

Super Retail Group Limited

(Formerly Super Cheap Auto Group Limited)

ANNUAL REPORT 2011



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NAME OF ENTITY

SUPER RETAIL GROUP LIMITED
(Formerly Super Cheap Auto Group Limited)

ABN OR EQUIVALENT COMPANY REFERENCE

ABN 81 108 676 204

REGISTERED OFFICE

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LAWNTON QLD 4501
Telephone (07) 3482 7500
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SHARE REGISTRY

Link Market Services
Level 12, 680 George Street
SYDNEY NSW 2000

BANKERS

Australia and New Zealand Banking
Group Limited
HSBC
Commonwealth Bank of Australia

AUDITORS

PricewaterhouseCoopers

SOLICITORS

Redmond Van De Graaff
Mallesons Stephen Jaques

STOCK EXCHANGE LISTING

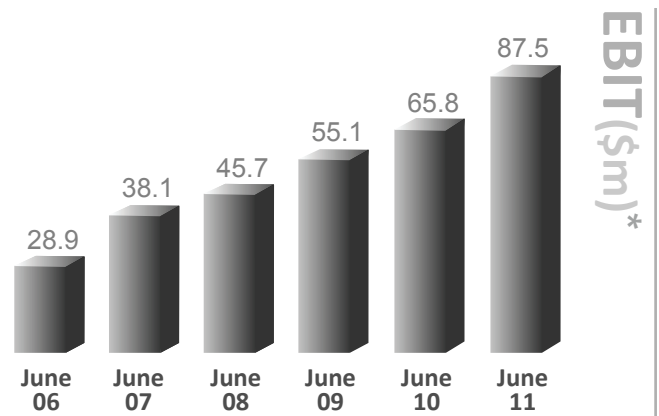
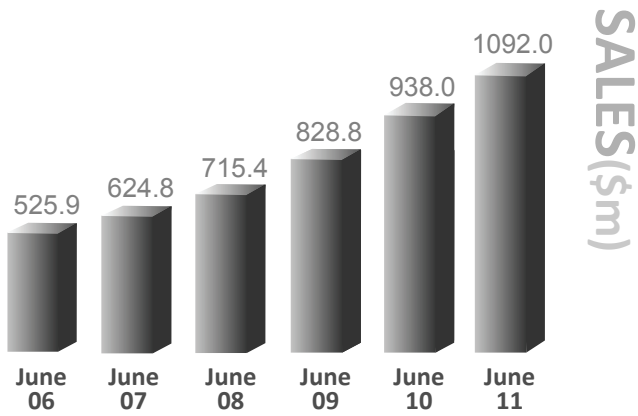
Super Retail Group Limited shares
are quoted on the Australian Stock
Exchange.

WEBSITE

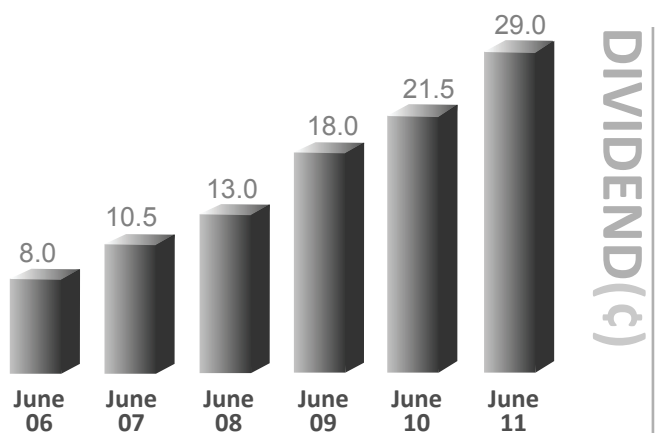
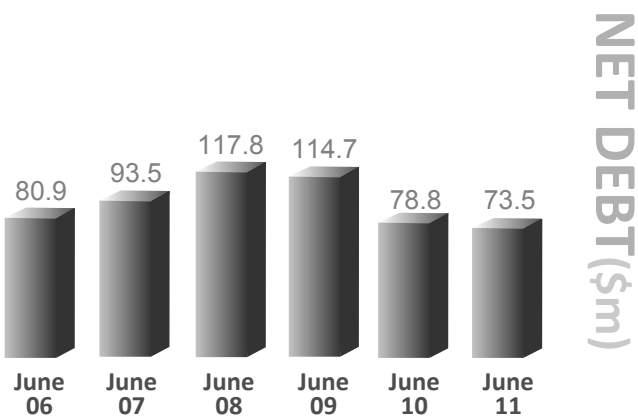
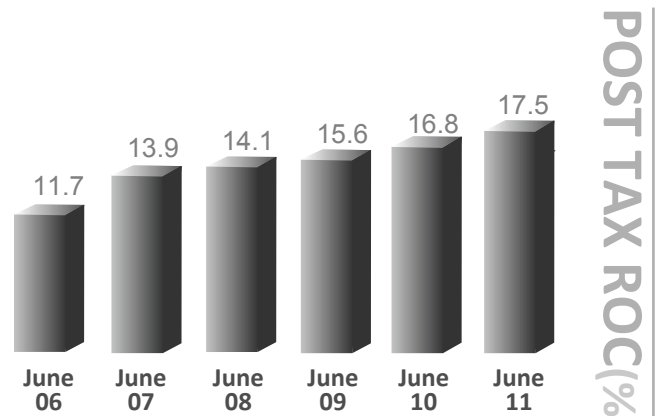
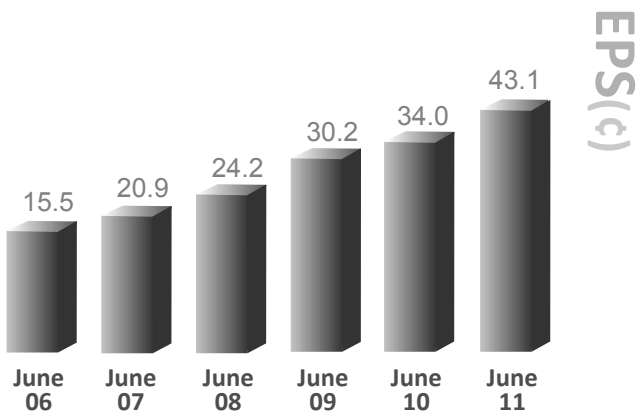
www.superretailgroup.com

THE ANNUAL GENERAL MEETING

The Annual General Meeting of the
Shareholders of Super Retail Group
Limited will be held at the Kedron
Wavell Services Club, Long Tan Room,
375 Hamilton Road, Chermside South,
Queensland on Wednesday, 26 October
2011 at 11.30 am.



*excludes goodwill impairment charge in 2010





CHAIRMAN AND MANAGING DIRECTOR'S REPORT

We are very pleased to be able to report on another successful year for our Company. Despite the widespread slowing in the growth of retail spending, we have been able to deliver a strong increase in both sales and profit across the Group.

Sales grew by 16.4% while profit after tax grew by 46.1%. These results have been achieved through a combination of the continued strong performance of the Supercheap Auto and BCF Boating Camping Fishing businesses and the full year contribution of the Ray's Outdoors business, which was acquired on 31 May 2010.

New stores, solid like for like sales growth and strong improvement in gross margins are the major drivers of the results. This has been delivered through a continued focus on new product introduction, sourcing and supply chain initiatives and the development of business capabilities.

The results are particularly creditable given that the 2010/11 financial year was a 52 week period whilst the 2009/10 financial year was a 53 week period, with the extra week contributing an additional \$18 million in sales and \$800,000 in profit after tax to the prior year's results.

We have continued to invest in future growth with \$48.3 million in new and refurbished stores across the Group and \$7.1 million in IT and supply chain projects. Despite this investment, net debt was reduced by \$5.3 million with a further reduction in net working capital per store a key factor.

Underpinning our performance has been the passion and commitment of our team members. We have continued to improve team member retention which has increased from 68% to 70% over the year. On behalf of all shareholders we would like to thank all of our team members for their hard work and contribution throughout the year.

The Board has declared a fully franked final dividend of 17.5 cents per share. As a result, the dividends for the full year are 29 cents per share, an increase of 35% (7.5 cents per share) over the prior year. The dividends are fully franked. The current dividend policy enables the Group to continue to gradually pay down debt and to invest in new stores and other growth initiatives whilst also delivering ongoing growth in dividend to shareholders.

Auto and Cycle Retailing


Divisional sales at \$708.2 million were 3.4% higher than the prior period or 6% after adjusting for the extra week sales in the prior period. EBIT at \$63.6 million was a very pleasing 32% higher than the prior comparative period.

Supercheap Auto continued to perform extremely well with strong like for like sales growth of 4.8% maintaining the rate of growth delivered over the last four years. Like for like growth in both customer numbers and average number of items per transaction were the major drivers of sales growth.

The business has continued to focus on new product introduction, with 20% of the product range renewed during the year, and in delivering further improvement in in-store stock presence and merchandising standards. The business also continued its store refurbishment program with a further 34 stores refurbished or relocated during the year, including three stores reconfigured as Superstores.

The business completed the rollout of the extended range of tools and garage storage solutions which required a significant relay in many stores. This contributed to particularly strong like for like sales growth in the Tools and Storage categories. The Car Exterior, Carcare and Car Audio/Visual categories also performed particularly well.

Gross margin improved by a further 1.7% points over the prior year and has now increased by 3.6% points over the last 3 years. There are many factors contributing to this exceptional result including direct sourcing of imported products, development of own brand ranges, investment in product quality reducing returns, supply chain efficiencies, improvement in trading terms and the stronger Australian dollar.



Nine new stores were opened and two stores were closed during the year which resulted in 274 stores across Australia and New Zealand at the end of June 2011. Some disruption to trading was experienced during the Queensland and Victorian floods and the Christchurch earthquakes with a number of short term store closures whilst one store in Sydney was closed for much of the year following a fire. The business has identified the potential for around 320 stores over the medium term.

The business has continued to develop its on-line and trade customer offer and has experienced strong growth in both areas albeit from a low base. Both areas represent opportunity for further significant growth in the future.

In June 2011, Supercheap Auto was recognised as the Oracle Retail World Australian Retailer of the Year.

Performance at Goldcross Cycles, which represents 2% of the Group's revenue, has continued to fall below expectations. Like for like sales declined by 14% during the year which was in line with trends across the wider bicycle market. More adults are riding bicycles but this has not led to an increase in spending across the domestic retail industry. Industry statistics indicate that approximately 16% of purchases made by Australian consumers in the bicycle market are from international websites – this figure was 7% only 18 months ago. In addition, fewer children are active cyclists.

The shortfall in like for like sales was offset by the contribution from two new stores opened during the year, control of operating costs and improvement in gross margin. Overall gross margin increased by 3.0% points through the successful launch of own brand bicycles and various supply chain initiatives, despite the impact of market wide discounting and stock clearance actions.

The Board has completed a review of the performance of the business and has determined that the most viable medium term value creating strategy will be to maintain the focus on performance improvement across the existing network of stores. This will be achieved through relocating underperforming stores to smaller lower cost locations, reducing stock holdings, developing a range of own brand parts and accessories, driving supply chain efficiencies and adapting business processes to facilitate a greater focus on customer service.

Leisure Retailing

The overall results of the division for the 2010/11 year include a full year's contribution from the Ray's Outdoors business, compared to one month's contribution in the prior comparative period.

The division performed well with sales at \$384.1 million and EBIT at \$32.0 million, both 50% higher than the prior comparative period. The \$2 million synergy benefits from the acquisition of Ray's Outdoors, which had been forecast to be delivered in the 2011/12 year, were fully realised in the 2010/11 year.

Ray's Outdoors was completely integrated into the Group's supply chain and IT systems by October 2010 and the Merchandising and Marketing functions were integrated with BCF Boating Camping Fishing in January 2011. This has allowed both businesses to benefit from the scale of the combined division.

The BCF Boating Camping Fishing business has continued to deliver strong sales growth with nine new stores opened during the year and like for like sales growth in existing stores of 4.6%. Like for like sales growth was driven by an increase in both customer numbers and in average item value.

All three major categories performed well with Boating benefitting from the introduction of new products in the 4WD and kayak ranges. The business has continued to tailor the range at a store level to local market demand and to develop its range of own brand and exclusive products.

Sales growth has been particularly strong in Victoria, South Australia and Western Australia and it was pleasing to see solid growth in North and Central Queensland after the slowdown in this region in the prior year. Sales in Brisbane and the Gold Coast were impacted by adverse weather conditions during the peak summer trading period.

Membership of the BCF club has increased to 740,000 with 16,000 members attending in-store club nights during the year. The business has also successfully increased the amount of electronic direct marketing to club members. Visitor numbers to the BCF website have increased by 86% during the year as the business has continued to develop its library of online video content.



The sales contribution from the Ray's Outdoors business was below expectations. For much of the year, the business suffered from high levels of out of stocks across key merchandise ranges through a loss of focus in the lead up to the acquisition in May of last year and during the integration period post acquisition.

The management team have conducted an extensive review of product ranging and pricing policies to bring these into line with customer expectations. New product ranges are being introduced into the business and there is a strong focus on improving product quality. International and domestic branded product trade partners have been invited to have a greater presence in the stores.

A new customer value proposition has been developed along with a new marketing campaign and this will be launched in the early part of the 2011/12 year.

Good progress has been made in developing the network of Ray's Outdoors stores across Australia with 12 new stores opened during the year. A key challenge in the coming year will be to build brand awareness in Queensland, New South Wales and Western Australia to match the level in the business' home state of Victoria.

Overall gross margin across the division increased by a very pleasing 2.0% points through the contribution of the higher margin Ray's Outdoors business and the work undertaken in BCF Boating Camping Fishing to increase the volume of directly sourced product, to improve supply chain processes and to secure improved trading terms. Gross margin in the Ray's Outdoors business was ahead of expectations at the time of the acquisition which partly offset the sales shortfall.

Overall operating costs to sales increased by 2.1% of sales which reflected the impact of the higher cost structures in the Ray's Outdoors business to support sales of footwear, BBQs and outdoor furniture and the increase in the number of smaller format BCF Boating Camping Fishing stores.

During the year, the division developed a third business concept to trade under the name FCO Fishing Camping Outdoors. This new business, which takes elements from both the BCF Boating Camping Fishing and the Ray's Outdoors businesses, has been designed specifically for the New Zealand market.

The business is being developed to provide a destination offer across a full range of outdoor leisure categories (Fishing, Camping, Boating, Kayaks, Outdoor Apparel and Footwear, BBQs) which is a gap in the current New Zealand retail market.

Plans are in progress to launch the business in November 2011 with 10 stores across the North Island and a further two stores in the post Christmas period. This will require a net capital investment of circa \$12 million. The Board will monitor performance over the initial 12 month period before committing further capital.

At the end of June, the division had 78 BCF Boating Camping Fishing stores and 50 Ray's Outdoors stores trading across Australia. There is the potential for around 185 stores across Australia and New Zealand through the ongoing growth of the existing businesses and the development of the FCO business.

Group Costs

Group Costs include \$1.9 million of integration costs associated with the Ray's Outdoors business, \$0.9 million of non recurring corporate development costs, \$0.7 million of multi channel development program costs, \$2.1 million of costs associated with unutilised distribution centre, support office and store space (mainly arising from the integration of Ray's Outdoors) and \$2.5 million public company costs.



