



Coast Wholesale Appliances Income Fund Annual and Special Meeting

June 23, 2010



COAST Wholesale
APPLIANCES

"Innovative Products for Builders, Designers & Home Owners"



Patrick B. Dennett

Acting Chairman of
the Board of Trustees



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R. Blain Lawson

President and CEO



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Today's Presentation



- 2009 / Q1 2010 performance highlights
- Progress in implementing business strategy
- Conversion to corporation
- Financial review
- Outlook and priorities



Forward-Looking Statements



This presentation includes forward-looking statements. These 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 completion of the conversion of the Fund from an income trust structure to a publicly traded corporation and the level and sustainability of the Fund’s distributions and Coast Inc.’s dividends in the future.

These forward-looking statements reflect current expectations of the Fund’s 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; maintenance of profitability and management of growth; competition; 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; reliance on suppliers; lack of supplier agreements; reliance on key personnel; foreign exchange rates as they relate to imported products; and interest rates.

Although the forward-looking statements made in this presentation are based upon what management believes to be reasonable assumptions, the Fund 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 the Fund. They speak only as today’s date, and reflect current assumptions regarding future events and operating performance. With respect to the Arrangement, these assumptions include, without limitation: no further changes to any income tax or other laws, and no merger, acquisition or similar opportunity, which could materially impact the timing, benefits or any other aspect of the Arrangement. With respect to the operating business of the Fund, these assumptions include, without limitation: modest economic growth in 2010 in both Western Canada and the Greater Toronto Area (Coast’s current market areas); continued fluctuations in exchange rates; low but slowly increasing interest rates through 2010; improved but still cautious credit markets for our major builder customers to obtain financing for their current and future building activities; a continued, gradual improvement in consumer confidence as the economy recovers, reflected in increasing retail sales of major household appliances; and a continuation of the recent resurgence of new home construction activity, reflected in higher levels of new building permits issued and housing starts compared to last year. The Fund assumes no obligation to update or revise any forward-looking statements made in this presentation to reflect new events or circumstances, other than as required by law.



Maintaining Strength in a Difficult Economy



- Despite low consumer confidence and more cautious retail spending, retail sales improved year-over-year
- Tight credit markets restricted the ability of builders and developers to finance and start new projects
- Contract business slowed in Q4 2009 after five consecutive quarters of growth due to dramatically reduced housing starts
- Total annual revenues were just 1.8% below the record amount reported in 2008
- Gross margin % was reduced by a more competitive retail pricing environment



Balance Sheet Improved



- Paid down \$3.3 million on acquisition term debt
- Reduced use of operating line
- Significantly improved year-end cash position



Cash Distributions



- Maintained uninterrupted track record of monthly cash distributions throughout 2009
- Reduction of per-unit amount in Feb. 2009 enabled Fund to maintain balance sheet strength and financial flexibility
- Continuity of distributions supported by stability of business and 2008 / 2009 cost-control initiatives



Q1 2010 Performance Highlights



- Continued to deliver strong retail sales
- Contract business down due to reduced flow of new projects
- Shift in business mix in favour of retail sales increased gross margin by 1.2% over Q1 2009
- Maintained balance sheet improvements
 - Third consecutive quarter with no drawings on operating line

Growth Strategy 1

Strengthen position in Western Canada,
explore further opportunities in Ontario



- Four senior members added to GTA contract sales team in early 2010

Growth Strategy 2

Increase Sales From Existing Stores

- Enhance appeal of showrooms as a retail destination
 - Edmonton North store relocated to higher traffic area in Q3 2009
 - Minor upgrade to Calgary South store to begin later this year
- Support established market position
 - Small warehouse opened in Edmonton in Q1 2009 to support strategic position in Central and Northern Alberta





Growth Strategy 3



Enhance Profitability

- Improve operating efficiency and reduce costs
 - Incremental cost of new GTA store substantially offset by cost control initiatives across organization
 - Consolidation of Burnaby and Vancouver warehouses underway





Growth Strategy 3



Enhance Profitability

- Refine product offerings
 - Miele brand added in Q1 2009 under agency agreement
 - Bosch and Thermador brands to be added at selected locations in Q3 2010

Miele[®]

Anything else is a compromise



BOSCH

Invented for life

Thermador

Pursue further incremental revenue opportunities

- Entered sales agency agreement for Maritime region in Q2 2009



Conversion to Corporation



- Subject to court approval, expected to be completed by Jan. 1, 2011
- Simplified business structure will benefit Coast and investors
- Removes limits on foreign ownership, offers greater access to equity markets
- Conversion costs expected to total approx. \$0.5 million
- Monthly distributions to continue through Nov. 2010
- Monthly dividend to commence Jan. 2010
 - Expected to equal approx. half of net income or \$0.42/share per annum



