

# Betta Stores Limited

Acquisition of Truscott Investments Pty Ltd  
1 December 2004



Chief Executive Officer  
Guy Houghton



Chief Financial Officer  
David Goode



# Introduction

- ❖ BSL acquired 100% of shares in Truscott Investments Pty Ltd, on 1 December 2004.
- ❖ Two core businesses: Truscott Hi-Fi and RMS (Retail Mortgage Systems).
- ❖ Truscott Hi-Fi is a South Australian based consumer electronics business focused on Audio /Visual, IT, Kitchen & Laundry Appliances, Air Conditioning and Car Sound.
- ❖ Six stores in Adelaide, one in Port Lincoln plus a central warehouse facility at Regency Park.
- ❖ RMS is the provider of interest free consumer finance.





# Introduction

- ❖ Truscott Hi-Fi sales FY 2004 \$55.1m.
- ❖ Normalised EBIT \$3.259m (EBIT margin of 6%).
- ❖ Cost to BSL \$22.676m, including RMS.
- ❖ 100% debt funded.
- ❖ Immediately EPS positive, approximately 1.4 cents per share remainder FY 05.





## Truscott Hi-Fi

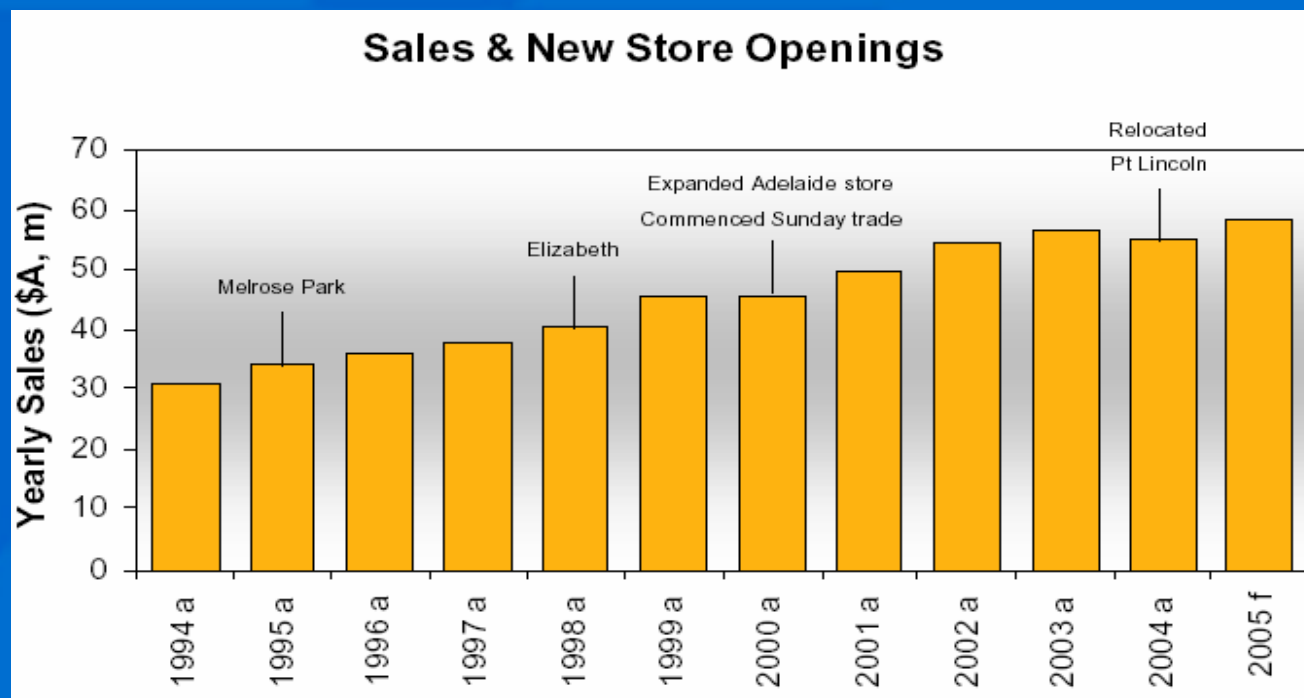
- ❖ Truscott Hi Fi currently operate seven stand alone stores in South Australia. The stores are located in strong retail trading precincts in Adelaide, Elizabeth, Hillcrest, Melrose Park, Morphett Vale, Woodville and Port Lincoln.
- ❖ Truscott Hi Fi also operates a central warehouse facility in Regency Park.
- ❖ Truscott's service proposition centres around offering a superior in-store customer experience and after sales service by staff that have extensive product knowledge.
- ❖ With a highly recognisable brand name in the SA market, Truscott Hi Fi has an estimated 11% market share in the combined consumer electronics and white goods segments, and more specifically an estimated 18% market share in the audio visual segment (based on GFK industry sales analysis).





# Truscott Hi-Fi

- ❖ Profitable business with excellent growth prospects.
- ❖ 2004, introduction of new computer system caused much disruption.
- ❖ Strong cash flow and no debt.