Group Logistics and Sourcing

The foundations established by the Company during the last four years have served the Group well during the year. The Ray's Outdoors business was integrated into the Group's supply chain operations within three months of acquisition. The Group's five distribution centres are capable of operating as 'multi-user' facilities supporting all of the Group's businesses. The New Zealand distribution centre site will be relocated to a larger facility in the coming year to support the development of the FCO Fishing Camping Outdoors business.

In addition to the increase in units flowing through the distribution centres as a result of the growth of the Group's businesses, the BCF Boating Camping Fishing business was able to achieve gross profit improvements through directing more products through distribution centres rather than direct from trade partners to stores.

The value of product sourced by the Group Sourcing Team based in China increased by 150% to more than \$70 million. This growth has been a major factor underpinning the increase in gross margins across the Group's businesses over the last four years.

Some additional off-site storage was required during the lead up to peak sales periods and this remains an opportunity for further efficiency savings in coming years as the Group improves its inventory planning capabilities. The Group has continued to improve in stock position across its existing businesses and to reduce average stock holdings.

Review of Financial Condition

Cash flow from operations was \$70.9 million which was \$18.3 million higher than the prior period. Underlying cash flow from operations pre investment in new store inventory and set up costs was \$95.3 million which was \$25.3 million higher than the prior period. This reflected the continued strong control of working capital across the Supercheap Auto and BCF Boating Camping Fishing businesses. The Ray's Outdoors business has invested in introducing new product ranges which has resulted in a consequential increase in inventory per store.

Group capital expenditure was \$36.5 million which included \$12.9 million in new store fit-out, \$10.9 million in store refurbishments, \$6.7 million in information technology projects and \$5.9 million in general capital projects.

The Group fully funded all growth investment and continued to reduce net debt which stood at \$73.5 million at the end of June. This represented a decrease of \$5.3 million compared to the prior comparative period. The Group has operated comfortably within debt facility limits and with significant head room against all facility covenants throughout the year.

Corporate Social Responsibility

The Group has continued to support the Sids and Kids, Canteen and Heart Foundation charities. The Group is particularly proud of the work that has been done to support BrAshA-T Ataxia Telangiectasia Limited, a charity raising funds to direct towards research into an extremely rare but very serious degenerative condition. The Group's sourcing team has developed a range of products which are sold through the Group's stores with all monies raised donated to the BrAshA-T charity. The Group also supported the Queensland and Victorian flood recovery funds and the Christchurch earthquake recovery fund as well as raising funds for a number of team members affected by these disasters.


Supercheap Auto continues to support and market safe driving campaigns, BCF Boating Camping Fishing raises funds for the Coastguard and Ray's Outdoors has developed a relationship with the Cancer Council to raise funds for and awareness of skin cancer.

The Group has now appointed a Sustainability Manager to drive the Group's environmental initiatives including the reduction of packaging, power consumption and plastic bag usage and the development of recycling arrangements.

Further details on the Group's initiatives are provided in the Group's Corporate Review which can be found on the Group's website: superretailgroup.com.au.

Team Members

The Group now employs close to 6,200 team members at 430 sites across Australia, New Zealand and China. As highlighted earlier in this report, we are particularly pleased that our team member retention has continued to increase. Over the last five years, retention of all team members, inclusive of our casual team members, has increased from 59% to 70% and is now strongly ahead of the average achieved across the retail industry.



The safety performance across the Group continues to be strong with injury rates below retail industry averages. The safety record across the distribution centres is particularly pleasing given the large increase in the volume of product being handled by the Group Logistics team. Our retail teams have increased their focus on safe working practices during the year and safety incidents have fallen as a proportion of total team members. We are reviewing our stock handling practices to ensure that these allow us to safely handle stock throughout the supply chain, particularly given the increase in the weight and size of product being sold in our stores.

We continue to invest in improving our learning and development programs and have introduced a number of new management development and product training programs during the year. All store teams across the Group now have a monthly evening training meeting.

We would like to acknowledge the team for continuing to demonstrate tremendous levels of passion and commitment. We would also like to particularly recognise the efforts of those team members both in the stores and in the set up teams who were impacted by the natural disasters during the year. There is nothing more discouraging than seeing a store that you have worked hard to present to a high standard being destroyed by flood or earthquake – particularly when this happens more than once. Our team have shown great resilience to bounce back quickly.

Looking Forward

We have demonstrated over the last two years, during a period of a downturn in the growth in retail spending, that we can continue to deliver strong growth in both revenue and profitability. Although wider economic conditions mean that the short term outlook for retail spending remains uncertain, we are confident of our ability to grow our store network, deliver like for like sales growth and improve gross margins. We also expect to continue to deliver working capital efficiencies across the Group.

In the coming year, we plan to open five new stores, convert two stores to Superstores and refurbish another 30 stores in our Supercheap Auto business and to open 20 to 25 stores across the Leisure Retailing division.

We will continue to invest in developing our multi channel and customer relationship management capabilities. We plan to be able to offer our customers options to order on-line with either pick up in store or home delivery and we expect to launch a loyalty scheme in the Supercheap Auto business in the coming year.

We will also continue to explore opportunities to extend our retail operations into adjacent retail categories through either acquisition or organic development.

Thank you for your ongoing support of our company, we look forward to reporting to you on our progress in the coming year.



R Wright
Chairman



P A Birtles
Managing Director and Chief Executive Officer



CORPORATE GOVERNANCE STATEMENT

Super Retail Group Limited (formerly Super Cheap Auto Group Limited) ("the Company") and the Board are committed to achieving and demonstrating high standards of corporate governance. The Directors of Super Retail Group Limited are accountable to shareholders for the proper management of the business and affairs of the Company.

A description of the Company's main corporate governance practices is set out below. All these practices unless otherwise stated were in place for the reported period. They comply with the ASX Corporate Governance Principles and Recommendations (including 2010 Amendments). The Company has adopted policies relating to diversity, securities trading and briefing of analysts, these are available from the Company website www.superretailgroup.com. The revision and transition of our governance frameworks has commenced and details of our diversity policy are contained in pages 27 to 28 of the report. Other changes in relation to the financial year 3 July 2011 to 30 June 2012 will be disclosed in the next annual report.

As at 2 July 2011, and to the date of the signing of this report, the position of the Company is as follows:

Principle 1: Lay solid foundations for management and oversight

The Board of Directors

The Board of Directors, working with senior management, is responsible to shareholders for the overall management of the Company's business and affairs. The Directors' overriding objective is to increase shareholder value within an appropriate framework which protects the rights and interests of company shareholders and ensures the Company and its controlled entities are properly managed.

The Board delegates responsibility for day-to-day management of the Company to the Managing Director.

Principle 2: Structure the Board to add value

Composition of the Board

The constitution of the Company provides that the number of Directors is to be not less than three nor more than eight. The Board is currently comprised of five directors, four of whom (including the Chairman) hold their positions in a non-executive capacity.

The Board operates in accordance with the broad principles set out in its charter which is available from the Corporate Governance information section of the Company website at www.superretailgroup.com.

The Chairman is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating board discussions and managing the Board's relationship with the Company's senior executives.

The Managing Director is responsible for implementing Group strategies and policies.

The composition of the Board is reviewed annually by the Board Nomination Committee to ensure that it has available an appropriate mix of skills and experience to ensure the interests of shareholders are served.

Details of the members of the Board, their experience, expertise, qualifications and independent status are profiled in the Directors' Report on pages 14 to 28.

Responsibilities

The responsibilities of the Board include:

- approving the Company's goals and strategic direction;
- monitoring financial performance, including adopting annual budgets and approving the Group's financial statements;
- ensuring that adequate systems of internal control exist and are appropriately monitored for compliance;
- selecting the Managing Director and reviewing the performance of senior management; and
- ensuring significant business risks are identified and appropriately managed.



Directors' Independence

As stated there are five Directors, three of whom are Independent Non-Executive Directors (including the Chairman). The predominance of Independent Non-Executive Directors clearly separates the Board from the Company's executive management and enshrines board independence. The structure also provides the Company with the benefit of a diverse range of experience, qualifications and professional skills.

The Board has adopted the independence definition suggested by the ASX Corporate Governance Council and as such three of the Company's Directors (namely Mr Robert Wright, Ms Sally Pitkin and Mr R John Skippen) are considered to be independent by reference to that definition.

Independent Professional Advice

The Board (and each individual Director) is entitled to seek independent professional advice consistent with Corporate Governance Practices at the Company's expense (subject to the reasonableness of the costs and Board consent) in the conduct of its duties for the Company.

Performance Assessment

The Board undertakes an annual performance evaluation of itself that compares the performance of the Board with the requirements of the Board Charter, sets the goals and objectives of the Board for the upcoming year and effects any improvements to the Board Charter that are necessary or desirable.

This evaluation is conducted by the Board and includes consideration of the annual assessment of the effectiveness of the Board.

This assessment was undertaken during June 2011.

Financial Reporting

The Board is provided with monthly reports from management on the financial performance of the Company. The monthly reports include details of all key financial measures reported against budgets approved by the Board. The Company's financial report preparation and approval process for each financial year involves both the Managing Director and the Chief Financial Officer making the following certifications to the Board that:

- the Company's financial reports and accompanying notes represent a true and fair view in all material respects of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
- the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

Board Committees

The Board has established three committees to assist it in carrying out its responsibilities, the Board Nomination Committee, the Human Resources and Remuneration Committee and the Audit and Risk Committee.

Each Committee has its own written charter setting out its role and responsibilities, composition, structure, membership requirements and the manner in which the Committee is to operate. All matters determined by Committees are submitted to the full Board as recommendations for Board decision.

Minutes of committee meetings are tabled at the subsequent Board meeting. Additional requirements for specific reporting by the committees to the Board are addressed in the charter of the individual committees.

Principle 3: Promote ethical and responsible decision making

Code of Conduct

The Company has developed a statement of values and a Code of Conduct ("the Code") which has been fully endorsed by the Board and applies to all Directors and team members. The Code is reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity.

In summary, the Code requires that at all times all company personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and company policies. This is supported by the Company's integrity policy and system of reporting activity suspected of breaching the Code to the Company Secretary.



A copy of the Code is available on the Company's website.

Dealing in Shares

The Company has a formal written policy for Directors and officers with respect to trading in the Company's securities ("Trading Policy"). Directors and senior management (and their associates) are prohibited from engaging in short-term trading of Company securities.

The policy also restricts the selling of Company securities to three "window" periods (between 24 hours and 30 working days following the release of the annual results, the release of the half-yearly results and the close of the annual general meeting) and such other times as the Board permits. In addition, Directors must notify the Chairman before they buy or sell Company securities and confirm once the transaction is complete.

In all instances, buying or selling Company shares is not permitted at any time by any person who possesses price sensitive information not available to the market.

A copy of the Trading Policy is available on the Company's website.

Ethical Sourcing Policy

The Company has developed an Ethical Sourcing Policy that applies to all its businesses and brands.

The policy incorporates both environmental and socioeconomic criteria for all imported products sourced directly or through agents. The policy encourages trade partners and agents to improve their social and environmental practices, and protect our corporate reputation and that of our individual businesses and brands.

Principle 4: Safeguard integrity in financial reporting

Audit and Risk Committee

The existence of the Audit and Risk Committee is considered by the Company to be a key element of its corporate governance program and part of the Company's commitment to best practice in the area of corporate governance.

The Audit and Risk Committee consists of the following Independent Non-Executive Directors:

R J Skippen (Chairman)
R J Wright
S A Pitkin
D D McDonough (resigned 31 August 2010)

All members of the Audit and Risk Committee are financially literate and have the requisite financial expertise. Some members have an in-depth understanding of the industry in which the Company operates.

Details of these Directors' qualifications and attendance at Audit and Risk Committee meetings are set out in the Director's Report on pages 14 to 28.

The Audit and Risk Committee operates in accordance with a charter which is available on the Company's website.

The Audit and Risk Committee supports the full Board and essentially acts in a review and advisory capacity. The Committee is considered to be a more efficient forum than the full Board for focusing on particular issues relevant to:

- verifying and safeguarding the integrity of the Company's financial reporting including the review, assessment and approval of the half-year financial report, the annual report and all other financial information published by the Company or released to the market;
- establishing a sound system of risk oversight and management, and internal control; and
- establishing a sound system of compliance with laws and regulations, internal compliance guidelines, policies, procedures and control systems and prescribed internal standards of behaviour.



This Committee provides ongoing assurance in the areas of:

- financial administration and reporting;
- audit control and independence; and
- accounting policies and standards.

External Auditors

The Company's Audit and Risk Committee's policy is to appoint external auditors who demonstrate quality and independence.

The Audit and Risk Committee:

- recommends to the Board the appointment of External Auditors and their fee;
- reviews the performance of the External Auditors;
- establishes processes to ensure the independence and competence of the External Auditors' Audit Managers;
- oversees and appraises the quality of audits conducted by the External Auditors;
- approves External Audit yearly audit plans for the Company and its subsidiaries and oversees the scope of audits to be conducted; and
- ensures that no management restrictions are placed upon access to relevant information or personnel by External Auditors.

The performance of the External Auditor is reviewed annually.

An analysis of fees paid to the External Auditors, including a break-down of fees for non-audit services is provided in Note 28 to the financial statements. It is the policy of the External Auditors to provide an annual declaration of their independence to the Audit and Risk Committee.

The External Auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Principle 5 and 6: Make timely and balanced disclosures and respects the rights of shareholders

Continuous Disclosure and Shareholder Communication

The Company has written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Company and its controlled entities that a reasonable person would expect to have a material effect on the price of the Company's securities. These policies and procedures also include the arrangements the Company has in place to promote communication with shareholders and encourage effective participation at general meetings. A summary of these policies and procedures is available on the Company's website.

The Company Secretary is the person responsible for communications with the Australian Stock Exchange (ASX).

Principle 7: Recognise and manage risk

The Audit and Risk Committee provides oversight and direction to the Company's risk management, compliance and internal control systems, including:

- legal compliance;
- internal controls; and
- risk oversight and management.

Risk Management

The Managing Director and senior management team are instructed and empowered by the Board to implement risk management strategies, report to the Board and the Audit and Risk Committee on developments related to risk, and suggest to the Board new and revised strategies for mitigating risk.

The General Manager – Risk Management is a senior role with responsibility for providing counsel and direction in risk management across the Group. This includes counsel on the refinement, implementation and monitoring of a comprehensive and integrated risk management framework based on unit manager ownership of risk with independent monitoring. The General Manager – Risk Management reports directly to the Group's Chief Financial Officer with an indirect reporting line to the Chairman of the Audit and Risk Committee.



Internal Audit

The role of Internal Audit as part of the Group's risk management framework is to understand the key risks of the organisation and to examine and evaluate the adequacy and effectiveness of the system of risk management and internal controls used by management. Internal Audit carries out regular systematic monitoring of control activities and reports to both relevant business unit management and the Audit and Risk Committee.

Typically, the audit methodology includes performing risk assessments of the area under review, undertaking audit tests, including selecting and testing audit samples, reviewing progress made on previously reported audit findings and discussing internal control or compliance issues with line management, and reaching agreement on the actions to be taken.