Financial Review

Jack G. Peck

Vice President and CFO



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Revenues



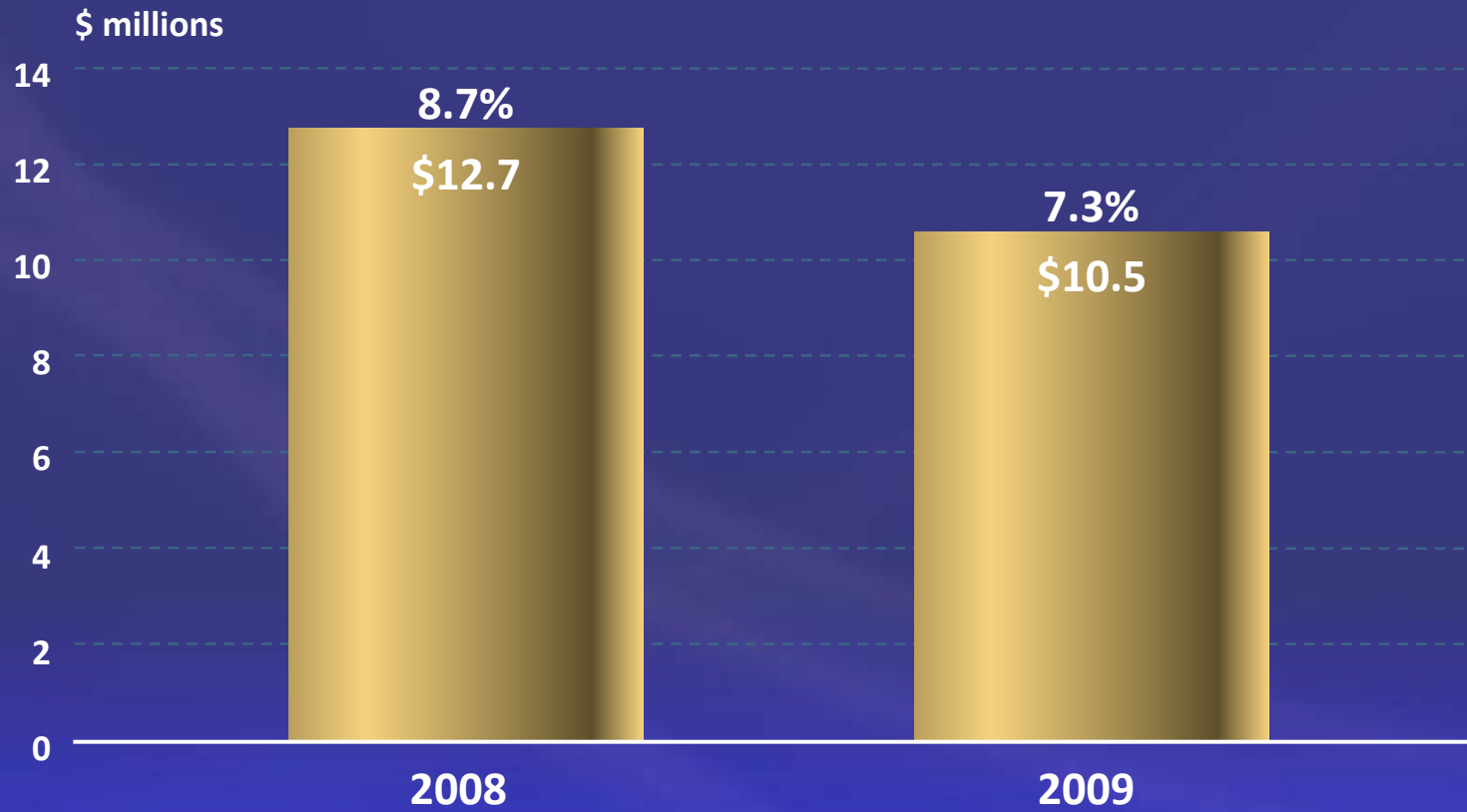


Gross Margin



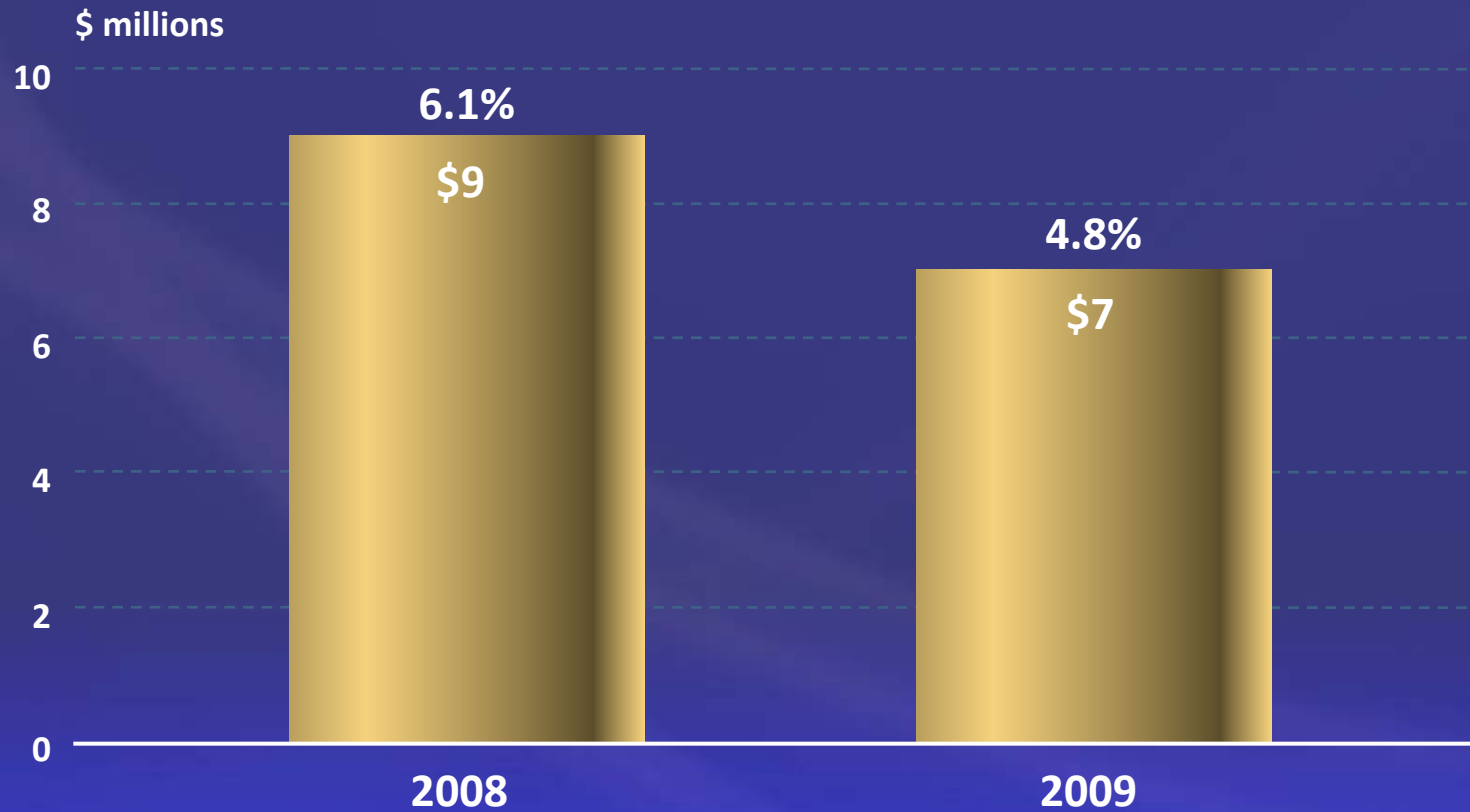


EBITDA





Net Income Before Non-Controlling Interest





Per-Unit Monthly Cash Distributions



Period	Per-unit amount	Annualized rate
January 2009	0.0833	\$1.00
February to December 2009	0.0416	\$0.50
December 2009 special distribution	0.0416	



2009 Distributable Cash



\$000s except % and per-unit amounts	Year ended Dec. 31, 2009	Year ended Dec. 31, 2008
Adjusted distributable cash	8,468	10,731
Adjusted distributable cash per unit	0.844	1.069
Distributions declared	5,844	11,765
Distribution per unit	0.582	1.172
Adjusted payout ratio	69.0%	109.6%

