

Nick Scali Limited
ABN 82 000 403 896
Head Office
3-29 Birnie Avenue
Lidcombe NSW 2141



Phone: (02) 9748 4000
Facsimile: (02) 9748 4022

19 September 2011

Company Announcements Office
Australian Stock Exchange Limited
20 Bridge Street
Sydney NSW 2000

By electronic lodgement

Dear Sir / Madam

Nick Scali Limited; ASX Code - NCK

Nick Scali Limited advises that the Notice of Annual General Meeting, Explanatory Notes, Proxy Form, and 2011 Annual Report will be dispatched to shareholders today, 19th September 2011, and electronic copies of the 2011 Annual Report made available from the Company's website www.nickscali.com.au.

The Annual General Meeting is to be held on Thursday 20th October 2011 commencing at 11.30am, at the Nick Scali Head Office, 3-29 Birnie Avenue, Lidcombe, New South Wales.

Copies of the Notice of Annual General Meeting, Explanatory Notes, and Proxy Form are attached. The Nick Scali Limited 2011 Annual Report was lodged separately with the ASX today, 19th September 2011.

For and on behalf of
NICK SCALI LIMITED

A handwritten signature in black ink, appearing to read 'D Clarke'.

David A Clarke
Chief Financial Officer and Company Secretary

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Nick Scali Limited ("the Company") will be held at Nick Scali Head Office, 3-29 Birnie Avenue, Lidcombe, on Thursday, 20 October 2011 at 11.30am.

Ordinary Business

(1) Financial Reporting

To receive and consider the Financial Report of the Company, the Directors' Report and Independent Auditor's Report for the year ended 30 June 2011.

There is no vote on this item.

(2) Re-election of Director

To consider and if thought fit pass the following as an ordinary resolution:

That Mr Nick Scali, who retires by rotation in accordance with the Company's Constitution rule 7.1(f), be re-elected as a Director of the Company.

(3) Election of Director

To consider and if thought fit pass the following as an ordinary resolution:

That Mr Ian Kennon, who, having been appointed as a Director since the last general meeting of the Company retires in accordance with the Company's Constitution rule 7.1(d), be elected as a Director of the Company.

(4) Remuneration Report

To consider and if thought fit pass the following as an advisory resolution:

To adopt the Remuneration Report of the Company for the year ended 30 June 2011 as set out on pages 13 to 15 of the Annual report.

Under the Corporations Act, this resolution is advisory only and does not bind the Directors or the Company.

Voting exclusion statement

A vote must not be cast (in any capacity) on this Resolution 4 by or on behalf of a member of the Company's key management personnel, details of whose remuneration are included in the Remuneration Report ("KMP") and their closely related parties, whether as a shareholder or as a proxy. However, a vote may be cast on this Resolution by a KMP, or a closely related party of a KMP, if:

- a. the vote is cast as a proxy and the appointment is in writing and specifies how the proxy is to vote on the Resolution; and
- b. the vote is not cast on behalf of a KMP or a closely related party of a KMP.

For further information, please refer to the Explanatory Notes which form a part of this Notice of Meeting.

By Order of the Board



David A Clarke
Company Secretary

19 September 2011

Notes on Voting

- (1) Each member has the right to appoint a proxy. A proxy need not be a member of the Company.
- (2) A member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (3) Proxies given by companies must be executed under seal or under the hand of an attorney duly authorised in writing.

Proxy forms must be received at:

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Locked Bag A14
Sydney South NSW 1235
Fax 02 9287 0309

Or lodge your vote online at www.linkmarketservices.com.au.

Proxy closes

Proxy form must be received at Link Market Services by **11.30am on Tuesday, 18 October 2011**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid.

Entitlement to vote

In accordance with the requirements of the Corporations Act, the Directors have determined that a person's entitlement to vote at the meeting will be the entitlement of that person set out in the registrar of members as at 7.00pm Tuesday, 18 October 2011.

Annual General Meeting – Explanatory Notes

Agenda item 1 – Financial Reporting

In accordance with the requirements of the Corporations Act the Financial Report, Directors' Report and Independent Auditor's Report of the Company for the most recent financial year, which are included in the Company's Annual Report, will be laid before the meeting. Shareholders will be provided with the opportunity to ask questions about the reports or about the Company generally, but there will be no formal resolution put to the meeting. The Auditor will be available at the meeting to answer any questions in relation to the Auditor's Report or the conduct of the audit of the Financial Report.

Agenda item 2 and 3 – Re-election and election of Directors

In accordance with rule 7.1(f) of the Company's Constitution, Mr Nick Scali retires from office at this General Meeting, and being eligible to do so, offers himself for re-election.

In accordance with rule 7.1(d) of the Company's Constitution, Mr Ian Kennon, who, having been appointed as a Director since the last General Meeting of the Company as an additional Director, retires from office at this General Meeting and being eligible to do so, offers himself for election.