Health and Safety

The Company aims to provide and maintain a safe and healthy work environment. The Company acts to meet this commitment by implementing work practices and procedures throughout the Group that comply with the relevant regulations governing the workplace. Team Members are expected to take all practical measures to ensure a safe and healthy working environment in keeping with their defined responsibilities and applicable law.

Principle 8: Remunerate fairly and responsibly

Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee is comprised of the non-executive directors.

The Committee operates in accordance with its charter which is available on the Company's website, and described in the Remuneration and Diversity report.

The Board has charged the Human Resources and Remuneration Committee with corporate governance and oversight responsibilities in relation to the Company's people strategy including remuneration components, performance measurements and accountability frameworks, recruitment, retention, talent management and succession planning.

This Committee was established by the Board in May 2011. Prior to this time, matters of remuneration were the addressed by the Board's Nomination and Remuneration Committee.

Each member of the senior executive team signs a formal employment contract at the time of their appointment covering a range of matters including their duties, rights, responsibilities and any entitlements on termination. The standard contract refers to a specific formal job description.

Further information on directors' and executives' remuneration is set out in the Directors' Report under the heading 'Remuneration and Diversity report'. In accordance with Company policy, participants in equity-based remuneration plans are not permitted to enter into any transactions that would limit the economic risk of options or other unvested entitlements. Details of this policy can be found on the Company's website.

Employee Share Plans

The Company considers share plans to be an effective ownership, long-term performance and team retention vehicle. It encourages all Team Members to participate in its schemes, which offer the ability to acquire shares via:

- an externally administered tax exempt plan which makes on market purchases; and
- an internally administered rights (including options) plan offered to select executives.

At the time of this report, approximately 500 team members participated in one or both plans.



ANNUAL REPORT

Super Retail Group Limited

(Formerly Super Cheap Auto Group Limited)

FOR THE PERIOD ENDED
2 JULY 2011



Directors' Report

Your Directors present their report on the consolidated entity consisting of Super Retail Group Limited (formerly Super Cheap Auto Group Limited) and the entities it controlled at the end of, or during, the period ended 2 July 2011.

Directors

The following persons were Directors of Super Retail Group Limited during the period and up to the date of this report.

R A Rowe
R J Wright
P A Birtles
R J Skippen
S A M Pitkin
D D McDonough (resigned 31 August 2010)

Information on qualifications and experience of Directors is included on pages 15 to 17.

Principal activities

During the period, the principal continuing activities of the Group consisted of:

- retailing of auto parts and accessories, tools and equipment
- retailing of boating, camping, outdoor entertainment and fishing equipment and apparel
- wholesale, retail and distribution of bicycles and bicycle accessories

Dividends – Super Retail Group Limited

The Directors declared a fully franked dividend of 17.5 cents per share be paid on 26 September 2011 (total dividend, fully franked - \$22,753,279). The following fully franked dividends of the parent entity have also been paid, declared or recommended since the end of the preceding period:

Dividend	Payment Date	\$
2010 interim fully franked dividend (13.0¢ per share)	1 October 2010	16,618,245
2011 interim fully franked dividend (11.5¢ per share)	5 April 2011	14,843,901
		<u>31,462,146</u>

Review of operations

Revenue from trading operations for the year was \$1,093,398,000 (2010: \$938,602,000). During the period, the consolidated entity opened nine new Supercheap Auto stores, of which eight were in Australia and one in New Zealand, and closed one store in each of Australia and New Zealand. This resulted in Supercheap Auto trading with 274 stores at the end of the period. BCF opened nine stores during the period taking total trading stores to 78. Goldcross Cycles opened a further two stores during the period taking total trading stores to 20 at the end of the period. During the period Ray's Outdoors opened 12 stores taking the total trading stores to 50. At the end of the financial year, the Group was trading from 422 stores.

The net profit of the Group (consisting of Super Retail Group Limited and the entities it controlled at the end of, or during, the period) for the period ended 2 July 2011, after providing for income tax, amounted to \$55,599,000 (2010: \$38,053,000).

A review of the operations for the 52 weeks to 2 July 2011 is set out in pages 3 to 7 of this report.

Significant changes in the state of affairs

Contributed equity increased by \$12,383,000 as the result of dividend reinvestment plan and share options plan. Details of the changes in contributed equity are disclosed in note 24 to the financial statements.

On 1 December 2010 the company changed its name to Super Retail Group Limited from Super Cheap Auto Group Limited.

Matters subsequent to the end of the financial year

Since 2 July 2011 Super Retail Group Limited does not have any matters subsequent to the end of the financial year to be disclosed.

Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this annual financial report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Group's environmental obligations are regulated under State, Territory and Federal Law. The Group has a policy of complying with its environmental performance obligations. All environmental performance obligations are monitored by the Board. No environmental breaches have been notified to the consolidated entity during the period ended 2 July 2011.

Directors and Directors' interests

The Directors of Super Retail Group Limited in office at the date of this report are listed below together with details of their relevant interest in the securities of the Company at that date.

R J Wright, BCom, FCPA, MAICD. *Independent Chairman Non-Executive.* Age 62

Experience and expertise

Appointed Chairman on 28 October 2009 and has been an Independent Non-Executive Director for 7 years 3 months. Director of a number of major Retail companies over the last 20 years.

Other current directorships

Chairman and Non-executive director of RCL Group (formerly Babcock & Brown Residential Land Partners Group) (director since 2006). Chairman and Non-executive director of SAI Global Limited (director since 2003). Chairman and Non-executive director of APA Ethane Limited (director since 2008) which is the responsible entity of the registered investment schemes that comprise Ethane Pipeline Income Fund, the securities in which are quoted on the ASX. Non-executive director of Australian Pipeline Limited since 2000.

Former directorships in the last 3 years

Chairman and non-executive director of Dexion Limited.

Special responsibilities

Chairman of the Board
Chairman of the Nomination Committee*
Member of the Audit and Risk Committee
Member of the Human Resources and Remuneration Committee*

Interest in shares and options

46,048 ordinary shares in Super Retail Group Limited

P A Birtles. BSc, ACA *Managing Director and Chief Executive Officer.* Age 47

Experience and expertise

Managing Director and Chief Executive Officer for 5 years and 8 months. Previously Chief Financial Officer for 4 years 8 months and Company Secretary for 1 year 5 months.

Other current directorships

Non-executive director of GWA Group Limited

Former directorships in the last 3 years

None

Special responsibilities

Managing Director and Chief Executive Officer
Member of the Nomination Committee*

Interests in shares and options

1,692,596 ordinary shares in Super Retail Group Limited
200,000 options over ordinary shares in Super Retail Group Limited
200,000 performance rights over ordinary shares in Super Retail Group Limited

Super Retail Group Limited (formerly Super Cheap Auto Group Limited)
Directors' report
for the period ended 2 July 2011

R A Rowe. *Non-Executive Director.* Age 67

Experience and expertise

Founder of the business in 1972. Non-executive director for 7 years 4 months. Previously 8 years as Chairman and 24 years as Managing Director.

Other current directorships

Director of a number of private family companies.

Former directorships in the last 3 years

None.

Special responsibilities

Member of the Nomination Committee.*

Member of the Human Resources and Remuneration Committee*

Interests in shares and options

53,671,326 ordinary shares in Super Retail Group Limited.

R J Skippen, ACA *Independent Non-Executive Director.* Age 63

Experience and expertise

Independent Non-Executive Director for 2 years 9 months. John was the former Finance Director of Harvey Norman Holdings Ltd for 12 years and has over 30 years' experience as a chartered accountant.

Other current directorships

Non-Executive Director of Briscoe Group Limited (NZ), Flexigroup Limited, Slater & Gordon Limited and Emerging Leaders Investment Limited.

Former directorships in the last 3 years

Non-Executive Director of Mint Wireless Limited.

Special responsibilities

Chairman of the Audit Committee

Member of the Nomination Committee*

Member of the Human Resources and Remuneration Committee*

Interest in shares and options

Nil.

S A Pitkin, LLM, LLB FAICD *Independent Non-Executive Director.* Age 52

Experience and expertise

Independent Non-Executive Director for 1 year. Sally is a lawyer and a former partner of Clayton Utz.

Other current directorships

Former directorships in the last 3 years

Aristocrat Limited

Chandler Macleod Limited

Special responsibilities

Chair of the Human Resources and Remuneration Committee*

Member of the Audit Committee

Member of the Nomination Committee*

Interest in shares and options

10,000 ordinary shares in Super Retail Group Limited

D D McDonough, BBus (Acty), LLB (Hons), SJD, FCPA, FAICD. *Independent Non-Executive Director.* Age 59
Experience and expertise. Resigned 31 August 2010
 Independent Non-Executive Director for 6 years 3 months. Partner of a major legal firm.

Other current directorships

Non-executive director of GWA Group Limited.

Former directorships in the last 3 years

None.

Special responsibilities

Member of the Audit and Risk Committee.

Member of the Nomination and Remuneration Committee*.

Interests in shares and options

62,083 ordinary shares in Super Retail Group Limited

Company Secretary

The Company Secretary is Mr D J Kelley, B.Ec., Grad. Dip. AppCorpGov, MBA, MIIA, ACIS. Mr Kelley commenced with Super Retail Group Limited as the Business Audit & Compliance Manager in February 2005 and was appointed Company Secretary in January 2006.

Meetings of directors

The number of meetings of the Company's Board of Directors and each Board Committee held during the period ended 2 July 2011 is set out below:

	Full meetings directors		Meetings of Committees					
			Audit & Risk		Nomination & Remuneration*		Human Resource & Remuneration*	
	A	B	A	B	A	B	A	B
R J Wright	11	11	3	3	2	2	0	0
P A Birtles	11	11	n/a	n/a	2	2	0	0
R A Rowe	10	11	n/a	n/a	2	2	0	0
D D McDonough (resigned 31 August 2010)	2	2	1	1	1	1	0	0
R J Skippen	11	11	3	3	2	2	0	0
S A Pitkin	11	11	3	3	2	2	0	0

A = Number of meetings attended

B = Number of meetings held during the time the Director held office or was a member of the Committee during the year

* The Human Resources and Remuneration Committee was established by the Board in May 2011. Prior to this time, matters of remuneration were the addressed by the Board's Nomination and Remuneration Committee.

Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the year are set out below.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit and Risk Committee is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

During the period the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated 2011 \$	Entity 2010 \$
Assurance Services		
PricewaterhouseCoopers Australian firm		
Remuneration for audit services	424,468	405,321
Remuneration for other assurance services	0	0
Total remuneration for assurance services	424,468	405,321
Taxation Services		
Total remuneration for taxation services	269,749	292,272
Advisory Services		
Total remuneration for advisory services	144,157	573,308

Loans to directors and executives

Information on loans to directors and executives are set out in note 31 to the financial statements.

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 29.

Remuneration and Diversity report

Introduction

One of Super Retail Group's core principles is that the attraction, development and retention of loyal and passionate team members provide a competitive advantage which is fundamental to the long term success of the Group. The maintenance of a workplace culture and the development of people practices that support this principle are strategic priorities for the Group.

The development of people practices covers a number of areas including attraction, diversity, learning and development, engagement, workplace health and safety, talent and succession management and remuneration and benefits.

Remuneration and benefits practices are set in the context of an overall policy to provide market competitive remuneration arrangements which support the attraction, development and retention of loyal and passionate team members and that are aligned with the interests of shareholders.

Remuneration Policy

The Super Retail Group is committed to creating a high performance culture. Our philosophy is to provide flexible and competitive market based total remuneration arrangements that are linked to the performance of the Group and its businesses and support services.

The key elements of the policy are:

- To provide competitive total remuneration arrangements that enables the Group to attract and retain high performing team members and to reward them for their contribution to the success of the Group.
- To align remuneration arrangements with the delivery of sustainable value to the Group's shareholders.
- To maintain a pay for performance environment through linking incentive pay opportunities to the achievement of specific, measurable business goals.
- To position our base salaries at or around the median and our performance incentives in the 2nd quartile of relevant market remuneration levels.
- To provide arrangements with the flexibility to recognise individuals based on performance, experience and qualifications.
- To provide equitable, fair and consistent pay arrangements across the Group through a systematic methodology involving job value and market positioning.

Remuneration can include a number of different elements such as base pay, superannuation, short term incentives, long term incentives, tools of trade, study and relocation assistance, share plans and novated lease arrangements. The elements of the total remuneration package may vary according to the job role, team members experience and performance and market practice.

Remuneration and Diversity report (continued)

Role of the Human Resources and Remuneration Committee

The primary objective of the Committee is to assist the Board to fulfil its corporate governance and oversight responsibilities in relation to the Group's people strategy including remuneration components, performance measurements and accountability frameworks, recruitment, retention, talent management and succession planning.

The Committee undertakes an annual review of the Group's remuneration strategy and remuneration policy to facilitate understanding of the overall approach to remuneration and to confirm alignment with the Group's business strategy and compliance with regulatory standards.

The Committee reviews and recommends to the Board for approval remuneration arrangements for the Chief Executive Officer and other senior Executives. The Committee will review the arrangements on an annual basis, obtaining independent external remuneration advice where appropriate.

The Committee undertakes an annual review of the Group's performance management system to confirm the integrity of systems and processes in making incentive based payments. The Committee will also verify compliance with vesting or exercise requirements for equity based rewards.

The Committee establishes the policy for the remuneration arrangements for Non Executive Directors, reviewing remuneration arrangements annually, obtaining independent external remuneration advice where appropriate.

The Committee reviews and recommends to the Board for approval the Remuneration Report and any other report required to be produced for shareholders to meet regulatory requirements.

Non Executive Directors Remuneration Structure

Fees to Non Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. The level of fees are reviewed annually by the Human Resources and Remuneration Committee and are based on the median of fees paid for comparative Non Executive Director roles in similarly sized publicly listed companies operating in the retail and consumer goods industry.

The Human Resources and Remuneration Committee engage the services of an independent remuneration consultant to prepare the information for review and to advise on the appropriate amount of fees to ensure that they are market based and fairly represent the responsibilities and time spent by the Directors on Company matters.

Additional fees are paid to the Chairs of the Audit and Risk and the Human Resources and Remuneration Committees. This reflects the additional time commitment required by the Chairs of these committees.

Non Executive Director Fees are determined within an aggregate Directors' fee pool approved by shareholders. The current pool of \$600,000 was approved on 26 October 2006.

Non Executive Directors' fees are inclusive of superannuation contributions. Non Executive Directors do not receive preference shares or share options as part of their remuneration. Non Executive Directors may opt each year to receive a proportion of their remuneration in Super Retail Group Limited shares, which would be acquired on market.

Directors Fees

The Directors' fees are inclusive of Committee fees. Fees for year to 2 July 2011 were approved on 29 July 2010, while fees for the year to 1 July 2012 were approved on 17 August 2011.

The following fees apply:

	2011 \$	2012 \$
Chairman	140,000	160,000
Other Non Executive Directors	82,500	90,000
Committee Chair	8,500	10,000

The Directors intend that the General Meeting of Shareholders on 26 October 2011 consider increasing the total aggregate annual remuneration payable to non-Executive Directors of the Company by way of Directors' fees from \$600,000 per annum to a maximum of \$800,000.

Remuneration and Diversity report (continued)

Executive Remuneration Structure

The Executive Remuneration Structure is reviewed annually by the Human Resources and Remuneration Committee. The Committee ensure that the Remuneration Structure is consistent with market practice.

