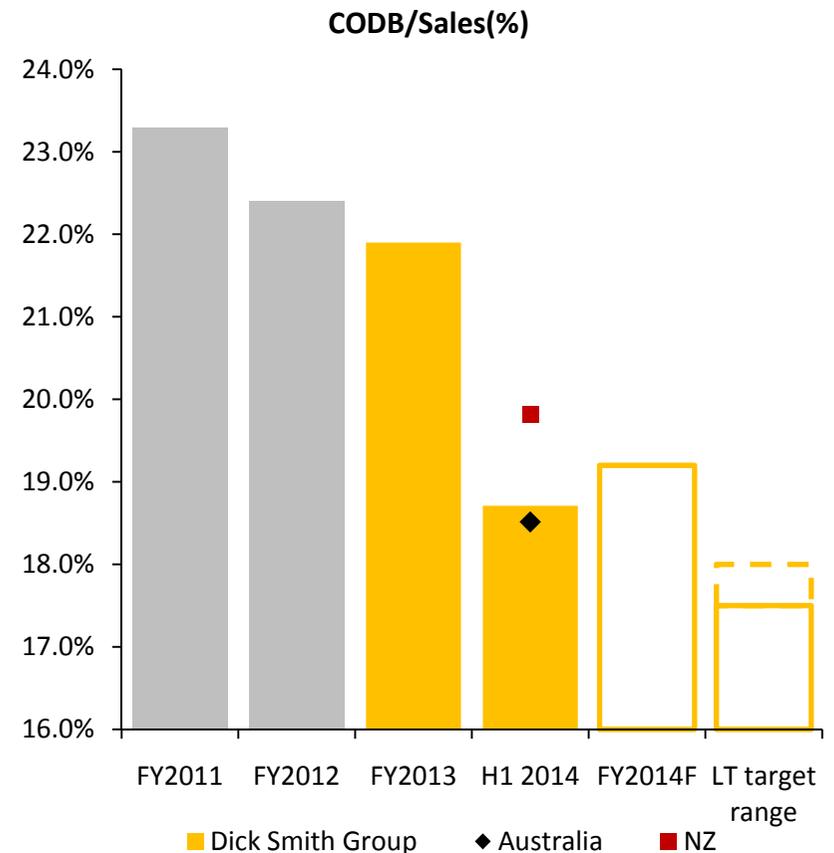
Gross Margin – *buying it better a continual focus*

- Continual focus on improved gross margins from pricing and product mix
- Net beneficiary from category mix
 - Private label
 - Accessories
 - Online
 - Post-paid mobility
- Significant reduction in aged and obsolete stock



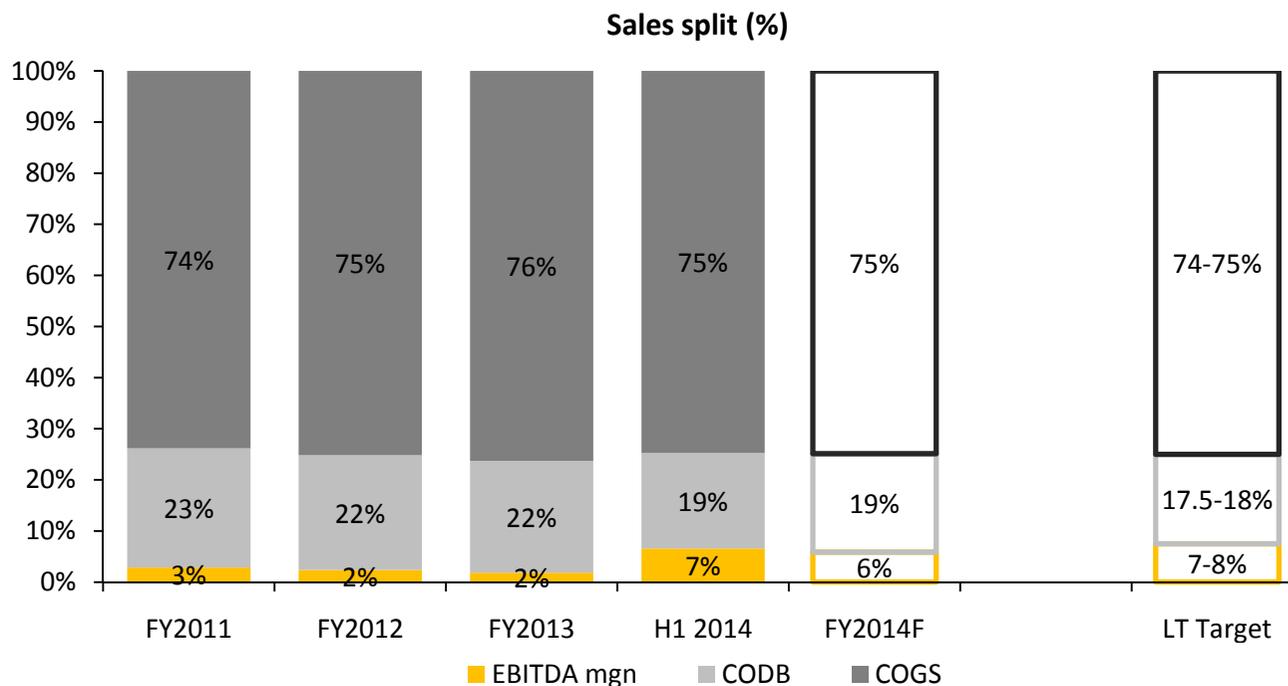
CODB – *benefits gained, more to be realised*

- Investment in sustainable store labour hours, with improved productivity
- Support office right-sizing
- New Zealand buying & marketing integration
- Streamlining and right sizing distribution network
- Reduction in freight and inventory handling costs
- NZ warehouse management outsourced in April
- Australian warehouse management efficiency potential
- CODB/Sales benefiting from sales leverage



Future growth – *on-track, achievable & sustainable*

- Sales growth from new stores, new categories, new product
- EBITDA margin expansion: 7-8% expected in 3 years
 - Gross margin uplift supported by product mix
 - CODB cost reduction & sales leverage





Thank you