First Quarter 2010 Financial Results



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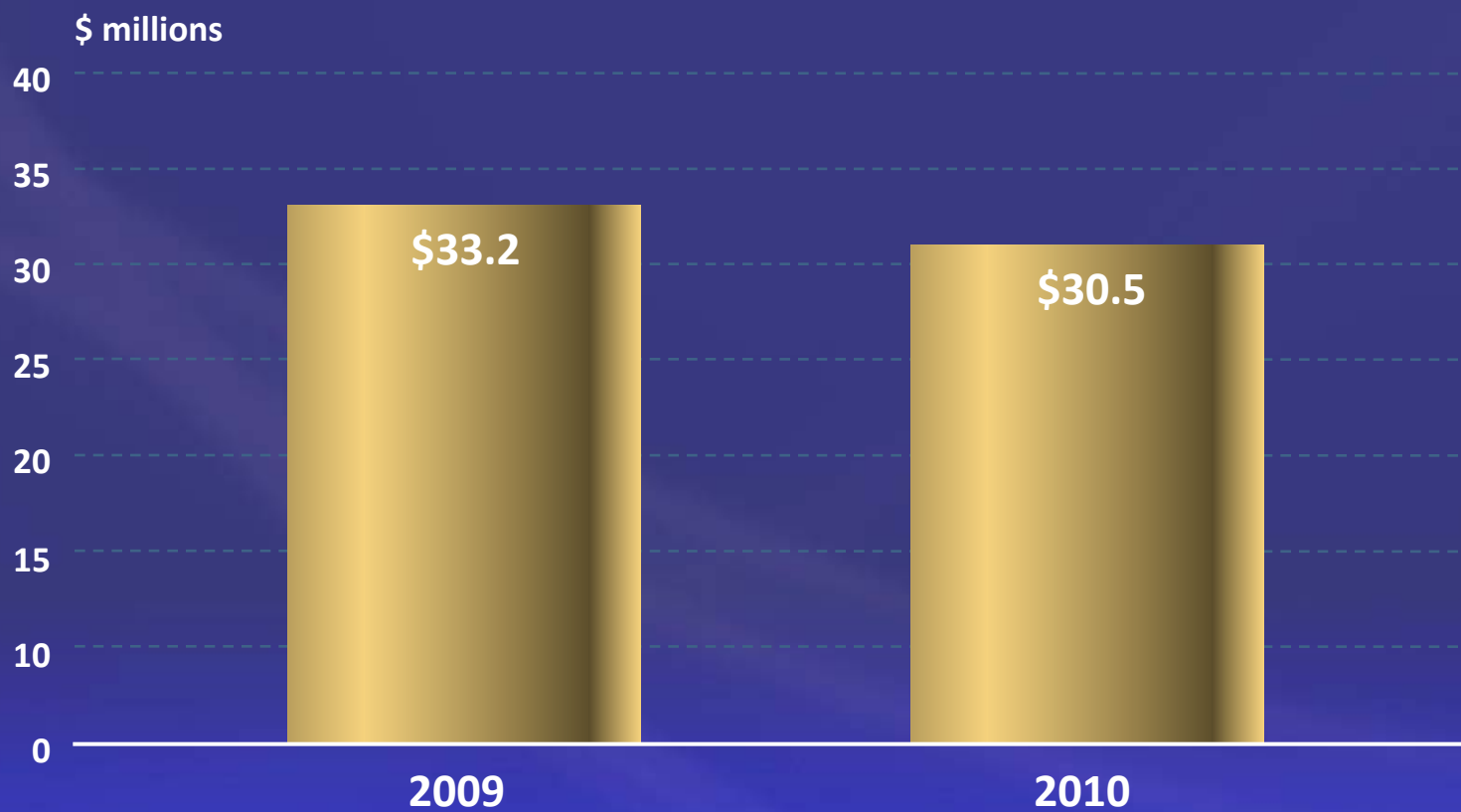
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Revenues