Executive Remuneration consists of 3 elements:

- Base Salary Package (inclusive of superannuation contributions, car allowance and other benefits)
- Short Term Incentive (STI)
- Long Term Incentive (LTI)

The mix of remuneration between fixed and variable components is varied in line with the seniority of the role and the relative responsibilities of the role for driving business performance and for developing and implementing business strategy.

For the year to 2 July 2011, the following mix of remuneration was applied.

	Fixed	STI	LTI
Chief Executive Officer	45%	25%	30%
Chief Operating Officers	50%	25%	25%
Chief Financial Officer	55%	22%	23%
General Manager Group Logistics	55%	22%	23%

For the year to 30 June 2012, the following mix of remuneration will apply:

	Fixed	STI	LTI
Chief Executive Officer	40%	28%	32%
Chief Operating Officers	45%	27%	28%
Chief Financial Officer	50%	25%	25%
General Manager Group Logistics	55%	22%	23%

The tables assume that a full STI is received and that the LTI fully vests – the actual reward is dependant on the achievement of performance targets.

The LTI component is based on the notional monetary value at the time of grant. This notional valuation may differ from the accounting valuation which considers probability of vesting and other factors.

Base Salary Package

The Group's intent is to offer executives a base salary package that reflects the median market base salary package for a comparable role in a similarly sized publicly listed company operating in the retail and consumer goods industry. The Executive's performance and experience are also considered in determining the base salary package.

The base salary package consists of base pay and superannuation and may include prescribed non-financial benefits at the executives' discretion on a salary sacrifice basis.

Base salary packages are reviewed annually. There is no guaranteed base salary increase in any senior executive's service contract.

Market information is sourced from market remuneration surveys and from a review of the annual reports of benchmark listed companies.

All executive base salary proposals are reviewed and approved by the Human Resources and Remuneration Committee.

Short Term Incentive (STI)

Executives are invited to participate in a short term incentive scheme that rewards executives for the achievement of performance targets that are consistent with the Group's approved business plan and that are aligned to delivering sustainable value to shareholders.

The Human Resources and Remuneration Committee set an annual profit before tax target. In setting this target, the Committee considers the profit projections set out in the Group's approved business plan and investor expectations.

Remuneration and Diversity report (continued)

For the year to 2 July 2011, the profit before tax target was set at 28% higher than the profit before tax achieved in the period to 3 July 2010. This target reflected the budgeted contribution of the Ray's Outdoors business acquired on 31 May 2010. The target reflected an underlying increase in Group profit of circa 13%, which was determined to be an appropriately demanding target in the context of the existing retail environment.

Should profit before tax exceed the profit target, an STI bonus pool is created to a value of 20% of the amount that company profit exceeds the target.

Executives have the opportunity to share in the STI bonus pool up to the maximum value of between 40% and 70% of their base salary in accordance with the Executive Remuneration Structure outlined above.

The level of participation is dependant on the achievement of 12 Key Performance Indicators (KPIs) relevant to their area of responsibility. The 12 KPIs cover the achievement of financial and operational results and the successful implementation of strategic and people development initiatives. The KPIs are consistent with the overall performance targets set out in the Group's business plan.

The Human Resources and Remuneration Committee is responsible for assessing whether the KPIs are achieved and for approving short term incentive payments. The Committee receives reports from management to assist in the assessment.

Long Term Incentive (LTI)

The Group's remuneration structure aims to align long term incentives for senior executives with the delivery of sustainable value to shareholders. The alignment of interests is important in ensuring that senior executives are focused on delivering sustainable returns to shareholders, whilst allowing the Group to attract and retain senior executives of a high calibre.

In October 2009, the Group's shareholders approved the establishment of the Super Retail Group Limited Performance Rights Plan (PRP).

The PRP links the long term remuneration of senior executives with the economic benefit derived by shareholders over a three to five year period.

Participation in the PRP is by invitation only and only those senior executives invited by the Board are able to participate.

The PRP allows for the annual grant of Performance Rights to senior executives. The grant of Performance Rights entitles the senior executive to be granted an equivalent number of shares upon vesting of those Performance Rights. The vesting of Performance Rights is subject to the satisfaction of performance conditions.

The performance conditions will be satisfied if the Group achieves both certain earnings per share increases and return on capital hurdles over a three year period as determined by the Board or its nominee.

The Board consider that the combination of earnings per share growth and maintenance of return on capital ensure that executives maintain a focus on value creating growth which will deliver sustainable returns for shareholders.

The issues of Performance Rights in 2009, 2010 and 2011 are subject to the following performance conditions over the three year period ending 30 June 2012, 30 June 2013 and 30 June 2014 respectively:

- a) 10% cumulative earnings per share growth; and
- b) Return on capital of more than 15%

If a Performance Right has not lapsed and the performance conditions have been satisfied, Performance Rights will vest in accordance with the following schedule:

<u>Time after grant of Performance Right</u>	<u>% of Performance Rights that vest</u>
3 years	50%
4 years	25%
5 years	25%

The notional value of Performance Rights granted to each senior executive is based on the share price of the Group at the time of grant. The number of Performance Rights granted to each senior executive is determined in accordance with the Executive Remuneration Structure outlined above and have a value of between 42% and 80% of their base salary. This value of Performance Rights for grant purposes may differ from the accounting valuation which considers probability of vesting and other factors.

Remuneration and Diversity report (continued)

Relationship of Remuneration to Company Performance

The performance of the Group and remuneration paid to key management personnel over the last 6 years is summarised in the following table:

<u>Company Performance</u>	2006	2007	2008	2009	2010	2011
Sales (\$m)	525.9	624.8	715.4	828.8	938.0	1,092.3
Profit before tax (\$m)	23.4	31.3	36.8	41.9	53.9	77.7
Post Tax ROC (%)	11.7	13.9	14.1	15.6	16.8	17.5
Earnings Per Share (¢)	15.5	20.9	24.2	30.2	34.0	43.1
Dividends Per Share (¢)	8.0	10.5	13.0	18.0	21.5	29.0
30 June Share Price (\$)	1.55	4.20	2.33	3.61	5.27	7.00

Remuneration Paid to Key Management Personnel

Base Salary Package	1.8	1.8	1.9	2.1	2.2	2.5
Short Term Incentive	0.1	0.8	0.2	0.8	1.1	1.0
Long Term Incentive	0.4	0.2	0.2	0.2	0.4	0.7
Total	2.3	2.8	2.3	3.1	3.7	4.2

Over the last 5 years, earnings per share have increased by 178%, dividends per share have increased by 262% and the share price has increased by 352%.

During the same period, total remuneration paid to key management personnel has increased by 83% whilst Base Salary has increased by 39%. The major driver of increase in total remuneration has been incentive pay reflecting the strong performance of the Group over the last five years.

Total remuneration paid to key management personnel as a proportion of profit before tax was 10% in 2006 and had reduced to 5.4% in 2011.

Details of remuneration of the Group

Amounts of remuneration

Details of the remuneration of the directors and key management personnel of the Group (as defined in AASB 124 Related Party Disclosures) and the five highest paid executives of Super Retail Group Limited are set out in the following tables.

The key management personnel of the Group includes the directors and the following executive officers, (being those who are responsible for developing and implementing the Group's strategy):

- P A Birtles, Managing Director
- D F Ajala, Chief Operating Officer, Auto & Cycle Retailing
- S J Doyle, Chief Operating Officer, Leisure Retailing
- G G Carroll, Chief Financial Officer
- G L Chad, General Manager, Group Logistics

The highest paid executives for the period ended 2 July 2011 were as follows:

- P A Birtles
- D F Ajala
- S J Doyle
- G G Carroll
- G L Chad

Remuneration and Diversity report (continued)

2011	Short-term benefits			Post-employment benefits	Share-based payment		Total \$
	Cash salary and fees \$	Cash bonus \$	Non-monetary benefits \$	Super-annuation \$	Options \$	Performance Rights \$	
<i>Non-executive directors</i>							
R J Wright <i>Chairman</i>	127,659	0	0	12,341	0	0	140,000
R A Rowe	31,932	0	0	50,568	0	0	82,500
D D McDonough (resigned 31 August 2010)	5,208	0	0	9,396	0	0	14,604
R J Skippen	71,000	0	0	20,000	0	0	91,000
S A Pitkin	75,688	0	0	6,812	0	0	82,500
Sub-total non-executive directors	311,487	0	0	99,117	0	0	410,604
<i>Executive directors</i>							
P A Birtles	794,886	416,625	2,415	27,699	21,532	307,167	1,570,324
<i>Other key management personnel</i>							
D F Ajala	392,947	195,500	5,104	26,949	3,992	115,187	739,679
S J Doyle	359,846	179,400	14,954	15,199	3,992	105,413	678,804
G G Carroll	307,801	119,510	0	15,199	8,096	73,917	524,523
G L Chad	292,007	135,975	27,893	47,600	3,010	83,784	590,269
Totals	2,458,974	1,047,010	50,366	231,763	40,622	685,468	4,514,203

2010	Short-term benefits			Post-employment benefits	Share-based payment		Total \$
	Cash salary and fees \$	Cash bonus \$	Non-monetary benefits \$	Super-annuation \$	Options \$	Performance Rights \$	
<i>Non-executive directors</i>							
R J Wright <i>Chairman</i>	89,871	0	0	18,462	0	0	108,333
R D McIlwain <i>Chairman (resigned)</i>	30,051	0	0	3,282	0	0	33,333
R A Rowe	25,000	0	0	50,000	0	0	75,000
D D McDonough	40,479	0	0	31,521	0	0	72,000
R J Skippen	32,083	0	0	45,834	0	0	77,917
S A Pitkin	0	0	0	0	0	0	0
Sub-total non-executive directors	217,484	0	0	149,099	0	0	366,583
<i>Executive directors</i>							
P A Birtles	727,262	426,250	2,508	45,230	56,356	143,771	1,401,377
<i>Other key management personnel</i>							
D F Ajala	342,935	200,000	30,104	26,961	12,187	55,833	668,020
S J Doyle	334,416	182,500	16,123	14,461	12,187	50,948	610,635
G G Carroll	295,538	124,000	0	14,461	17,220	36,190	487,410
G L Chad	280,426	140,000	25,189	44,384	5,383	40,860	536,242
Totals	2,198,062	1,072,750	73,924	294,597	103,333	327,602	4,070,267

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed Remuneration		At Risk – STI		At Risk – LTI	
	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
P A Birtles	52.54%	55.30%	26.53%	30.42%	20.93%	14.28%
D F Ajala	57.46%	59.88%	26.43%	29.94%	16.11%	10.18%
S J Doyle	57.45%	59.77%	26.43%	29.89%	16.12%	10.34%
G G Carroll	61.58%	63.60%	22.78%	25.44%	15.64%	10.96%
G L Chad	62.26%	65.27%	23.04%	26.11%	14.70%	8.62%

Remuneration and Diversity report (continued)

Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Each of these agreements provide for the provision of performance related cash bonuses, other benefits and when eligible, participation in the Executive Option Plan.

All contracts with executives may be terminated early by either party with three months notice, subject to termination payments as detailed below:-

P A Birtles, Managing Director

Term of Agreement – 2 years and 11 months commencing 27 January 2011

Base salary, inclusive of superannuation, for the period ended 2 July 2011 of \$825,000 to be reviewed annually by the Nomination and Remuneration Committee.

Payment of a termination benefit on early termination by the Company, other than for cause, equal to 12 months base salary if the termination is effective more than 12 months before the expiry date or 9 months base salary if the termination is effective within 12 months before the expiry date.

D F Ajala, Chief Operating Officer, Auto & Cycle Retailing

Term of Agreement - 3 years and 8 months commencing 27 January 2011

Base salary, inclusive of superannuation, for the period ended 2 July 2011 of \$425,000 to be reviewed annually by the Nomination and Remuneration Committee.

Payment of a termination benefit on early termination by the Company, other than for cause, equal to 6 months base salary if the termination is effective more than 12 months before the expiry date or 3 months base salary if the termination is effective within 12 months before the expiry date.

S J Doyle, Chief Operating Officer, Leisure Retailing

Term of Agreement - 4 years and 8 months commencing 27 January 2011

Base salary, inclusive of superannuation, for the period ended 2 July 2011 of \$390,000 to be reviewed annually by the Nomination and Remuneration Committee.

Payment of a termination benefit on early termination by the Company, other than for cause, equal to 6 months base salary if the termination is effective more than 12 months before the expiry date or 3 months base salary if the termination is effective within 12 months before the expiry date.

G G Carroll, Chief Financial Officer

Term of Agreement - 5 years and 5 months commencing 17 April 2011

Base salary, inclusive of superannuation, for the period ended 2 July 2011 of \$323,000 to be reviewed annually by the Nomination and Remuneration Committee.

Payment of a termination benefit on early termination by the Company, other than for cause, equal to 6 months base salary if the termination is effective more than 12 months before the expiry date or 3 months base salary if the termination is effective within 12 months before the expiry date.

G L Chad, General Manager Group Logistics

Base salary, inclusive of superannuation, for the period ended 2 July 2011 of \$367,500 to be reviewed annually by the Nomination and Remuneration Committee.

Payment of a termination benefit on early termination by the Company, other than for cause, equal to 3 months base salary.

Remuneration and Diversity report (continued)

Details of remuneration: Short Term Incentives

Cash bonuses are dependent on the satisfaction of performance conditions as set out in the section headed "short term incentives" above. For each cash bonus included in the above tables, the percentage of the available bonus that was paid and the percentage that was forfeited because the person did not meet the performance criteria are set out below. No part of the bonuses are payable in future years.

Name	Short Term Incentives	
	Paid %	Forfeited %
P A Birtles	92	8
D F Ajala	92	8
S J Doyle	92	8
G G Carroll	93	7
G L Chad	93	7

Share based compensation

Performance Rights

Performance rights vest progressively from 3 to 5 years after the date of grant. The exercise of performance rights is subject to the achievement of the two qualifying hurdles. The first qualifying hurdle is a 10% cumulative growth in Earnings per Share (pre amortisation) over the 3 year period ending 30 June 2012. The second qualifying hurdle is a Return of Capital of greater than 15% over the 3 year period ending 30 June 2012.

The performance rights do not give the right to participate in any other share issue of the Company or any other entity.

The table below lists the performance rights provided as remuneration to each Director of Super Retail Group Limited and each of the key management personnel of the Group. There were no lapsed performance rights in the period.

Name	Number of Performance Rights granted during the period	Value of Performance Rights at Grant Date	Number of Performance Rights vested during the period
	2011	2011	2011
<i>Directors of Super Retail Group Limited</i>			
R J Wright	0	0	0
R A Rowe	0	0	0
D D McDonough (resigned 31 August 2010)	0	0	0
R J Skippen	0	0	0
S A Pitkin	0	0	0
P A Birtles	100,000	585,300	0
<i>Other Key Management Personnel</i>			
D F Ajala	36,325	212,610	0
S J Doyle	33,333	195,098	0
G G Carroll	23,089	135,140	0
G L Chad	26,270	153,758	0

The above performance rights are valued using the share price at time of granting. The performance rights granted in the current reporting period were valued using a share price of \$5.85. The performance rights are expensed over a 5-year period in-line with the vesting conditions of the rights. Plan participants may not enter into any transaction designed to remove the "at risk" aspect of the performance rights before they vest.

