



COAST Wholesale
APPLIANCES Inc.

Coast Wholesale Appliances Inc. Annual General Meeting

May 16, 2012





COAST Wholesale
APPLIANCES Inc.

Patrick B. Dennett

Chairman of the Board of Directors





Board of Directors



COAST Wholesale
APPLIANCES Inc.

- Harlow B. Burrows
- Patrick B. Dennett, Chairman
- Maurice E. Paquette
- Donald J. A. Smith, CA
- Anthony L. Soda, CA



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APPLIANCES Inc.

Maurice E. Paquette

President and CEO





Today's Presentation



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- Building on our core strengths
- Progress in implementing business strategy
- 2011 / Q1 2012 performance overview
- Financial review
- Outlook and priorities



Forward-Looking Statements



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This presentation includes forward-looking statements, which involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are identified by the use of terms and phrases such as “anticipate”, “believe”, “estimate”, “expect”, “may”, “plan”, “will”, and similar terms and phrases, including references to assumptions. Such statements may involve, but are not limited to, comments with respect to the sustainability of our dividends to shareholders, the performance of the Canadian economy and our sales expectations.

These forward-looking statements reflect current expectations of management regarding future events and operating performance. Forward-looking statements involve significant risks and uncertainties, do not guarantee future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to: sensitivity to general economic conditions; changes in consumer confidence in the economy; maintenance of profitability and management of changes to our business; competition; increases to interest rates; reliance on suppliers and their ability to supply product for sale on a timely basis; changes in consumer preferences; changes in the mix of product sales; fluctuations in fuel and commodity pricing; usage of extended warranty programs and the costs to deliver these services; changes to planning and supply chain processes; lack of long-term supplier agreements; reliance on key personnel; and foreign exchange rates as they relate to imported products.

Although the forward-looking statements made today are based upon what management believes to be reasonable assumptions, Coast cannot assure investors that actual results will be consistent with these statements. The forward-looking statements reflect management’s current beliefs and are based on information currently available to Coast. They reflect current assumptions regarding future events and operating performance. These assumptions include, without limitation: slow economic growth throughout 2012 in both Western Canada and the Greater Toronto Area (GTA); continued fluctuations in exchange rates with the Canadian dollar trading near par with the US dollar; continued low interest rates through 2012; continuing cautious credit markets for our major builder customers to obtain financing for their current and future building activities; weak consumer confidence due to the slow economic recovery; and no significant change to total housing starts in 2012 compared to 2011. These forward-looking statements are made as of today’s date and Coast assumes no obligation to update or revise them to reflect new events or circumstances, other than as required by law.



Strong Competitive Position



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- Offer superior value to builders / developers and their customers
- Recently strengthened sales management infrastructure
- Able to provide just-in-time delivery and on-site installation
- Strong buying power and supplier relationships enable long-term pricing commitments and preferential pricing
- Sales associates act as member of development team



Builder Focus Key to Expansion



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- New stores will be located to serve builder / developer customers
- Sales to retail customers an important secondary focus
- Initially, new locations function primarily as display centres for home buyers to visit and select appliance upgrades
- Retail sales growth supported by the same value-added approach applied to the builder market





Working Designer Kitchens – A Key Competitive Advantage



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- Allow customers to test drive the latest products
- Make showrooms an attractive, exciting retail destination
- Upgrades directly impact sales growth in today's flat market



Recent Store Upgrades



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- Major upgrade to Surrey, BC showroom completed in 2011
- Showroom upgrades underway at Coquitlam and Victoria, BC to be completed by end of Q2
- Now relocating GTA store to new facility with multiple working kitchens and warehouse able to accommodate additional stores





Product Offering Refinements



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- Extension of popular KitchenAid® brand to 12 BC and Alberta stores in January 2012
- Followed full product line review in Q3 2011
- Sharpened focus on core markets and key suppliers
- Some marginal lines eliminated
- Enhanced ability to meet builder demand for higher-end brands with better sales potential

KitchenAid™
FOR THE WAY IT'S MADE.



