



COAST Wholesale
APPLIANCES Inc.

Coast Wholesale Appliances Inc. Annual General Meeting

May 31, 2011





*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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Maurice E. Paquette

Director





Today's Presentation



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- 2010 / Q1 2011 performance overview
- Progress in implementing business strategy
- 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, economic performance in Canada 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, should not be read as guarantees of 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, which may impact freight and other costs; 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 forward-looking 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 during 2011 in both Western Canada and the Greater Toronto Area (our current market areas); continued fluctuations in exchange rates with the Canadian dollar at or above par with the US dollar; low but increasing interest rates as we move through 2011; 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, which may be reflected in lower retail sales; and housing starts down somewhat in 2011 compared to 2010. These forward-looking statements are made as of the date of this presentation and Coast assumes no obligation to update or revise them to reflect new events or circumstances, other than as required by law.



Challenged by a Difficult Business Environment



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- Consumer confidence plunged with slower economic recovery in Canada in Q3/Q4 2010
- Single-family housing starts increased in 2010 in some markets but fewer large multi-family projects proceeded
- Total annual revenues dropped by 6.1% from 2009
- No improvement to market conditions in Q1 2011
- Gross margin dollars in both 2010 and Q1 2011 reduced by more competitive retail pricing
 - Gross margin % improved in 2010 with business mix shift in favour of retail sales
 - Softening of retail business in Q1 2011 drove modest decline in gross margin %



Preserving Balance Sheet Strength



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- Paid down \$4.0 million of term debt
- Maintained uninterrupted track record of monthly cash distributions
- Continued to benefit from balanced business model and proven business strategies

Growth Strategy 1



COAST Wholesale
APPLIANCES Inc.

Strengthen position in Western Canada, explore further opportunities in Ontario





Growth Strategy 1



COAST Wholesale
APPLIANCES Inc.

Strengthen position in Western Canada, explore further opportunities in Ontario

- Growing contract sales backlog expected to drive up revenues from Eastern Canada in 2011
- Proven business approach has given Coast a step up in the GTA market
- Established bridgehead allows for future greenfield development of new stores in Southern Ontario

Growth Strategy 2



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Increase Sales From Existing Stores

- Enhance appeal of showrooms as a retail destination
 - Refreshing of stores is ongoing
 - Current focus on incremental improvements requires only modest capital investment



Growth Strategy 3



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Enhance Profitability

- Improve operating efficiency and reduce costs
 - Consolidation of Burnaby and Vancouver warehouses completed in Q2 2010
- Refine product offerings
 - Bosch and Thermador brands added at selected locations in Q3 2010
 - Fine-tuning of inventory will create opportunities to add better-selling product lines



BOSCH

Invented for life

Thermador[®]