Shares under option

Details of options over ordinary shares in the Company provided as remuneration to each Director of Super Retail Group Limited and each of the key management personnel of the Group are set out below. There were no lapsed options during the period.

Remuneration and Diversity report (continued)

Name	Number of options granted during the period	Number of options vested during the period
	2011	2011
<i>Directors of Super Retail Group Limited</i>		
R J Wright	0	0
R A Rowe	0	0
D D McDonough (resigned 31 August 2010)	0	0
R J Skippen	0	0
S A Pitkin	0	0
P A Birtles	0	200,000
<i>Other Key Management Personnel</i>		
D F Ajala	0	100,000
S J Doyle	0	100,000
G G Carroll	0	100,000
G L Chad	0	50,000

The amounts disclosed for emoluments relating to options above is the assessed fair value at grant date of options granted to executive directors and other executives, allocated equally over the period from grant date to vesting date. Fair values at grant date are independently determined using a Binomial option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Shares provided on exercise of remuneration options

The table below lists the ordinary shares in the Company issued during the year as a result of the exercise of remuneration options. No performance rights were exercisable during the year.

Name	Date of Exercise of Options	Number of Ordinary Shares Issued on Exercise of Options During the Year	Market Value at Exercise Date*
P A Birtles	17/11/2010	150,000	936,600
D F Ajala	03/09/2010	35,000	203,980
D F Ajala	05/01/2011	100,000	613,600
S J Doyle	28/10/2010	50,000	331,600
G G Carroll	23/08/2010	75,000	426,150
G L Chad	06/10/2010	37,500	243,225

* The value at exercise date of options exercised during the period was determined using the 5-day average Group share price.

Unissued shares under performance rights and options plans

Unissued ordinary shares of Super Retail Group Limited under the performance rights plan at the date of this report are as follows:

Grant date	Vesting Date*	Value per Performance Right at Grant Date	Number of Performance Rights
1 September 2009	*	\$5.15	356,738
1 September 2010	*	\$5.85	363,427
			720,165

* Performance rights vest progressively 3 to 5 years after grant date and have no expiry date.

Plan participants may not enter into any transaction designed to remove the "at risk" aspect of performance rights on share options.

Remuneration and Diversity report (continued)

Unissued ordinary shares of Super Retail Group Limited under option at the date of this report are as follows:

Grant date	Exercise date	Exercise Price	Value per option at grant date	Number under option
27 January 2006	5 January 2009	\$2.44	\$0.29	50,000
27 January 2006	5 January 2010	\$2.44	\$0.34	100,000
27 January 2006	5 January 2011	\$2.44	\$0.38	100,000
17 April 2006	17 April 2011	\$2.25	\$0.51	100,000
1 July 2006	1 July 2011	\$2.25	\$0.30	300,000
26 October 2006	1 February 2011	\$2.44	\$0.79	200,000
23 August 2007	24 July 2010	\$4.37	\$0.93	100,000
1 August 2008	1 August 2011	\$2.49	\$0.65	180,000
				1,130,000

Shares issued on the exercise of options

The following ordinary shares of Super Retail Group Limited were issued during the year ended 2 July 2011 on the exercise of options granted under the Super Retail Group Employee Option Plan. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

Date options granted	Issue price of shares	Number of shares issued
27 January 2006	\$2.44	185,000
17 April 2006	\$2.25	75,000
1 July 2006	\$2.25	280,000
26 October 2006	\$2.44	150,000
23 August 2007	\$4.37	80,000

The exercise of the options is subject to the satisfaction of a qualifying hurdle. For the options granted prior to 23 August 2007, the qualifying hurdle requires cumulative annual growth of 10% in Earnings Per Share (pre amortisation) from the IPO Prospectus forecast Earnings Per Share (pre amortisation) for the year ending 30 June 2005 (being 17.2 cents) through to each of the years prior to the options being exercised. For the options granted in August 2007 and August 2008, the relevant start dates for measurement of the 10% cumulative annual growth in Earnings Per Share are 30 June 2007 and 28 June 2008 respectively. Exercise of options is subject to being employed by the Group.

No option holder has any right under the options to participate in any other share issue of the Company or of any other entity.

Insurance of officers

During the financial year, Super Retail Group Limited paid a premium of \$76,250 to insure the directors and secretaries of the Company and its controlled entities, and the general managers of each of the divisions of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Diversity

Super Retail Group recognises its talented and diverse workforce as a key competitive advantage. Our business performance is a reflection of the quality and skill of our people and behaviours that are aligned to our Group Values. We are firmly committed to developing policies, practices and ways of working that support diversity. We strive to ensure strong business growth and performance whilst providing an environment that makes the Super Retail Group a great place to work.

Central to achieving this goal is an inclusive work environment and culture that allows Team Members to contribute their full potential, through recognising and supporting their diverse strengths and needs. We want to be known as a diversity conscious employer recognising, appreciating, valuing and utilising the unique talents and contributions of all individuals.

Remuneration and Diversity report (continued)

The company has developed a diversity policy that links directly to the company's corporate vision and strategies. The objectives of the policy are:

- For our workforce to be representative of our customer base
- To recognise, value and engage the diverse skills, cultural values and backgrounds of our Team Members
- To enhance the opportunities for Team Members to participate and contribute to the work of the Super Retail Group
- To maintain a focus on workplace health and safety by providing appropriate employment arrangements
- To proactively prevent and eliminate harassment and unlawful discrimination in the workplace
- To ensure that workplace structures, conditions, systems and procedures, foster diversity and allow Team Members to manage work and personal life
- To promote awareness of the value of diversity in the workplace
- To enhance attraction, development and retention of Team Members
- To be recognised as a great place to work and a preferred employer in the specialty retail sector and;
- To provide suitable employment opportunities for disabled and disadvantaged Team Members

Gender Diversity

The nature of the products that are sold through the Group's stores attracts a customer base that is significantly skewed towards male customers. Across the Group around 80% of customers are males.

The company is proud that its culture and inclusive policies have created a workforce in which females represent 37% of the workforce at 2 July 2011. 30% of middle and senior management positions and 22% of senior management positions are held by females at 2 July 2011.

The company has set targets of 33% of middle and senior management positions and 30% of senior management and Board positions to be held by females by June 2015.

To promote diversity, the company has implemented the following initiatives:

- Paid maternity leave
- Parental leave information packs
- Part time work opportunities
- Monitoring of remuneration for gender differences
- Appointment of females into senior non traditional roles – e.g., General Manager Retail Operations, Retail Operations Manager, Distribution Centre Manager.

The following initiatives are being implemented in the coming year:

- Shortlisting of candidates for middle and senior management vacancies in line with 2015 diversity targets
- Participation in leadership development programs to be in line with 2015 diversity targets
- Further development of flexible work practices
- Development of childcare and aged-care information packs
- Quarterly reporting and review of diversity performance
- Inclusion of diversity in induction and management development programs

Rounding of amounts

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the Directors.



R Wright
Chairman



P A Birtles
Director

Brisbane
18 August 2011



Auditor's Independence Declaration

As lead auditor for the audit of Super Retail Group Limited for the year ended 2 July 2011, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Super Retail Group Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Cameron Henry', with a stylized flourish at the end.

Cameron Henry
Partner
PricewaterhouseCoopers

Brisbane
18 August 2011

Super Retail Group Limited (formerly Super Cheap Auto Group Limited)

ABN 81 108 676 204

Annual financial report - 2 July 2011

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These financial statements are the consolidated financial statements of the consolidated entity consisting of Super Retail Group Limited and its subsidiaries. The financial report is presented in the Australian currency.

Super Retail Group Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

751 Gympie Road, Lawnton, Queensland, 4501

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report on pages 14 to 28, which is not part of this financial report.

The financial report was authorised for issue by the directors on 18 August 2011. The company has the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the company. All press releases, financial reports and other information are available at our Shareholders' Centre on our website: www.superretailgroup.com.au.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT
 Super Retail Group Limited (formerly Super Cheap Auto Group Limited)
 For the period ended 2 July 2011

	Notes	Consolidated	
		2011 \$'000	2010 \$'000
Revenue from continuing operations	5	1,093,398	938,602
Other income	6	1,359	163
Total revenues and other income		1,094,757	938,765
Cost of sales of goods		(598,067)	(535,825)
Other expenses from ordinary activities			
- selling and distribution		(138,415)	(112,502)
- marketing		(51,188)	(43,462)
- occupancy		(90,307)	(74,716)
- administration		(128,155)	(107,903)
Finance costs expense		(10,973)	(10,477)
Total expenses		(1,017,105)	(884,885)
Profit before income tax		77,652	53,880
Income tax (expense)/benefit	8	(22,053)	(15,827)
Profit attributable to Members of Super Retail Group Limited		55,599	38,053
Other comprehensive income			
Cash flow hedges	25	(3,414)	(1,274)
Exchange differences on translation of foreign operations	25	(1,200)	526
Income tax relating to components of other comprehensive income		0	0
Other comprehensive income for the year, net of tax		(4,614)	(748)
Total comprehensive income for the year		50,985	37,305
Total comprehensive income for the year is attributable to: Owners of Super Retail Group Limited		50,985	37,305
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share	37	43.1	34.0
Diluted earnings per share	37	42.5	33.0

The above consolidated comprehensive income statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 Super Retail Group Limited (formerly Super Cheap Auto Group Limited)
 As at 2 July 2011

		Consolidated	
	Notes	2011	2010
		\$'000	\$'000
ASSETS			
Current assets			
Cash and cash equivalents	9	25,697	30,200
Trade and other receivables	10	22,160	22,195
Inventories	11	292,874	253,101
Total current assets		<u>340,731</u>	<u>305,496</u>
Non-current assets			
Property, plant and equipment	12	109,277	105,309
Deferred tax assets	13	10,789	7,611
Intangible assets	14	111,251	103,830
Total non-current assets		<u>231,317</u>	<u>216,750</u>
Total assets		<u>572,048</u>	<u>522,246</u>
LIABILITIES			
Current liabilities			
Trade and other payables	15	122,373	99,563
Borrowings	16	32	10,096
Current tax liabilities	17	11,013	7,694
Provisions	18	12,286	11,781
Total current liabilities		<u>145,704</u>	<u>129,134</u>
Non-current liabilities			
Trade and other payables	19	15,538	13,217
Borrowings	20	99,143	98,912
Deferred tax liabilities	22	0	0
Provisions	23	7,983	10,426
Total non-current liabilities		<u>122,664</u>	<u>122,555</u>
Total liabilities		<u>268,368</u>	<u>251,689</u>
Net assets		<u>303,680</u>	<u>270,557</u>
EQUITY			
Contributed equity	24	194,541	182,158
Reserves	25	(3,239)	158
Retained profits	25	112,378	88,241
Capital and reserves attributable to equity holders of Super Retail Group Limited		<u>303,680</u>	<u>270,557</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 Super Retail Group Limited (formerly Super Cheap Auto Group Limited)
 For the period ended 2 July 2011

	Notes	Contributed Equity \$'000	Reserves \$'000	Retained Earnings \$'000	Total \$'000
Balance at 27 June 2009		84,627	42	71,685	156,354
Profit for the year		0	0	38,053	38,053
Other comprehensive income		0	(748)	0	(748)
Total comprehensive income for the year		0	(748)	38,053	37,305
Transactions with owners in their capacity as owners					
Contributions of equity, net of transaction costs	24	97,531	0	0	97,531
Dividends provided for or paid	26	0	0	(21,497)	(21,497)
Employee share options and performance rights	25	0	864	0	864
		97,531	864	(21,497)	76,898
Balance at 3 July 2010		182,158	158	88,241	270,557
Profit for the year		0	0	55,599	55,599
Other comprehensive income		0	(4,614)	0	(4,614)
Total comprehensive income for the year		0	(4,614)	55,599	50,985
Transactions with owners in their capacity as owners					
Contributions of equity, net of transaction costs	24	12,383	0	0	12,383
Dividends provided for or paid	26	0	0	(31,462)	(31,462)
Employee share options and performance rights	25	0	1,217	0	1,217
		12,383	1,217	(31,462)	(17,862)
Balance at 2 July 2011		194,541	(3,239)	112,378	303,680

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
 Super Retail Group Limited (formerly Super Cheap Auto Group Limited)
 For the period ended 2 July 2011

	Notes	Consolidated	
		2011 \$'000	2010 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		1,207,864	1,040,615
Payments to suppliers and employees (inclusive of goods and services tax)		(1,023,148)	(891,068)
Rental payments			
- external		(82,519)	(72,736)
- related parties		(10,384)	(10,346)
Income taxes paid		(20,911)	(13,905)
Net cash (outflow) inflow from operating activities	36	70,902	52,560
Cash flows from investing activities			
Payments for property, plant and equipment		(37,647)	(27,136)
Proceeds from sale of property, plant and equipment		1,129	86
Payments for purchase of subsidiary, net of cash acquired		0	(52,943)
Net cash (outflow) inflow from investing activities		(36,518)	(79,993)
Cash flows from financing activities			
Proceeds from borrowings		241,591	313,920
Repayment of borrowings		(251,667)	(336,358)
Interest paid		(9,894)	(10,714)
Dividends paid to company's shareholders	26	(20,797)	(14,395)
Proceeds from issue of shares		1,966	88,390
Net cash inflow (outflow) from financing activities		(38,801)	40,843
Net increase (decrease) in cash and cash equivalents		(4,417)	13,410
Cash and cash equivalents at the beginning of the financial year		30,200	16,810
Effects of exchange rate changes on cash and cash equivalents		(86)	(20)
Cash and cash equivalents at end of year	9	25,697	30,200

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SUPER RETAIL GROUP LIMITED
(Formerly Super Cheap Auto Group Limited)

FOR THE PERIOD ENDED
2 JULY 2011

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1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Super Retail Group Limited and its subsidiaries.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Compliance with IFRS

Consolidated financial statements and notes of Super Retail Group Limited comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Historical cost convention

These financial statements have been prepared under the historical cost convention, unless otherwise stated.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Super Retail Group Limited (the "Company" or "parent entity") as at 2 July 2011 and the results of its controlled entities for the period then ended. Super Retail Group Limited and its controlled entities comprise the "consolidated entity". The effects of all transactions between entities in the consolidated entity are fully eliminated.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Where control of an entity is acquired during a financial period its results are included in the consolidated statement of financial performance from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the period during which control existed.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Officers, who are responsible for allocating resources and assessing performance of the operating segments.

(d) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arise in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Super Retail Group Limited (formerly Super Cheap Auto Group Limited)
For the period ended 2 July 2011

A deferred tax liability is recognised in relation to some of the Group's indefinite life intangibles. The tax base assumed in determining the amount of the deferred tax liability is the capital cost base of the assets. As the assets are indefinite life in nature it was determined the assets would not be recovered through use but rather through sale.

Tax Consolidation Legislation

Super Retail Group Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 1 July 2003.

The head entity, Super Retail Group Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

Investment allowances

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets (investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Super Retail Group Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, duties and taxes paid. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Sale of goods – retail

Revenue from the sale of goods is recognised when a Group entity sells a product to the customer pursuant to sales orders and when the associated risk and rewards have passed to the customer. Retail sales are usually by credit card or in cash.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
Super Retail Group Limited (formerly Super Cheap Auto Group Limited)
For the period ended 2 July 2011

(ii) *Interest income*

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument. Interest income on impaired loans is recognised using the original effective interest rate.