Inventory Management Improvements



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- Inventory ordering process refined
- Inventory levels at year-end higher due to supplier rebate-driven purchases and KitchenAid® load-in
- Reduced by \$0.6 million in Q1
- Further reductions planned for Q2
- Inventory turns expected to improve





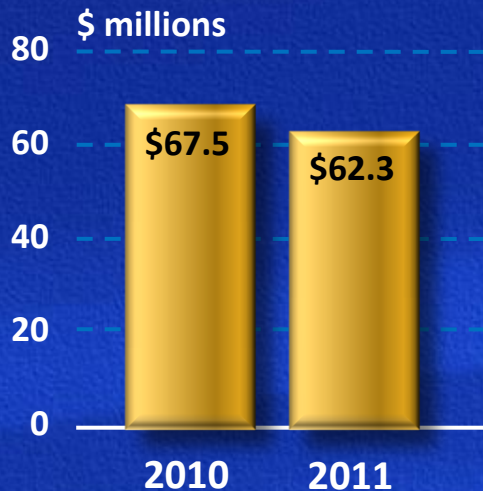
Recent Sales Performance



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- 2011 first half revenues dipped by 7.7% from 2010
- Second half improvement brought Q3 sales up by 3.0% and Q4 sales by 7.6%
- Annual revenues sustained at \$133.6 million, just 1.2% below 2010 level

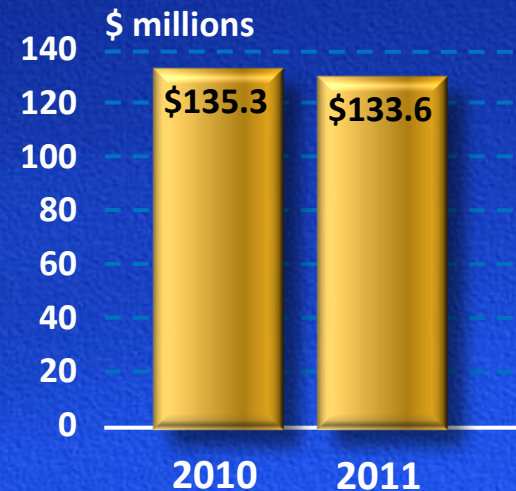
First Half



Second Half



Full Year





Recent Sales Performance



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- Retail revenues eroded by low consumer confidence and highly competitive pricing
- First-half contract revenues also declined despite benefit of increased single-family construction in certain markets
- Second-half upswing in multi-family construction across all markets strengthened backlog of builder orders for delivery in 2012 and beyond
- Positive second-half sales trend carried into Q1 2012 with revenue increases in all business segments



*COAST Wholesale
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Financial Review

Jack G. Peck

Senior Vice President and CFO





Annual Performance Highlights



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in thousands of dollars except percentages

	12 months ended Dec. 31, 2011	12 months ended Dec. 31, 2010
Sales	133,594	135,251
Gross profit	32,608	33,606
<i>Gross margin</i>	24.4%	24.8%
EBITDA	7,203	8,321
<i>EBITDA margin</i>	5.4%	6.2%
Goodwill impairment (net)	30,400	--
Profit (loss)	(26,873)	1,515
Net income before goodwill impairment and tax	4,765	5,648



First Quarter 2012 Performance Highlights



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in thousands of dollars except percentages

	3 months ended March 31, 2012	3 months ended March 31, 2011
Sales	30,035	28,086
Gross profit	6,883	6,752
<i>Gross margin</i>	22.9%	24.0%
EBITDA before other costs	616	762
<i>EBITDA margin before other costs</i>	2.1%	2.7%
Other costs	--	805
EBITDA	616	(43)
<i>EBITDA margin</i>	2.1%	-0.2%
Profit (loss)	(4)	(487)



Monthly Dividends



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- Maintained at \$0.035 per share level initiated in Feb. 2011
- Equates to \$0.42 per annum
- No changes to dividend rate anticipated at this time
- Dividend policy subject to discretion of Board of Directors



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President and CEO





Cautious Business Outlook



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- Builder sales expected to improve through 2012 but at a slower rate in the second half
- Sales improvement may be tempered by softening of single-family business
- Competitive retail environment will continue to put downward pressure on sales and margins



Priorities for 2012



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- Continue to build and capitalize on Coast's historical strengths
- Further increase operating efficiency
- Aggressively pursue new sales opportunities





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