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Financial Review

Jack G. Peck

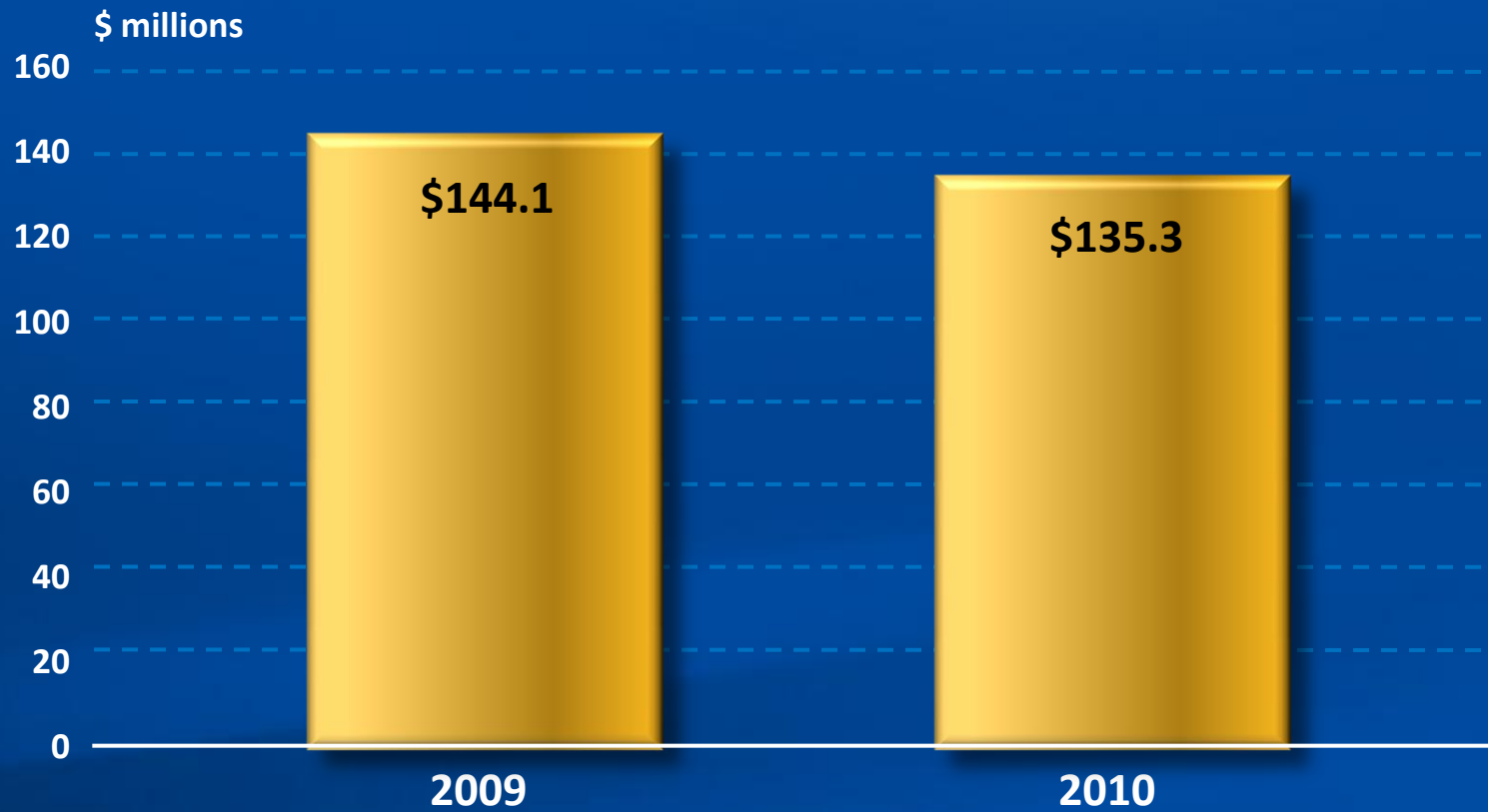
Vice President and CFO



Revenues



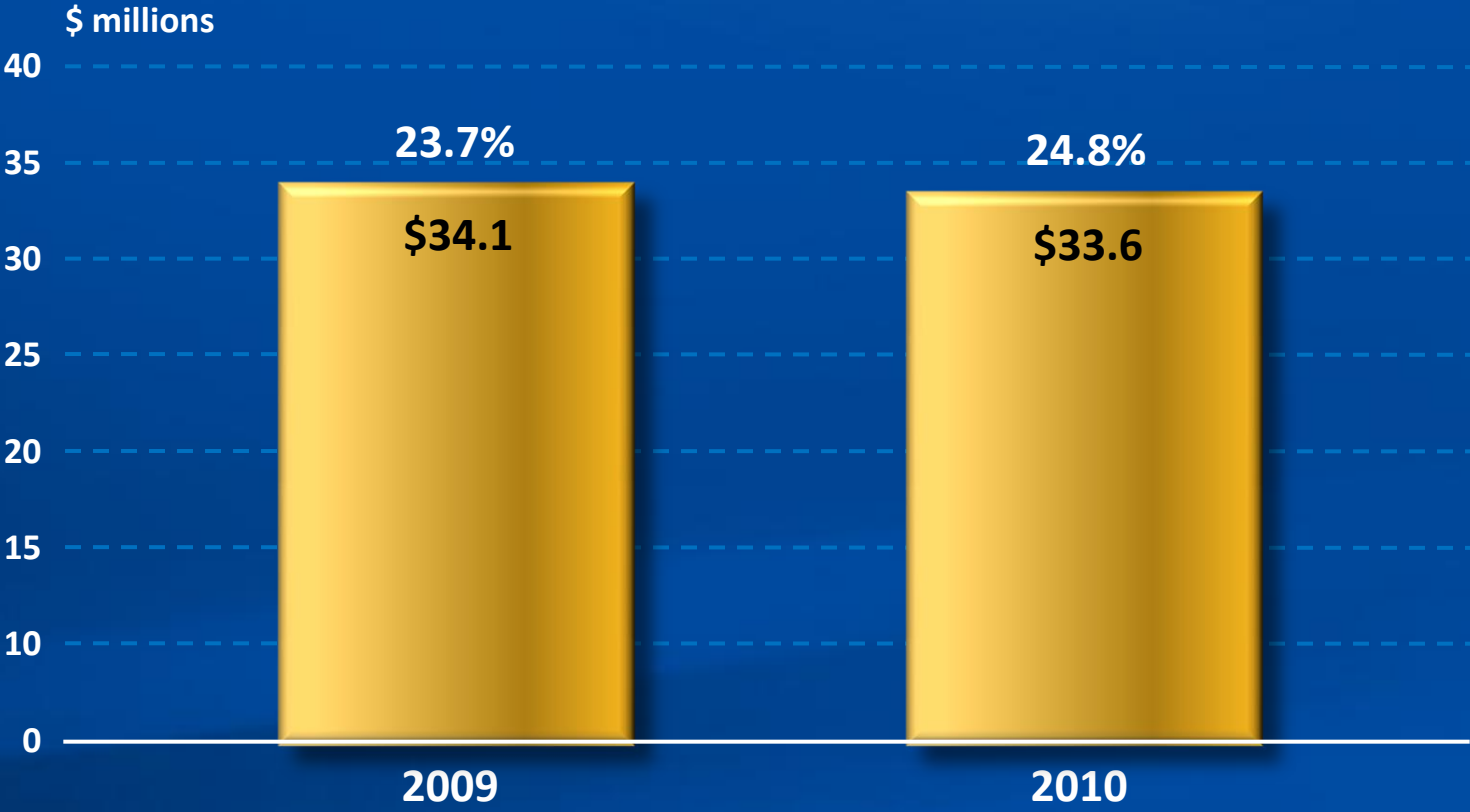
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Gross Margin



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EBITDA



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* Before conversion costs of \$0.6 million.

Net Income Before Non-Controlling Interest



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Per-Unit Monthly Cash Distributions



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Period	Per-unit amount	Annualized rate
January to November 2010	0.0416	\$0.50
November 2010 special distribution	0.0416	



Per-Unit Monthly Cash Distributions



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\$000s except % and per-unit amounts	Year ended Dec. 31, 2010	Year ended Dec. 31, 2009
Adjusted distributable cash	\$7,091	8,468
Adjusted distributable cash per unit	0.707	0.844
Distributions declared	5,009	5,844
Distribution per unit	0.499	0.582
Adjusted payout ratio	70.6%	69.0%



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First Quarter 2011 Financial Results