# Truscott Hi-Fi

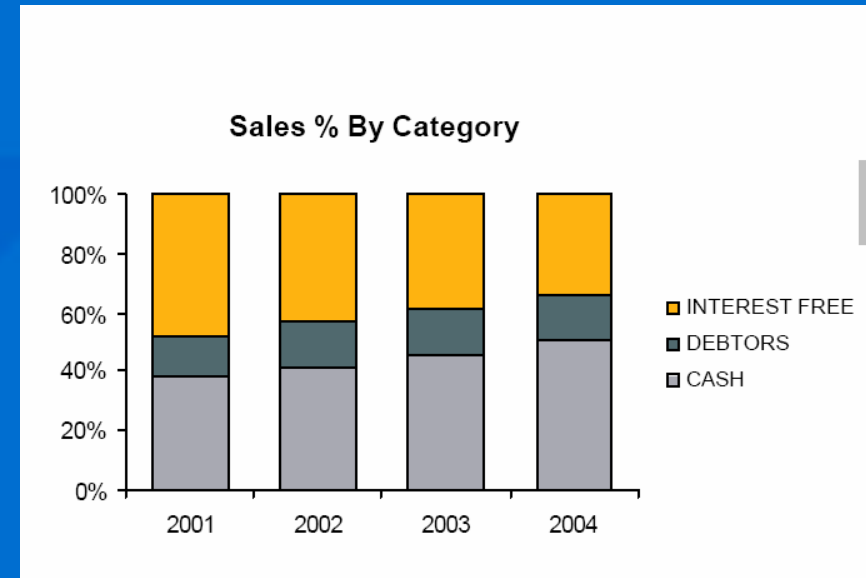
- ❖ Proven strong performance over many years
- ❖ Significant growth opportunities still available in current and future locations
- ❖ Strong long standing Senior Management Team





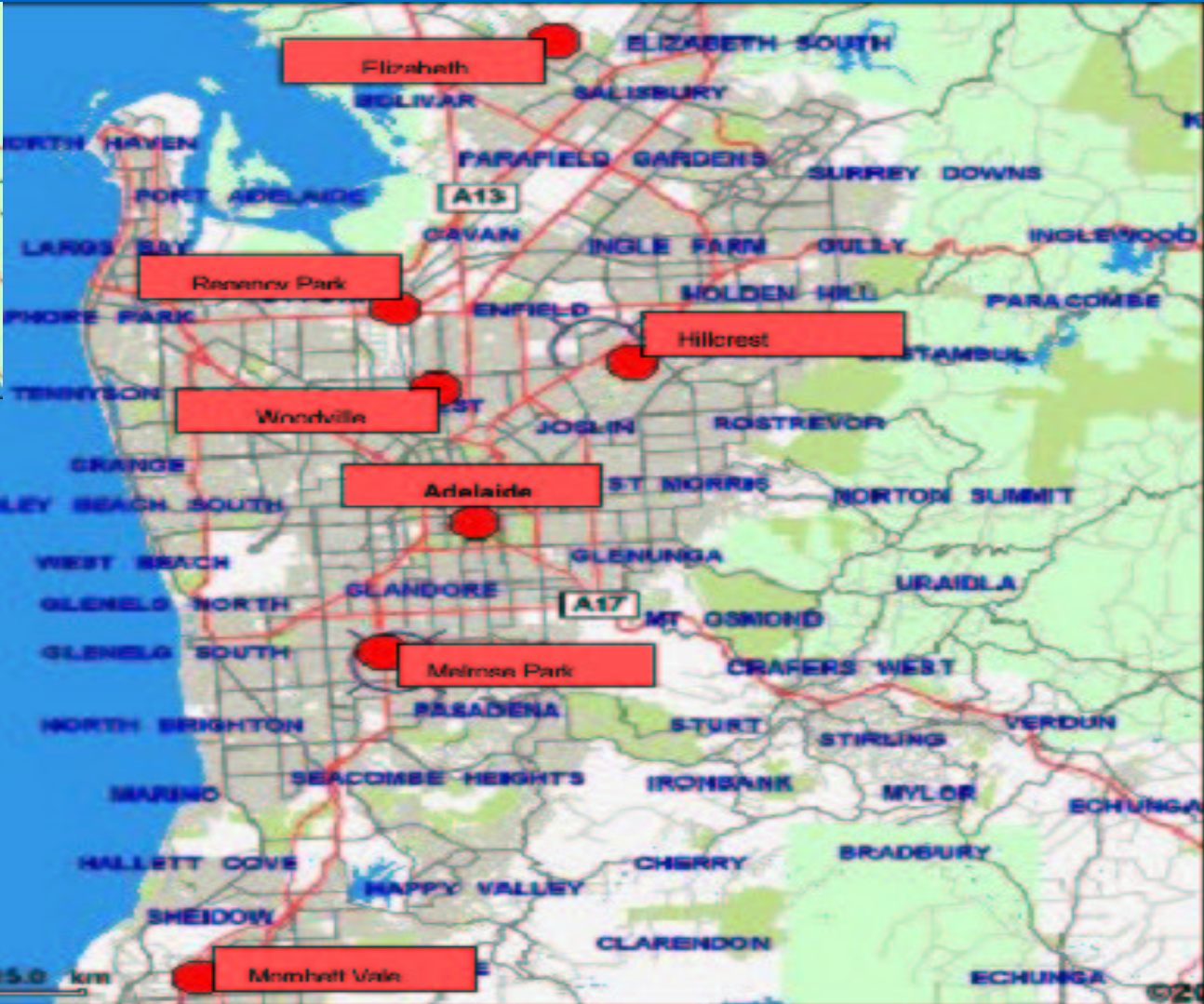
# Retail Mortgage Systems

- ❖ 12 and 24 months interest free terms to purchasers
- ❖ Interest free debtors book currently totals \$10.5m (approximately).
- ❖ RMS finance packages result in significant repeat business.





# Store Locations



- Adelaide
- Elizabeth
- Hillcrest
- Melrose Park
- Morphett Vale
- Woodville
- Port Lincoln
- Regency Park





# Truscott Hi-Fi Stores

