

# Annual General Meeting

18 November 2014



# Chief Executive Officer's Report



Annual General Meeting  
18 November 2014

- FY2014 result in line with guidance given to market
- Strong comparable store sales growth
- Steps were taken to mitigate the loss of GBD Group

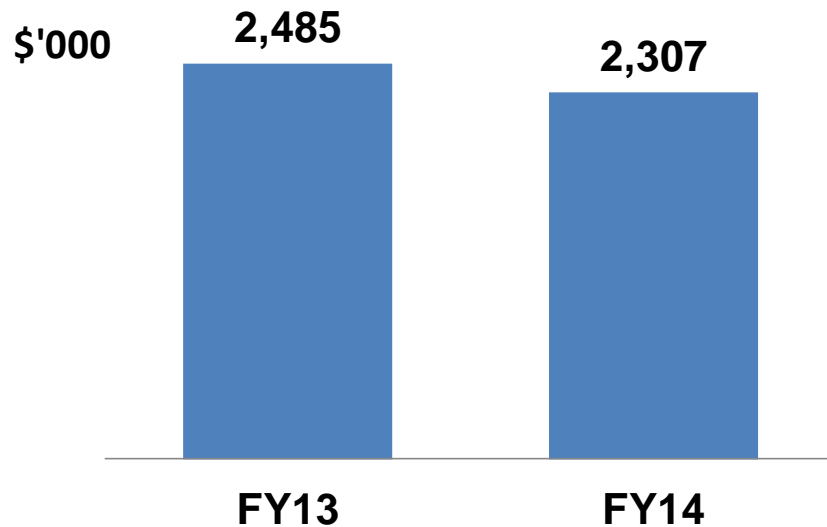
## **Operational highlights:**

- Promotional program compliance commenced in April 2014
- Store renewal activity in 71 stores (18% of store network)
- Opened 42 new stores
- Eliminated physical mailbags

## **Sales results impacted by:**

- Price deflation from deep promotional discounting
- Increased fuel offers until restricted from January 2014
- Slow down in mining and drought in regional QLD & NSW
- Tobacco price inflation from excise tax & CPI increases

# Consolidated Operating Profit



- Consolidated operating profit after tax of \$2.3M
- Operating profit in continuing operations of \$2.9m
- FWR loss of \$1.5M associated with closure costs. FWR divestment program is now completed
- Tax benefits of \$0.9m in core business (continuing operations)
- Profit after tax equates to +4.3% of total income

# Continuing Operations

	FY2014	FY2013	Variance \$ %	Commentary
<b>Total Income</b>	<b>53.3</b>	<b>56.6</b>	<b>(3.3) -5.8%</b>	Lower EWW volumes due to shift to 'direct buys', increase in promotional mix and loss of GBD Group
<b>CODB</b>	<b>29.8</b>	<b>29.9</b>	<b>(0.1) -0.5%</b>	Savings in Personnel costs (\$800k) offset by higher Money into Price (\$191k) and Legal Fees (\$232)
<b>Members Distribution</b>	<b>20.3</b>	<b>23.0</b>	<b>(2.7) -11.9%</b>	Rebates +3.9% of total EWW's (LY 4.2%) reflecting lower EWW's due to the loss of GBD Group
Distribution/Income %	38.1%	40.7%	-2.7% -6.5%	
<b>EBITDA (\$)</b>	<b>3.2</b>	<b>3.7</b>	<b>(0.5) -12.6%</b>	
EBITDA Margin %	6.1%	6.6%	-0.5% -7.3%	
<b>Profit before Income Tax</b>	<b>2.9</b>	<b>3.2</b>	<b>(0.3) -9.3%</b>	Decrease driven by the decline in EWW volumes

- Sales continue to grow with continued strong comparable store sales growth through to the end of October 2014
- Competition expected to intensify:
  - Woolworths & Coles expected to re-invest their fuel discount savings into further price reductions
  - Price Match introduced into Supa IGA
  - ALDI are coming to WA
- Financial results so far this year has been in line with budget

**Compelling  
Fresh Offer**

**Range  
Innovation &  
Expansion**

**Better  
Store  
Network**

**Improved  
Value**



In view of the above, the Company expects that:

1. The consolidated profit after tax to be in the range of \$1.5 to \$2.5 million
2. The company remains committed to paying a dividend as soon as possible whilst ensuring adequate funds are available to invest in the business and in growth opportunities



# Questions



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# Annual General Meeting

## 18 November 2014



## Summary of Proxy Voting

Tony Pacella  
Company Secretary

# SUMMARY OF PROXY VOTING

## Summary of Proxy Voting

Securities On Issue

11,560,392

Valid Securities Lodged

6,062,890 or  
52.44%

Total Securityholders Cast

58

## 2. REMUNERATION REPORT

Vote type	Voted	% of Eligible shares voted	% of all securities
For	2,860,816	97.95%	24.75%
Against	1	0.00%	0.00%
Open-Usable	60,001	2.05%	0.52%
Abstain (not eligible)	18,003	N/A	0.16%
Excluded (not eligible)	3,124,069	N/A	27.02%
<b>Total:</b>	<b>6,062,890</b>	<b>100.0%</b>	<b>52.44%</b>

Total of Eligible shares voted on this item is: 2,920,818

### 3. RE-ELECT MALCOLM WARD

Vote type	Voted	% of Eligible shares voted	% of all securities
For	5,298,638	87.39%	45.83
Against	0	0.00%	0.00%
Open-Usable	764,251	12.61%	6.61%
Abstain	1	0.00%	0.00%
Excluded	0	N/A	0.00%
<b>Totals</b> (also equals Eligible shares voted)	<b>6,062,890</b>	<b>100.0%</b>	<b>52.44%</b>

# 4. RE-ELECT Sien (John) Van Nguyen

Vote type	Voted	% of Eligible shares voted	% of all securities
For	5,298,637	87.39%	45.83%
Against	1	0.00%	0.00%
Open-Usable	764,251	12.61%	6.61%
Abstain	1	N/A	0.00%
Excluded	0	N/A	0.00%
<b>Totals</b> (also equals Eligible shares voted)	<b>6,062,890</b>	<b>100.0%</b>	<b>52.44%</b>

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