(g) **Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement 30 days from the end of the month after sale. Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due. The amount of any impairment loss is included within "Administration" in the income statement.

(h) **Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs comprise direct purchase costs and an appropriate proportion of supply chain variable and fixed overhead expenditure. Costs are assigned to individual items of stock on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

(i) **Provisions**

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the statement of financial position date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(j) **Financial assets**

Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(i) *Financial assets at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the statement of financial position date.

(ii) *Loans and receivables*

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial position date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

(iii) *Recognition and derecognition*

Regular purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iv) *Subsequent measurement*

Loans and receivables are carried at amortised cost using the effective interest method.

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Financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or "Administration" in the period in which they arise.

(k) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either; (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

(i) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the income periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at the time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

(ii) Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expenses.

Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

(iii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

(l) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the statement of financial position date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(m) Property, plant & equipment

Each class of property, plant and equipment is carried at historical cost, less any accumulated depreciation or amortisation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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Depreciation and amortisation of property, plant and equipment

Depreciation and amortisation are calculated on a straight line or diminishing value basis to allocate the cost of an item of property, plant and equipment net of residual values over the expected useful life of each asset to the consolidated entity. Estimates of remaining useful lives and residual values are reviewed and adjusted, if appropriate, at each statement of financial position date. The depreciation rates used for each class of assets are:

	Depreciation rate
Plant and equipment	10% - 37.5%
Capitalised leased plant and equipment	10% - 37.5%
Motor vehicles	25%
Computer systems	25% - 37.5%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(n) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values as the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or debt. Contingent payments classified as debt are subsequently remeasured through profit or loss.

Acquisition-related costs are expensed as incurred.

(o) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of goodwill, this is the cash generating unit level.

(p) Leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease term.

(q) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or business at the date of the acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill and intangibles acquired in business combinations are not amortised. Instead, they are tested for impairment annually, or more frequently if events or changes in circumstances indicated that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments.

(ii) Trademarks and licences

Trademarks and licences have an indefinite useful life and are carried at cost less impairment losses.

(iii) Computer software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over periods generally ranging from 3 to 5 years.

(iv) Brand names

Brand names that are acquired as part of a business combination are recognised separately from goodwill. These assets are carried at their fair value at the date of acquisition less impairment losses. Brand names are valued using the relief from royalty method. Amortisation is calculated based on the timing of projected cash flows of the assets over their estimated useful lives, which is 20 years or indefinite.

(v) Supplier Agreements

Supplier agreements are acquired as part of a business combination and are recognised separately from goodwill. These assets are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses. Supplier agreements have been valued using the multi-period excess earnings method. Amortisation is calculated based on timing of projected cash flows of the assets over their estimated useful lives which is 20 years.

(vi) Other items of expenditure

Significant items of expenditure, such as costs incurred in store set-ups, are expensed in the financial period in which these costs are incurred.

(r) Trade and other payables

Trade and other creditors are payables for goods and services provided to the consolidated entity prior to the end of the financial period and which are unpaid at that date. The amounts are unsecured and are normally paid within sixty days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

(s) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

(t) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(u) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial period but not distributed at balance date.

(v) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Retirement benefit obligations

Contributions are made by the economic entity to an employee superannuation fund and are charged as expenses when incurred.

(iv) Share-based payments

Share-based compensation benefits are provided to certain employees via the Super Retail Group Executive Option Plan and Super Retail Group Performance Rights Plan.

The fair value of options and performance rights granted under these plans are recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

For share options, the fair value at grant date is determined using a Binomial option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each statement of financial position date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Performance rights are valued using the 3 month weighted average share price as at the grant date.

Upon exercise of the options and performance rights, the balance of the share-based payments reserve relating to those options remains in the share based reserve.

(v) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(w) Finance costs

Finance costs are recognised in the period in which these are incurred and are expensed in the period to which the costs relate. Generally costs such as discounts and premiums incurred in raising borrowings are amortised on an effective yield basis over the period of the borrowing. Finance costs include:

- interest on bank overdrafts and short-term and long-term borrowings;
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings; and
- finance lease charges;

(x) Cash and cash equivalents

For the purposes of the cash flow statement, cash includes cash on hand, cash at bank and at call deposits with banks or financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(y) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax, except where the amount of goods and services tax incurred is not recoverable from the Australian Tax Office. In these circumstances the goods and services tax is

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recognised as part of the cost of acquisition of the asset or as part of the item of expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of goods and services tax.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flow.

(z) Make good requirements in relation to leased premises.

Make good costs arising from contractual obligations in lease agreements are recognised as provisions at the inception of the agreement. A corresponding asset is taken up in property, plant and equipment at that time. Expected future payments are discounted using appropriate market yields at reporting date.

(aa) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:-

- the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (note 37).

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(ab) Rounding of amounts

The economic entity is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars.

(ac) Financial year

As allowed under Section 323D(2) of the *Corporations Act 2001*, the Directors have determined the financial year to be a fixed period of 52 calendar or 53 calendar weeks. For the period to 2 July 2011, the Group is reporting on the 52 week period that began 4 July 2010 and ended 2 July 2011. For the period to 3 July 2010, the Group is reporting on the period commencing 27 June 2009 and ended 3 July 2010.

(ad) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 2 July 2011 reporting period. The Group's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective for annual reporting periods beginning on or after 1 January 2013] AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption.

There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated as at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. The group has not yet decided when to adopt AASB 9.

Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective for annual reporting periods beginning on or after 1 January 2011) In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities. The Group will apply the amended standard from 3 Jul 2011. When the amendments are applied, the Group will need to disclose any transactions between its subsidiaries and its associates. However, there will be no impact on any of the amounts recognised in the financial statements.

AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective 1 July 2013) On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. The Group is listed on the ASX and is therefore not eligible to adopt the new Australian Accounting Standards – Reduced Disclosure Requirements. As a consequence, the two standards will have no impact on the financial statements of the entity.

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IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and revised IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures (effective 1 January 2013) In May 2011, the IASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures. The AASB is expected to issue equivalent Australian standards shortly.

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 Consolidated and Separate Financial Statements, and SIC-12 Consolidation – Special Purpose Entities. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns before control is present. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. There is also new guidance on participating and protective rights and on agent/principal relationships. While the group does not expect the new standard to have a significant impact on its composition, it has yet to perform a detailed analysis of the new guidance in the context of its various investees that may or may not be controlled under the new rules.

IFRS 12 sets out the required disclosures for entities reporting under the two new standards, IFRS 10 and IFRS 11, and replaces the disclosure requirements currently found in IAS 28. Application of this standard by the group will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the group's investments.

IAS 27 is renamed Separate Financial Statements and is now a standard dealing solely with separate financial statements. Application of this standard by the group will not affect any of the amounts recognised in the financial statements.

Amendments to IAS 28 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. The group is still assessing the impact of these amendments.

IFRS 13 Fair Value Measurement (effective 1 January 2013) IFRS 13 was released in May 2011. The AASB is expected to issue an equivalent Australian standard shortly. IFRS 13 explains how to measure fair value and aims to enhance fair value disclosures. The group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements.

Revised IAS 1 Presentation of Financial Statements (effective 1 July 2012) In June 2011, the IASB made an amendment to IAS 1 Presentation of Financial Statements. The AASB is expected to make equivalent changes to AASB 101 shortly. The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether they may be recycled to profit or loss in the future. It will not affect the measurement of any of the items recognised in the statement of financial position or the profit or loss in the current period. The group intends to adopt the new standard from 1 July 2012.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (effective 1 July 2013) In July 2011 the AASB decided to remove the individual key management personnel (KMP) disclosure requirements from AASB 124 Related Party Disclosures, to achieve consistency with the international equivalent standard and remove a duplication of the requirements with the Corporations Act 2001. While this will reduce the disclosures that are currently required in the notes to the financial statements, it will not affect any of the amounts recognised in the financial statements. The amendments apply from 1 July 2013 and cannot be adopted early. The Corporations Act requirements in relation to remuneration reports will remain unchanged for now, but these requirements are currently subject to review and may also be revised in the near future.

(ae) Parent entity financial information

The financial information for the parent entity, Super Retail Group Limited, disclosed in note 40 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of Super Retail Group Limited.

(ii) Tax consolidation legislation

Super Retail Group Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Super Retail Group Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Super Retail Group Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

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The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Super Retail Group Limited for any current tax payable assumed and are compensated by Super Retail Group Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Super Retail Group Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(iii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

2 Financial risk management

The Group's activities expose it to a variety of financial risks; market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board has approved written policies covering specific areas, such as mitigating foreign exchange, interest rate and credit risks, use of derivative financial instruments and investing excess liquidity.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures to the United States dollar and New Zealand dollar.

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group's risk management policy is to hedge between 40% and 75% of anticipated US dollar purchases for the subsequent 4 months and up to 40% of anticipated US dollar purchases for the subsequent 5 to 12 month period.

Forward contracts and currency options are used to manage foreign exchange risk. The Group's exposure to foreign currency risk at the end of the reporting period is:

	2 July 2011 USD \$'000	3 July 2010 USD \$'000
Trade receivables	779	508
Trade payables	9,763	5,541
Forward exchange contracts - buy foreign currency (cash flow hedges)	64,000	8,000

Group sensitivity

Based on the financial instruments held at 2 July 2011, had the Australian dollar weakened/strengthened by 10% against other currencies with all other variables held constant, the impact on the Group's post-tax profit would have been nil, on the basis that the financial instruments would have been designated as cash flow hedges and the impact upon the foreign exchange movements of other financial assets and liabilities is negligible.

2 Financial risk management (continued)

Equity would have been \$2,951,000 lower/\$3,606,000 higher (2010: \$676,000 lower/\$826,000 higher) had the Australian dollar weakened/strengthened by 10% against other currencies, arising mainly from forward foreign exchange contracts designated as cash flow hedges. The impact on other Group assets and liabilities as a result of movements in exchange rates are not material.

A sensitivity of 10% was selected following review of historic trends.

(ii) Cash flow and fair value interest rate risk

Group sensitivity

The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2011 and 2010, the Group's borrowings were at variable rates and were denominated in Australian dollars.

As at the reporting date, the Group had the following variable rate borrowings and interest rate swap contracts outstanding:

	2 July 2011 Balance \$'000	3 July 2010 Balance \$'000
Bank overdrafts and bank loans	100,000	110,000
Interest rate swaps	40,000	80,000

An analysis by maturities is provided in (c) below.

The Group risk management policy is to maintain fixed interest rate hedges between 40% to 75% of anticipated debt levels over a 3 year period. The Group utilises interest rate swaps and swaptions to hedge its interest rate exposure on borrowings.

At 2 July 2011, if interest rates had changed by +/- 100 basis points from the year-end rates with all other variables held constant, post-tax profit and equity for the year would have been \$560,000 lower/higher (2010: \$211,000 lower/higher), mainly as a result of higher/lower interest expense on bank loans.

(b) Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

Financing arrangements

The Group entity had access to the following undrawn borrowing facilities at the reporting date. These funds can be drawn in Australian dollars at any time subject to the continuing compliance with specified bank covenants.

	2011 \$'000	Consolidated 2010 \$'000
Floating rate		
- Cash advances (expiring within one year)	90,000	80,000

2 Financial risk management (continued)

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities and gross settled derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. For interest rate swaps the cash flows have been calculated using spot rates applicable at the reporting date.

Group – at 2 July 2011	Less than 6 months \$'000	6-12 months	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years	Total contractual cash flows \$'000	Carrying amount (assets) / liabilities
Non-derivatives							
Trade & other payables	122,373	0	0	0	0	122,373	122,373
Borrowings (excluding finance leases)	3,413	3,413	106,825	0	0	113,651	100,000
Finance lease liabilities	16	16	8	0	0	40	40
Total non-derivatives	125,802	3,429	106,833	0	0	236,064	222,413
Derivatives							
Net settled (IRS)	(78)	(61)	34	0	0	(105)	(142)
Gross settled							
- (inflow)	(44,298)	(15,388)	0	0	0	(59,686)	0
- outflow	48,001	16,340	0	0	0	64,341	0
Total derivatives	3,625	891	34	0	0	4,550	(142)
Group – at 3 July 2010							
Group – at 3 July 2010	Less than 6 months \$'000	6-12 months	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years	Total contractual cash flows \$'000	Carrying amount (assets) / liabilities
Non-derivatives							
Trade & other payables	99,563	0	0	0	0	99,563	99,563
Borrowings (excluding finance leases)	3,163	3,162	116,325	0	0	122,650	110,000
Finance lease liabilities	48	48	0	0	0	96	96
Total non-derivatives	102,774	3,210	116,325	0	0	222,309	209,659
Derivatives							
Net settled (IRS)	(623)	(623)	313	0	0	(933)	(282)
Gross settled							
- (inflow)	(9,470)	0	0	0	0	(9,470)	0
- outflow	8,867	0	0	0	0	8,867	0
Total derivatives	(1,226)	(623)	313	0	0	(1,536)	(282)

(d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of forward exchange contracts is determined using forward exchange market rates at the statement of financial position date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

2 Financial risk management (continued)

The following tables present the Group's entity's assets and liabilities measured and recognised at fair value at 2 July 2011.

Group – at 2 July 2011	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Derivatives used for hedging	0	142	0	142
Total assets	0	142	0	142
Liabilities				
Derivatives used for hedging	0	(4,115)	0	(4,115)
Total liabilities	0	(4,115)	0	(4,115)

Group – at 3 July 2010	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Derivatives used for hedging	0	904	0	904
Total assets	0	904	0	904
Liabilities				
Derivatives used for hedging	0	0	0	0
Total liabilities	0	0	0	0

The fair value of financial instruments traded in active markets such as publicly traded derivatives and trading and available-for-sale securities is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. These instruments are included in level 2 and comprise debt investments and derivative financial instruments. In the circumstances where a valuation technique for these instruments is based on significant observable inputs, such instruments are included in level 3.

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of the current borrowings approximates the carrying amount, as the impact of discount is not significant.

(e) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are not materially exposed to changes in market interest rates.

The Group's interest-rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk.

The Group manages its cash flow interest-rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. Under the interest-rate swaps, the Group agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

2 Financial risk management (continued)

	Consolidated entity			
	Carrying amount		Fair value	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Carrying amounts and fair values of financial assets and financial liabilities at statement of financial position date:				
Financial assets				
Cash and deposits	25,697	30,200	25,697	30,200
Receivables	22,018	22,195	22,018	22,195
Forward exchange contracts *	0	622	0	622
Interest rate swaps *	142	282	142	282
Non-traded financial assets	47,857	53,299	47,857	53,299
Financial liabilities				
Trade and other payables	(133,386)	(107,257)	(133,386)	(107,257)
Commercial bill and other financing	(99,175)	(109,008)	(99,175)	(109,008)
Forward exchange contracts *	(4,115)	0	(4,115)	0
Non-traded financial liabilities	(236,676)	(216,265)	(236,676)	(216,265)

*These amounts are unrealised gains and losses which have been included in the carrying amount and fair value of the on-statement of financial position financial assets and liabilities.