Three months ended March 31





Gross Margin



Three months ended March 31

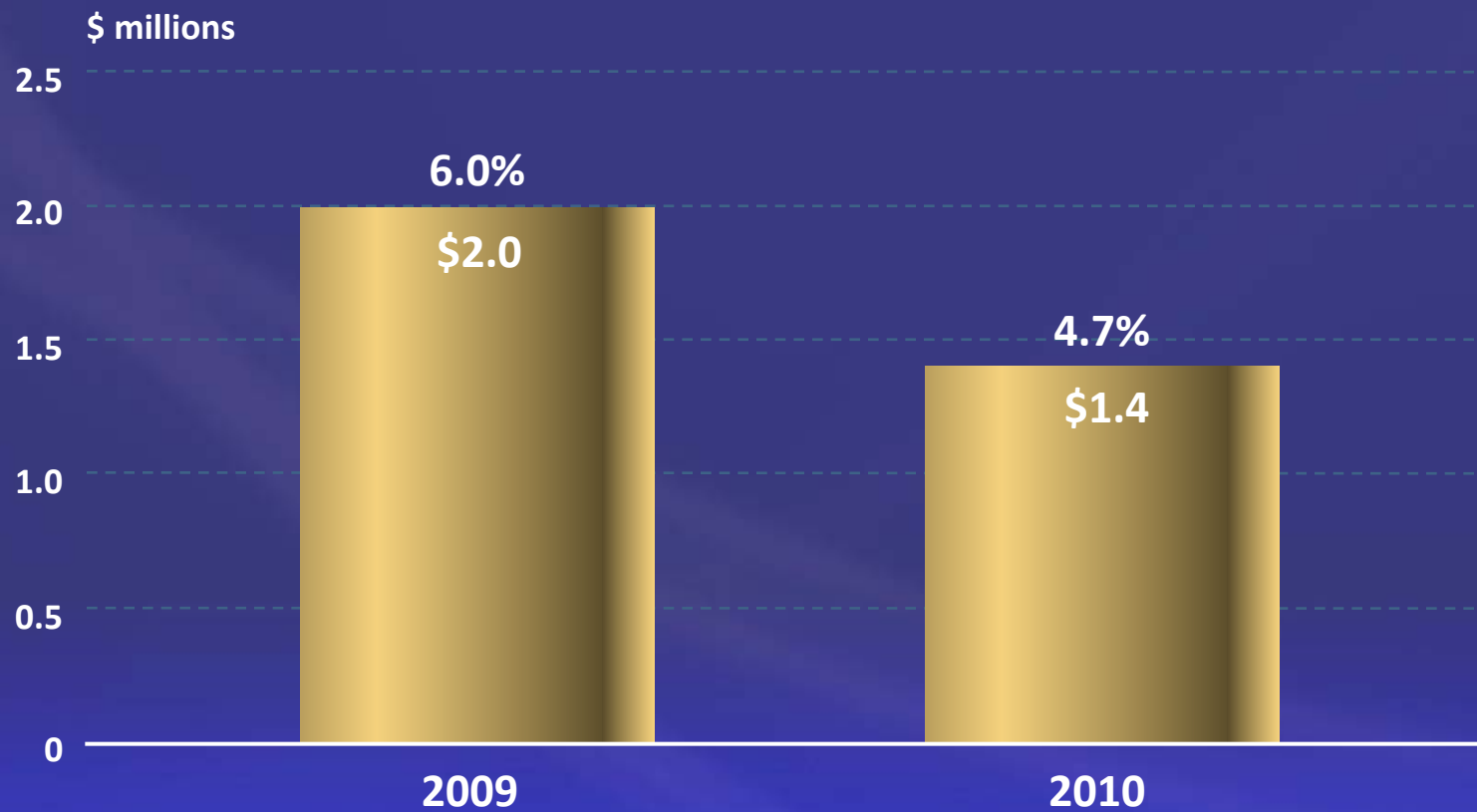




EBITDA



Three months ended March 31

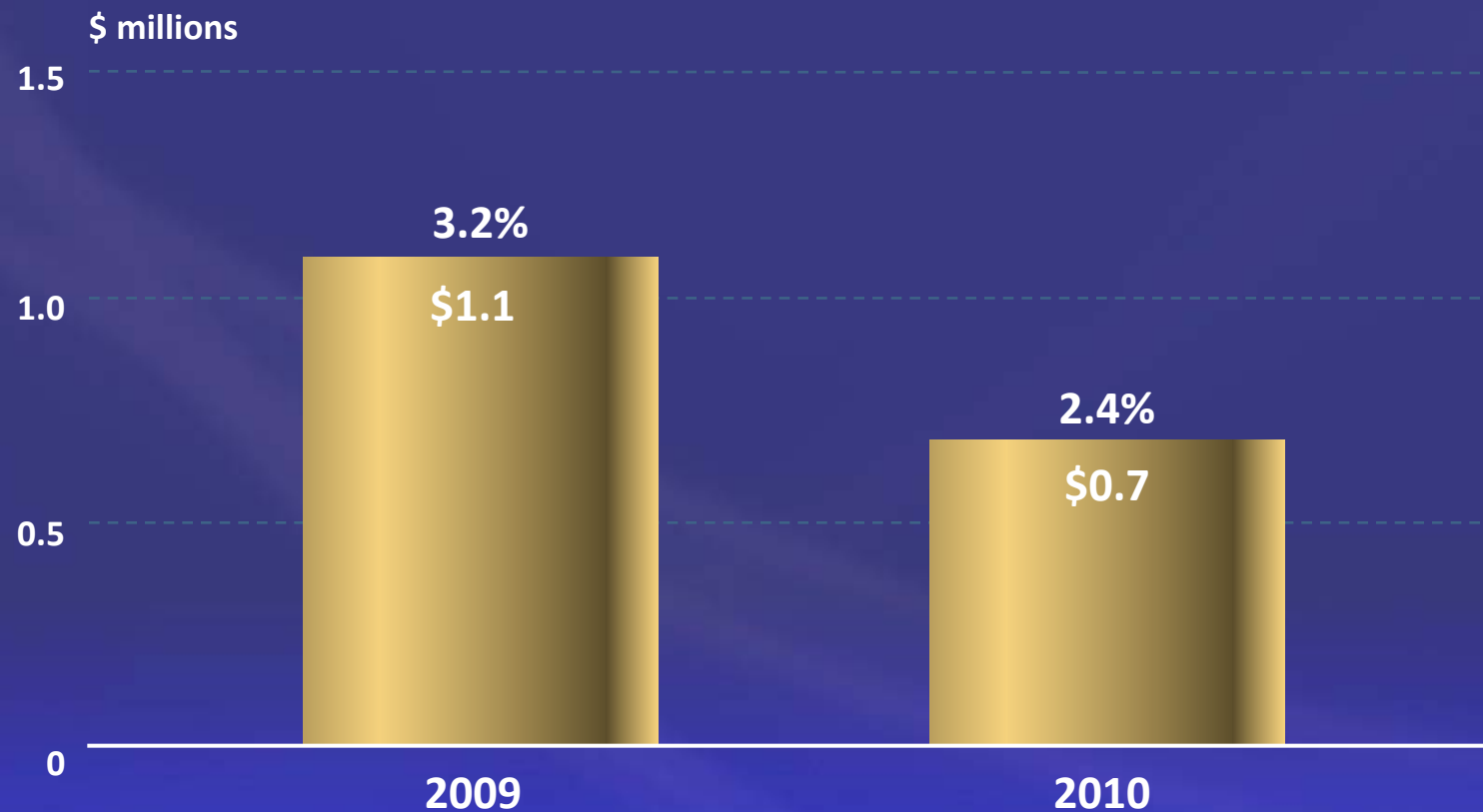




Net Income Before Non-Controlling Interest



Three months ended March 31





First-Half 2010 Cash Distributions



- Per-unit monthly distributions of \$0.416 declared through June 2010
- 59 consecutive monthly cash distributions paid to date to unitholders and non-controlling interest

Q1 2010 Cash Distributions



In \$000s except % and per-unit amounts	3 months ended Mar. 31, 2010	3 months ended Mar. 31, 2009
Adjusted distributable cash	\$1,123	\$1,641
Adjusted distributable cash per unit	0.112	0.161
Distributions declared	1,252	1,670
Distribution per unit	0.125	0.166
Adjusted payout ratio	111.5%	103.5%
Cumulative* adjusted payout ratio	93.3%	

*From Fund's inception on June 23, 2005

Balance Sheet Improvements



At Dec. 31	2009	2008
Operating line	Nil	\$3.5 million drawn
Cash position	\$2.4 million cash balance	\$1.6 million in cheques issued in excess of balance
Customer deposits	\$4.1 million	\$3.5 million

At March 31	2010	2009
Operating line	Nil	\$0.4 million drawn
Cash position	\$1.4 million cash balance	\$1.5 million in cheques issued in excess of balance
Customer deposits	\$4.9 million	\$4.4 million

- Repayment of \$3.3 million of \$5.3 acquisition term loan has reduced leverage and interest expense



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President and CEO



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Cautious Business Outlook



- Unsettled business environment persists worldwide
- Builders and developers constrained by rising interest rates and fluctuating customer demand
- Increased housing starts in Q4 2009 and Q1 2010 should drive improved contract sales in second half of 2010
- Competitive retail environment will continue to put downward pressure on margins

Priorities for 2010

- Continue to increase operating efficiency
- Complete consolidation of Burnaby & Vancouver warehouses
- Pursue new product and sales opportunities





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