Revenues



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Three months ended March 31



Gross Margin



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Three months ended March 31

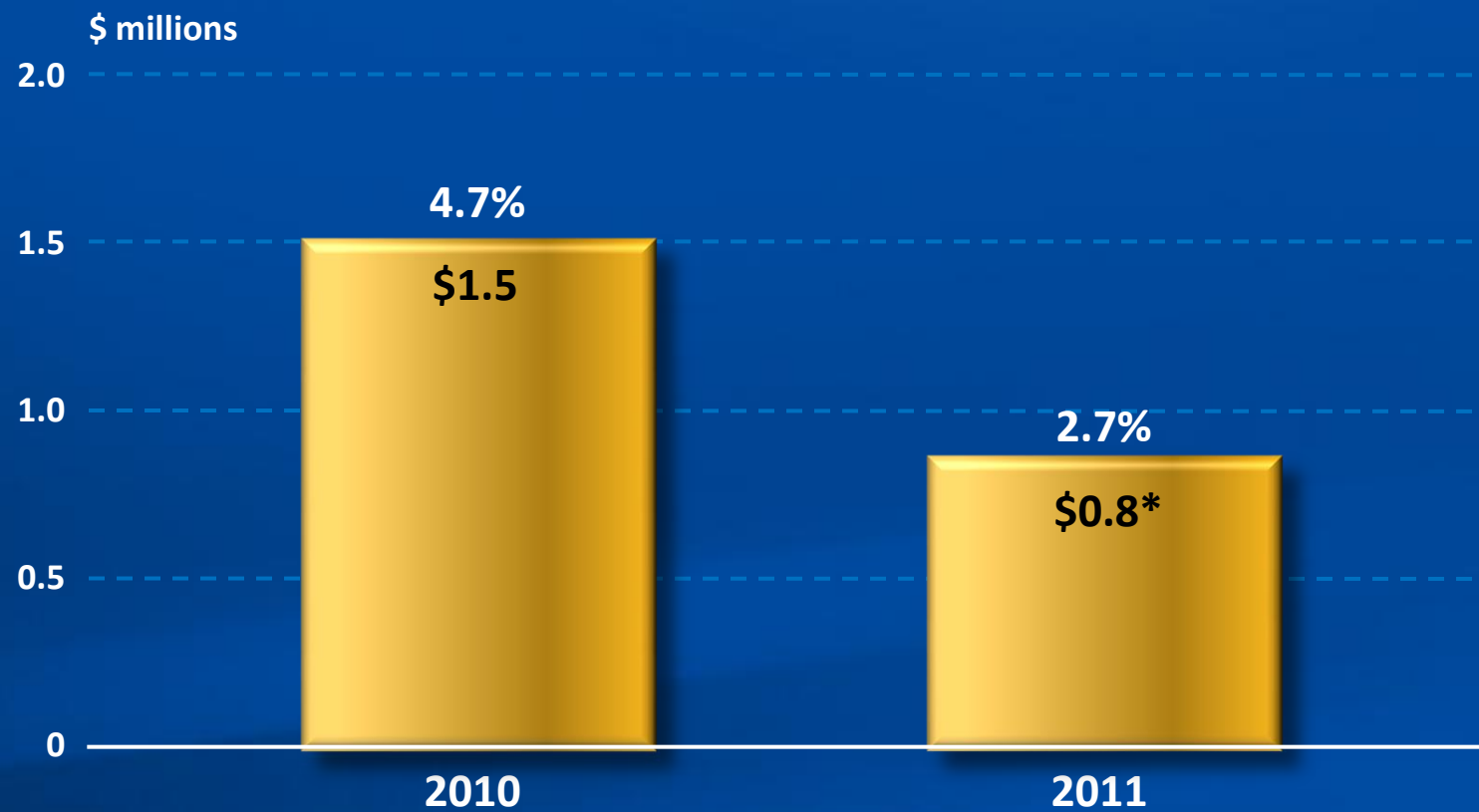


EBITDA



COAST Wholesale
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Three months ended March 31



* Before severance costs of \$0.8 million.

Net Income (Loss)



COAST Wholesale
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Three months ended March 31



* Before non-controlling interest.



Monthly Dividends



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- First monthly dividend of \$0.035 per share declared Feb. 16, 2011 and paid Mar. 7, 2011
- Dividends in the same amount declared for March, April and May 2011, payable on or about the fifth day of the month following
- Present level of dividend equates to \$0.42 per annum



Balance Sheet Improvements



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- Repayment of \$4.0 million of term debt in 2010 decreased second-half interest expense and will reduce future interest costs
- New credit facilities established with conversion to corporation
 - Term debt reduced to \$13 million
 - \$5.0 million reduction in term loan transferred to operating line; limit of operating facility increased to \$20.0 million
 - Transfer allows Coast to use temporary cash balances to reduce interest costs



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Maurice E. Paquette

Director





Cautiously Optimistic Business Outlook



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- Sluggish economic growth expected through 2011
- Competitive retail environment will continue to put downward pressure on sales and margins
- Contract business should improve in second half of 2011

Priorities for 2011



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- Continue to build on Coast's historical strengths
- Further increase operating efficiency
- Pursue new contract and retail sales opportunities





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