With the exception of the forward exchange contracts and interest rate swaps, none of the financial assets and liabilities are readily traded on organised markets in the standardised form.

Where assets are carried at amounts above the fair value these amounts have not been written down as it is intended to hold these assets to maturity.

Fair value is exclusive of costs that would be incurred on realisation of an asset and inclusive of costs that would be incurred on settlement of a liability.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position, and notes to the financial statements.

Credit risk for derivative financial instruments arises from the potential failure by counterparties to the contract to meet their obligations. The credit risk exposure to forward exchange contracts and interest rate swaps is the fair value of these contracts.

3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1(o). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions. Refer to note 14 for details of these assumptions.

(ii) Estimated value of intangible assets relating to acquisitions

The Group has allocated portions of the cost of acquisition to various intangible assets, such as brand names and supply agreements. Brand names have been valued using the relief from royalty method. Supplier agreements have been valued using the multi-period excess earnings method. The calculations require the use of assumptions. In addition, the value of liability of put options granted as part of acquisitions has been estimated.

(iii) Estimated value of make good provision

The Group has estimated the present value of the estimated expenditure required to remove any leasehold improvements and return leasehold premises to their original state, in addition to the likelihood of this occurring. These costs have been capitalised as part of the cost of the leasehold improvements. This provision was re-assessed during the year which resulted in a \$3m release.

4 Segment information

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Chief Operating Officers that are used to make strategic decisions.

The Chief Operating Officers consider the business from the following business segments:

Auto & Cycle Retailing: Retail and distribution of motor vehicle spare parts and bicycle accessories, tools and equipment.

Leisure Retailing: Retail and distribution of boating, camping, fishing, outdoor equipment and apparel.

(b) Segment information provided to the Chief Operating Officers

The segment information provided to the Chief Operating Officers for the reportable segments for the year ended 2 July 2011 is as follows:

2011	Auto & Cycle Retailing \$'000	Leisure Retailing \$'000	Total continuing operations \$'000	Inter-segment eliminations/ unallocated \$'000	Consolidated \$'000
Segment Revenue					
Sales to external customers	713,332	384,368	1,097,700	0	1,097,700
Inter segment sales	(5,099)	(280)	(5,379)	0	(5,379)
Total sales revenue					1,092,321
Other revenue/income	1,772	391	2,163	273	2,436
Total revenue and other income					1,094,757
Segment result (pre-borrowing costs and impairment)	63,611	32,042	96,653	(7,028)	88,625
Finance costs					(10,973)
Impairment of goodwill					0
Profit before income tax					77,652
Income tax expense					(22,053)
Profit for the period					55,599
Segment Assets & Liabilities					
Segment assets	366,253	171,597	537,850	34,198	572,048
Unallocated assets				0	0
Total assets					572,048
Segment liabilities	(206,162)	(115,187)	(321,349)	160,587	(160,762)
Unallocated liabilities				(107,606)	(107,606)
Total liabilities					(268,368)
Acquisitions of property, plant and equipment and other non- current segment assets	13,673	13,067	26,740	11,889	38,629
Depreciation and amortisation expense	(15,797)	(6,860)	(22,657)	(145)	(22,802)
Goodwill impairment					0
Other non-cash expenses					1,222

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
 Super Retail Group Limited (formerly Super Cheap Auto Group Limited)
 For the period ended 2 July 2011

The segment information provided to the Chief Operating Officers for the reportable segments for the year ended 3 July 2010 is as follows:

2010	Auto & Cycle Retailing \$'000	Leisure Retailing \$'000	Total continuing operations \$'000	Inter-segment eliminations/ unallocated \$'000	Consolidated \$'000
Segment Revenue					
Sales to external customers	687,856	254,005	941,861	0	941,861
Inter segment sales	(3,061)	(792)	(3,853)	0	(3,853)
Total sales revenue					938,008
Other revenue/income	284	130	414	343	757
Total revenue and other income					938,765
Segment result (pre-borrowing costs and impairment)	48,180	21,290	69,470	(3,113)	66,357
Finance costs				(10,477)	(10,477)
Impairment of goodwill	(2,000)	0	(2,000)	0	(2,000)
Profit before income tax					53,880
Income tax expense					(15,827)
Profit for the period					38,053
Segment Assets & Liabilities					
Segment assets	319,796	154,766	474,562	47,684	522,246
Unallocated assets				0	0
Total assets					522,246
Segment liabilities	(161,422)	(96,563)	(257,985)	115,208	(142,777)
Unallocated liabilities				(108,912)	(108,912)
Total liabilities					(251,689)
Acquisitions of property, plant and equipment and other non- current segment assets	16,605	48,809	65,414	5,420	70,834
Depreciation and amortisation expense	(15,609)	(4,976)	(20,585)	(145)	(20,730)
Goodwill impairment	(2,000)				(2,000)
Other non-cash expenses					784

(c) Other information

The consolidated entity's divisions are operated in two main geographical areas.

Australia

The home country of the parent entity. The two areas of operation are (i) automotive, bicycles and accessories (ii) boating, camping, outdoor entertainment and fishing.

New Zealand

Supercheap Auto and FCO operate in New Zealand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
 Super Retail Group Limited (formerly Super Cheap Auto Group Limited)
 For the period ended 2 July 2011

5 Revenue

	Consolidated	
	2011 \$'000	2010 \$'000
From continuing operations		
<i>Sales revenue</i>		
Sale of goods	1,092,321	938,008
	1,092,321	938,008
<i>Other revenue</i>		
Interest	1,077	594
	1,077	594
	1,093,398	938,602

6 Other Income

	Consolidated	
	2011 \$'000	2010 \$'000
Other income	1,359	163
	1,359	163

7 Expenses

	Consolidated	
	2011 \$'000	2010 \$'000
Profit before income tax includes the following specific gains and expenses:		
<i>Expenses</i>		
Net loss on disposal of property, plant and equipment	294	516
<i>Depreciation</i>		
Computer systems	5,306	5,402
Plant and equipment	13,864	12,275
Motor vehicles	30	35
Total depreciation	19,200	17,712
<i>Amortisation and Impairment</i>		
Computer software	3,457	2,873
Brand name	125	125
Goodwill	0	2,000
Supplier agreement	20	20
	3,602	5,018
<i>Finance costs</i>		
Interest and finance charges	10,859	12,564
Other finance costs (a)	0	(2,201)
Accretion of put option	114	114
Finance costs expensed	10,973	10,477
<i>Employee benefits expense</i>		
Superannuation expense	12,273	10,749
Salaries and wages	192,436	158,895
	204,709	169,644
<i>Rental expense relating to operating leases</i>		
Lease expenses	90,879	71,832
Equipment hire	4,907	4,174
Total rental expense relating to operating leases	95,786	76,006
<i>Foreign exchange gains and losses</i>		
Net foreign exchange (gains)/losses	(1,419)	2,323

(a) Other finance costs

A market-to-market loss on a \$60,000,000 swap was \$2,201,000 as at 27 June 2009 and was included as a finance cost expense in the 2009 year as the swap was deemed to be ineffective as a cash flow hedge for the period. The loss was reversed in the 2010 year due to the expiry of the swap, reducing finance cost expense by \$2,201,000 in 2010.

8 Income tax expense

	Consolidated	
	2011	2010
	\$'000	\$'000
(a) Income tax expense		
Current tax	23,975	17,867
Deferred tax	(1,807)	(1,652)
Adjustments for current tax of prior period	(115)	(388)
	22,053	15,827
Deferred income tax (revenue) expense included in income tax expense comprises:		
Decrease (increase) in deferred tax assets (note 13)	(1,771)	(1,614)
(Decrease) increase in deferred tax liabilities (note 22)	(36)	(38)
	(1,807)	(1,652)
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax expense	77,652	53,880
Tax at the Australian tax rate of 30% (2010 - 30%)	23,296	16,164
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax consolidation adjustments re NZ branch	(44)	(39)
Investment allowance	0	(199)
Goodwill impairment	0	600
R & D credits	(1,207)	(434)
Sundry items	123	123
	22,168	16,215
Adjustments for current tax of prior periods	(115)	(388)
Income tax expense	22,053	15,827
Amounts recognised directly in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity		
Net deferred tax – debited/(credited) directly to equity (notes 13 and 22)	(1,228)	(1,137)
	(1,228)	(1,137)
Tax expense (income) relating to items of other comprehensive income		
Cash flow hedges	(1,463)	(548)
	(1,463)	(548)

(c) Tax consolidation legislation

Super Retail Group Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 1 July 2003. The accounting policy in relation to this legislation is set out in note 1(d).

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly-owned entities in the case of a default by the head entity, Super Retail Group Limited.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Super Retail Group Limited for any current tax payable assumed and are compensated by Super Retail Group Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Super Retail Group Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

9 Current assets - Cash and cash equivalents

	Consolidated	
	2011	2010
	\$'000	\$'000
Cash at bank and in hand	<u>25,697</u>	<u>30,200</u>

10 Current assets - Trade and other receivables

	Consolidated	
	2011	2010
	\$'000	\$'000
Trade receivables	13,176	10,969
Provision for impairment of receivables (a)	<u>(268)</u>	<u>(210)</u>
	12,908	10,759
Other receivables	3,777	2,030
Tax receivable	1,818	548
Prepayments	<u>3,657</u>	<u>8,858</u>
	<u>22,160</u>	<u>22,195</u>

(a) Impaired trade receivables

As at 2 July 2011 current trade receivables of the Group with a nominal value of \$268,000 (2010: \$210,000) were impaired. The amount of the provision was \$268,000 (2010: \$210,000). The individually impaired receivables mainly relate to wholesalers who are in unexpectedly difficult economic situations.

Movements in the provision for impairment of receivables are as follows:

	Consolidated	
	2011	2010
	\$'000	\$'000
As at 3 July 2010	(210)	(347)
Provision for impairment recognised during the year	(236)	(947)
Receivables written off during the year as uncollectible	<u>178</u>	<u>1,084</u>
	<u>(268)</u>	<u>(210)</u>

The creation and release of the provision for impaired receivables has been included in "Administration" in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

(b) Past due but not impaired

As of 2 July 2011, trade receivables of \$3,586,000 (2010: \$3,009,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Consolidated	
	2011	2010
	\$'000	\$'000
0 to 3 months	2,435	1,588
3 to 6 months	668	333
Over 6 months	<u>483</u>	<u>1,088</u>
	<u>3,586</u>	<u>3,009</u>

11 Current assets – Inventories

	Consolidated	
	2011 \$'000	2010 \$'000
Finished goods - at lower of cost or net realisable value	<u>292,874</u>	<u>253,101</u>

(a) Inventory expense

Inventories recognised as expense during the year ended 2 July 2011 amounted to \$583,164,000 (2010: \$518,626,000).

Write-downs of inventories to net realisable value recognised as an expense/(benefit) during the year ended 2 July 2011 amounted to (\$1,388,000) (2010: (\$1,323,000)). The benefit has been included in 'costs of sales of goods' in the income statement.

12 Non-current assets – Property, plant and equipment

	Consolidated	
	2011 \$'000	2010 \$'000
Plant and equipment, at cost	160,141	141,546
Less accumulated depreciation	<u>(63,964)</u>	<u>(51,581)</u>
Net plant and equipment	<u>96,177</u>	<u>89,965</u>
Motor vehicles, at cost	266	912
Less accumulated depreciation	<u>(240)</u>	<u>(251)</u>
Net motor vehicles	<u>26</u>	<u>661</u>
Computer systems, at cost	45,805	42,377
Less accumulated depreciation	<u>(32,731)</u>	<u>(27,694)</u>
Net computer equipment	<u>13,074</u>	<u>14,683</u>
Total net property, plant and equipment	<u>109,277</u>	<u>105,309</u>

Assets pledged as security are detailed in Note 20

	Plant and equipment \$'000	Motor vehicles \$'000	Computer systems \$'000	Total \$'000
Reconciliations - consolidated entity				
Carrying amounts at 4 July 2010	89,965	661	14,683	105,309
Additions	23,084	0	4,522	27,606
Disposals	(3,390)	(197)	(157)	(3,744)
Business acquisitions	185	(413)	(668)	(896)
Depreciation and amortisation	(13,864)	(30)	(5,306)	(19,200)
Foreign currency exchange differences	197	5	0	202
Carrying amounts at 2 July 2011	<u>96,177</u>	<u>26</u>	<u>13,074</u>	<u>109,277</u>
Reconciliations - consolidated entity				
Carrying amounts at 28 June 2009	73,200	70	14,678	87,948
Additions	18,643	0	4,467	23,110
Disposals	(439)	(32)	(118)	(589)
Business acquisitions	10,965	658	1,079	12,702
Depreciation and amortisation	(12,275)	(35)	(5,402)	(17,712)
Foreign currency exchange differences	(129)	0	(21)	(150)
Carrying amounts at 3 July 2010	<u>89,965</u>	<u>661</u>	<u>14,683</u>	<u>105,309</u>

13 Non-current assets - Deferred tax assets

	Consolidated	
	2011	2010
	\$'000	\$'000
The balance comprises temporary differences attributable to:		
<i>Amounts recognised in profit or loss</i>		
Doubtful debts	85	63
Employee benefits	5,779	4,569
Accruals	312	103
Inventories	2,137	2,100
Deferred make good provision	257	1,175
Straight line lease adjustment	4,662	3,965
Deferred income	127	107
Depreciation	2,512	1,875
Provision for warranties and legal costs	13	13
	15,884	13,970
<i>Amounts recognised directly in equity</i>		
Cash flow hedges	1,235	0
Share placement costs	354	589
	17,473	14,559
Set off with deferred tax liabilities (note 22)	(6,684)	(6,948)
Net deferred tax assets	10,789	7,611
Movements:		
Opening balance	14,559	11,206
Credited/(charged) to the income statement	1,771	1,614
Credited/(charged) to equity	1,000	589
Foreign exchange on translation of NZ subsidiary	0	0
Acquired in acquisition	143	1,150
Closing balance	17,473	14,559
Deferred tax assets to be recovered after more than 12 months	14,543	12,013
Deferred tax assets to be recovered within 12 months	2,930	2,546
	17,473	14,559

14 Non-current assets – Intangible assets

	Consolidated	
	2011 \$'000	2010 \$'000
Goodwill at cost	78,452	76,701
Less accumulated impairment charge	(2,000)	(2,000)
Net goodwill	76,452	74,701
Trademarks, at cost	14	14
Less accumulated depreciation	0	0
Net trademarks	14	14
Computer software	32,614	23,356
Less accumulated amortisation	(20,294)	(16,851)
Net computer software	12,320	6,505
Brand names at cost	22,500	22,500
Less amortisation	(375)	(250)
Net brand names	22,125	22,250
Supplier agreement	400	400
Less amortisation	(60)	(40)
Net supplier agreement	340	360
Total net intangibles	111,251	103,830

	Goodwill \$'000	Trademarks \$'000	Computer Software \$'000	Brand Name \$'000	Supplier Agreement \$'000	Totals \$'000
Reconciliations – consolidated entity – 2011						
Carrying amounts at 4 July 2010	74,701	14	6,505	22,250	360	103,830
Additions	0	0	9,455	0	0	9,455
Disposals/Revision in provisional accounting	1,751	0	(183)	0	0	1,568
Amortisation/Impairment charge	0	0	(3,457)	(125)	(20)	(3,602)
Foreign currency exchange differences	0	0	0	0	0	0
Carrying amounts at 2 July 2011	76,452	14	12,320	22,125	340	111,251

Amortisation of \$3,602,000 (2010: \$5,018,000) is included in "Administration" in the consolidated income statement.