Following are short biographies of the Directors standing for re-election or election.

Mr Nick Scali – Non-Executive Director

Mr Scali founded the business of Nick Scali over 56 years ago and was solely responsible for managing the business until his son joined in 1982. Mr Scali is considered a pioneer and innovator in the importing and retailing of furniture into Australia. Over the years, he has served on a number of public company boards, founded other enterprises, pioneered the introduction of modular kitchens to Australia, and has made major contributions towards the Australian Italian community, including serving as the President of the Italian Chamber of Commerce for 4 years.

Mr Ian Kennon – Independent Non-Executive Director

Mr Kennon is greatly experienced and respected in the field of media, advertising and brand strategy. Ian was the General Manager of the Ten television network for many years, and subsequently established the Ian Kennon Advertising agency, where he was responsible for a number of now iconic branding and marketing programmes including that of retailer David Jones, an account he managed for 14 years. Ian is currently Chairman of a privately held property company and has previously held directorships in a number of businesses. With his appointment Ian complements the skills of the existing Directors by bringing to the board his extensive expertise in the strategically important areas of marketing and brand development.

Agenda item 4 – Remuneration Report

The Corporations Act requires listed companies to put a Remuneration Report relating to director and executive remuneration for each financial year to a resolution of members at their Annual General Meeting. The Remuneration Report is included on pages 13 to 15 of the Company's Annual Report, which accompanies this Notice of Meeting.

The Remuneration Report outlines the remuneration arrangements in place for directors and executives of the Company, and summarises the Company's remuneration philosophy as well as providing details of the Remuneration Committee, which is a Board subcommittee.

Under section 250R(3) of the Corporations Act, the vote on the Remuneration Report is advisory only and does not bind the Directors or the Company. However, under changes to the Corporations Act which came into effect on 1 July 2011, if at least 25% of the votes cast on the resolution are voted against adoption of the Remuneration Report at the meeting and that occurs again at the 2012 Annual General Meeting, the Company will be required to put to shareholders a resolution at the 2012 Annual General Meeting proposing the calling of an extraordinary general meeting to consider the election of directors of the Company ("spill resolution").

If more than 50% of shareholders vote in favour of the spill resolution, the Company must convene the extraordinary general meeting ("spill meeting") within 90 days of the 2012 Annual General Meeting. All of the Directors who were in office when the 2012 Directors' Report was considered at the 2012 Annual General Meeting, other than the Managing Director, will cease to hold office immediately before the end of the spill meeting but may stand for re-election at the spill meeting. Following the spill meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.



By mail:

Nick Scali Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



By fax: 02 9287 0309



All enquiries to: Telephone: 02 8280 7111

SECURITYHOLDER VOTING FORM

I/We being a member(s) of Nick Scali Limited and entitled to attend and vote hereby appoint:

STEP 1

APPOINT A PROXY

☐

the Chairman
of the Meeting¹
(mark box)

OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy and to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 11:30am on Thursday, 20 October 2011, at Nick Scali Head Office, 3-29 Birnie Avenue, Lidcombe, NSW and at any adjournment or postponement of the meeting.



¹ If you appoint a proxy, we encourage you to direct your proxy how to vote on each item of business.

An undirected proxy vote cannot be cast in respect to Item 4 (Remuneration Report) if the proxy is held by the Chairman of the Meeting, a Director, or other Key Management Personnel of the Company, or their closely related parties. See the Notice of Meeting and overleaf for more information.

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an **X**

STEP 2

VOTING DIRECTIONS

Resolution 2

Re-election of Mr Nick Scali as a Director of the Company

For
☐

Against
☐

Abstain²
☐

Resolution 3

Election of Mr Ian Kennon as a Director of the Company

☐
☐
☐

Resolution 4

Remuneration Report

☐
☐
☐

i ² If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3

SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Securityholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Securityholder 3 (Individual)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).



HOW TO COMPLETE THIS PROXY FORM

Your Name and Address

This is your name and address as it appears on the company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person in Step 1. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. A proxy may be an individual or a body corporate.

Votes on Items of Business - Proxy Appointment

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

If the Chairman of the meeting or another of the Key Management Personnel of the company or their closely related parties is your proxy, that person will not vote your shares on Item 4 (Remuneration Report) if you have not directed them how to vote on that item.

Key Management Personnel of the company are the Directors and those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly. The Remuneration Report identifies the company's Key Management Personnel for the financial year to 30 June 2011. Their closely related parties are defined in the *Corporations Act 2001* (Cth), and include certain of their family members, dependants and companies they control.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either securityholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Corporate Representatives

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the company's security registry.

Lodgement of a Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:30am on Tuesday, 18 October 2011**, being not later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE  www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the proxy form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the proxy form).



by mail:

Nick Scali Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



by fax:

02 9287 0309



by hand:

delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000.

**If you would like to attend and vote at the Annual General Meeting, please bring this form with you.
This will assist in registering your attendance.**