	Goodwill \$'000	Trademarks \$'000	Computer Software \$'000	Brand Name \$'000	Supplier Agreement \$'000	Totals \$'000
Reconciliations – consolidated entity – 2010						
Carrying amounts at 28 June 2009	67,280	14	5,358	2,375	380	75,407
Acquisitions	9,421	0	0	20,000	0	29,421
Additions	0	0	4,033	0	0	4,033
Disposals/Revision in provisional accounting	0	0	(24)	0	0	(24)
Amortisation/Impairment charge	(2,000)	0	(2,873)	(125)	(20)	(5,018)
Foreign currency exchange differences	0	0	11	0	0	11
Carrying amounts at 3 July 2010	74,701	14	6,505	22,250	360	103,830

(a) Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to the group of assets based on acquisition.

14 Non-current assets – Intangible assets (continued)

A CGU level summary of the goodwill allocation is presented below:-

	Supercheap Auto \$'000	BCF \$'000	Goldcross Cycles \$'000	Ray's Outdoors \$'000	Total \$'000
2011					
Goodwill	45,336	12,950	7,954	10,212	76,452
	Supercheap Auto \$'000	BCF \$'000	Goldcross Cycles \$'000	Ray's Outdoors \$'000	Total \$'000
2010					
Goodwill	45,336	12,950	7,954	8,461	74,701

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by the Board of Directors covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

Goodwill allocation presented for Goldcross Cycles includes goodwill for Victor Cycles and Riders Cycles.

(b) Key assumptions used for value-in-use calculations

The following assumptions have been used for the analysis of each CGU within the business segment. Management determined budgeted gross margin based on past performance and its expectations for the future. The weighted average growth rates used are consistent with forecasts included in industry reports. The discount rates used are pre-tax. The factors used by each business segment is shown below.

	Growth rate		Discount rate	
	2011	2010	2011	2010
Supercheap Auto	3.0	3.0	15	15
BCF	5.0	5.0	15	15
Goldcross Cycles	10.0	7.5	15	15
Ray's Outdoors	10.0	-	15	-

The initial two year's of a store operating growth rate is assumed to be 10% for Supercheap Auto, BCF, Ray's Outdoors and Goldcross Cycles.

(c) Impairment charge

An impairment charge of \$2,000,000 arose in the Goldcross Cycles CGU for the period ended 3 July 2010 following a review of sales and gross margin performance against business plan expectations in December 2009. No class of asset other than goodwill was impaired. This has been included in the Auto & Cycle Retailing segment in note 4.

(d) Useful life for brands

The Goldcross Cycles brand has been determined to have a 20 year life and is amortised over this period.

No amortisation is provided against the carrying value of the purchased Ray's Outdoors brand on the basis that it is considered to have an indefinite useful life.

Key factors taken into account in assessing the useful life of brands were:

- the strong recognition of the Ray's Outdoors brand; and
- there are currently no legal, technical or commercial factors indicating that the life should be considered limited.

15 Current liabilities - Trade and other payables

	Consolidated	
	2011	2010
	\$'000	\$'000
Trade payables	83,050	70,459
Other payables	39,305	29,084
Loans from related parties	18	20
	122,373	99,563

16 Current liabilities – Borrowings

	Consolidated	
	2011	2010
	\$'000	\$'000
Secured		
Finance leases	32	96
Cash advance	0	10,000
Total current liabilities – secured interest bearing liabilities	32	10,096
Unsecured		
Related parties	0	0
Unsecured bank financing	0	0
Total current liabilities – unsecured interest bearing liabilities	0	0
Total current liabilities – interest bearing liabilities	32	10,096

(a) Cash Advances

Cash advances have been drawn as a source of short-term financing on a needs basis.

(b) Interest rate risk exposures

Details of the Group's exposure to interest rate changes on borrowings are set out in note 21.

(c) Fair value disclosures

Details of the fair value of borrowings for the Group are set out in note 21.

(d) Security

Details of the security relating to each of the secured liabilities and further information on the bank overdrafts and bank loans are set out in note 20.

17 Current liabilities – Current tax liabilities

	Consolidated	
	2011	2010
	\$'000	\$'000
Income tax payable	11,013	7,694

18 Current liabilities – Provisions

	Consolidated	
	2011 \$'000	2010 \$'000
Put option provision ^(a)	871	758
Provision for warranties ^(b)	44	44
Make good provision ^(c)	460	346
Employee benefits ^(d)	10,911	10,633
	12,286	11,781

(a) Put Option Provision

The put option relates to the acquisition of Oceania Bicycles Pty Ltd. As part of this acquisition, Super Retail Group Limited has granted the vendor an option to sell the remaining 50% to the Group at an agreed EBITA multiple. This option can be exercised at any time up to 10 years from acquisition.

(b) Provision for Warranties

Provision is made for the estimated warranty claims in respect of products sold which are still under warranty at balance date. These claims are expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information and any recent trends.

(c) Make good provision

Provision is made for costs arising from contractual obligations in lease agreements at the inception of the agreement. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of the leasehold improvements and are amortised over the shorter of the term of the lease or the useful life of the assets.

(d) Employee benefits

The current provision for employee benefits includes accrued annual leave and long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service.

19 Non-current liabilities – Trade and Other Payables

	Consolidated	
	2011 \$'000	2010 \$'000
Straight line lease adjustment	15,538	13,217

20 Non-current liabilities – Borrowings

	Consolidated	
	2011 \$'000	2010 \$'000
Secured		
Finance lease	8	0
Cash advance	100,000	100,000
Less borrowing costs capitalised, net	(865)	(1,088)
	99,143	98,912

The facilities are secured by first registered floating company charges over all the assets and undertakings of Super Retail Group Limited and all its wholly-owned subsidiaries in favour of ANZ Banking Group Limited, HSBC and Commonwealth Bank of Australia and by cross guarantees and indemnities between Super Retail Group Limited and all its wholly-owned subsidiaries in favour of ANZ Banking Group Limited, HSBC and Commonwealth Bank of Australia. Financial covenants are provided by Super Retail Group Limited with respect to leverage, gearing, fixed charges coverage and tangible net worth.

20 Non-current liabilities – Borrowings (continued)

The carrying amount of assets pledged as security are equal to those shown in the consolidated statement of financial position.

	Consolidated	
	2011	2010
	\$'000	\$'000
Financing arrangements		
Unrestricted access was available at balance date to the following lines of credit:		
Total facilities		
- Bank debt funding facility	190,000	190,000
- Multi-option facility (including indemnity/guarantee)	7,000	7,000
Totals	197,000	197,000
Facilities used at balance date		
- Bank debt funding facility	100,000	110,096
- Multi-option facility (including indemnity/guarantee)	3,030	2,689
Totals	103,030	112,785
Unused balance of facilities at balance date		
- Bank debt funding facility	90,000	79,904
- Multi-option facility (including indemnity/guarantee)	3,970	4,311
Totals	93,970	84,215

In addition, the Company has access to a \$132 million (2010: \$122 million) transactional facility for clean credit and foreign currency dealings.

The current interest rates on the financing arrangements are:

- Bank debt funding facility 3.97%- 5.08% (2010: 3.97%-7.09%)

Fair Value

Refer to Note 2 for the carrying amounts and fair values of borrowings at the end of reporting period.

Risk exposures

Information about the group's exposure to interest rate and foreign currency changes is provided in Note 2.

21 Derivative Financial instruments

Derivative financial instruments

The Group is party to derivative financial instruments in the normal course of business in order to hedge exposures to foreign exchange and interest rate changes.

Foreign exchange contracts

The economic entity retails products including some that have been imported from South East Asia. In order to protect against exchange rate movements, the economic entity has entered into forward exchange rate contracts to purchase United States Dollars. The contracts are timed to mature in line with forecasted payments for imports and cover forecast purchases for the coming four months on a rolling basis.

21 Derivative Financial instruments (continued)

At balance date the following amounts were committed on foreign currency forward exchange contracts:

	Consolidated entity	
	2011 \$000	2010 \$000
Buy United States dollars and sell Australian dollars with maturity		
- 0 to 6 months	47,500	8,000
- 7 to 12 months	16,500	0
	47,500	8,000

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the Group adjusts the initial measurement of the component recognised in the statement of financial position by the related amount deferred in equity. In the year ended 2 July 2011, no hedges were designated as ineffective (2010: nil).

Gains and losses arising from hedging contracts terminated prior to maturity are also carried forward until the designated hedged transaction occurs.

The following gains, losses and costs have been deferred as at the balance date:

- unrealised gains/(losses) on foreign exchange contracts (a)	(4,115)	622
- unrealised gains/(losses) on interest rate swaps (b)	142	282
- total gains/(losses)	(3,973)	904
- realised losses and costs		
- unrealised losses and costs on interest rate swaps	0	0
- total losses and costs	0	0
Net gains/(losses and costs)	(3,973)	904

(a) Included in other payables under note 15

(b) Included in other receivables under note 10

Interest rate swap contracts

Bank loans of the economic entity currently bear an average variable interest rate of 6.83% (2010: 7.28%). It is policy to protect part of the loans from exposure to increasing interest rates. Accordingly, the economic entity has entered into interest rate swap contracts, under which it is obliged to receive interest at variable rates and to pay interest at fixed rates. The contracts are settled on a net basis and the net amount receivable or payable at the reporting date is included in other debtors or other creditors.

During the year the Group was a party to two interest rate swaps for a total nominal value of \$80,000,000 (2010: \$80,000,000) of which \$60,000,000 expired on 30 May 2011 and \$20,000,000 will be expiring on 16 January 2012. The Group also entered into a \$20,000,000 one year interest swap with a start date of 31 January 2012. This swap is for a fixed interest rate of 4.92%. The Group has also entered into a \$20,000,000 two year interest rate swap with a start date of 31 October 2011. This swap is for a fixed interest rate of 4.64%.

The contracts require settlement of net interest receivable or payable each 90 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt. Swaps currently in place cover approximately 20% (2010: 73%) of the loan principal outstanding. The average fixed interest rate is 3.97% (2010: 6.31%).

21 Derivative Financial instruments (continued)

Interest rate risk exposures

The economic entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table:

Notes	Floating interest rate \$'000	Fixed interest maturing in			Non-interest bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
2011						
Financial assets						
Cash and deposits	9	24,743	0	0	954	25,697
Receivables	10	0	0	0	22,160	22,160
Total financial assets		24,743	0	0	23,114	47,857
<i>Weighted average rate of interest</i>		4.28%				
Financial liabilities						
Trade and other payables	15, 17	0	0	0	133,386	133,386
Commercial bill/cash advance	16, 20	79,135	20,032	8	0	99,175
Employee entitlements	18, 23	0	0	0	13,863	13,863
Total financial liabilities		79,135	20,032	8	147,249	246,424
<i>Weighted average rate of interest</i>		5.0%	3.97%	12.37%		
Net financial assets/ (liabilities)		(54,392)	(20,032)	(8)	(124,135)	(198,567)

Notes	Floating interest rate \$'000	Fixed interest maturing in			Non-interest bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
2010						
Financial assets						
Cash and deposits	9	21,360	0	0	8,840	30,200
Receivables	10	0	0	0	22,195	22,195
Total financial assets		21,360	0	0	31,035	52,395
<i>Weighted average rate of interest</i>		2.7%				
Financial liabilities						
Trade and other payables	15, 17	0	0	0	107,257	107,257
Commercial bill/cash advance	16, 20	29,008	60,000	20,000	0	109,008
Employee entitlements	18, 23	0	0	0	12,840	12,840
Total financial liabilities		29,008	60,000	20,000	120,097	229,105
<i>Weighted average rate of interest</i>		7.3%	7.09%	3.97%		
Net financial assets/ (liabilities)		(7,648)	(60,000)	(20,000)	(89,062)	(176,710)

22 Non-current liabilities - Deferred tax liabilities

	Consolidated	
	2011 \$'000	2010 \$'000
The balance comprises temporary differences attributable to:		
<i>Amounts recognised in profit or loss</i>		
Prepayments	3	2
Brand values	6,638	6,675
	6,641	6,677
<i>Amounts recognised directly in equity</i>		
Foreign exchange revaluation reserve	0	0
Cash flow hedges	43	271
	6,684	6,948
Set-off of deferred tax liabilities of parent entity pursuant to set-off provisions	(6,684)	(6,948)
Net deferred tax liabilities	0	0
Movements:		
Opening balance	6,948	1,534
Charged/(credited) to the income statement	(36)	(38)
Charged/(credited) to equity	(228)	(548)
Foreign exchange on translation of NZ subsidiary	0	0
Acquired in acquisition	0	6,000
Closing balance	6,684	6,948
Deferred tax liabilities to be settled after more than 12 months	6,681	6,946
Deferred tax liabilities to be settled within 12 months	3	2
	6,684	6,948

23 Non-current liabilities – Provisions

	Consolidated	
	2011 \$'000	2010 \$'000
Make good provision	4,899	8,087
Employee benefits	2,952	2,207
Provision for Oceania future dividend (a)	132	132
	7,983	10,426

(a) Provision for Oceania future dividend

A provision has been recognised for the present value of the estimated cost of the future dividend required to be paid with respect to Oceania.

(b) Movements in provisions (consolidated entity) (notes 18 & 23)

	Put option \$'000	Warranties \$'000	Make good \$'000	Oceania future dividend \$'000	Total \$'000
Opening balance as at 4 July 2010	758	44	8,433	132	9,367
Additional provisions recognised	0	0	0	0	0
Indexing of provisions	113	0	0	0	113
Provision released	0	0	(3,074)	0	(3,074)
Acquisitions	0	0	0	0	0
Closing balance as at 2 July 2011	871	44	5,359	132	6,406

24 Contributed equity

(a) Share Capital

	Parent Entity		
	2011 \$'000	2010 \$'000	
Ordinary shares fully paid	194,541	182,158	
	Number of Shares	Issue Price	\$'000
(b) Movement in ordinary share capital			
Issue of shares on incorporation (8 April 2004)	1	1.00	0
Issue of shares on 23 April 2004	49,697,150	1.69	84,233
Share split on 19 May 2004	56,732,471	0	0
Issue of shares on 8 March 2008	200,000	1.97	394
Dividend reinvestment plan issue on 14 October 2009	714,234	5.35	3,821
Dividend reinvestment plan issue on 17 March 2010	661,137	4.96	3,279
Issue of shares on 4 May 2010	15,900,000	4.80	76,320
Shares issue under share option	612,500	2.36	1,346
Share placement plan on 27 May 2010	2,529,809	4.80	12,143
Shares issue under share option	185,000	2.42	448
Shares issued on 31 May 2010 as consideration for Ray's Outdoors Pty Ltd	300,000	5.16	1,548
Dividend reinvestment plan issue on 1 October 2010	775,040	5.98	4,637
Dividend reinvestment plan issue on 5 April 2011	941,397	6.40	6,028
Shares issue under share option	770,000	2.55	1,966
			196,163
Less transaction costs on share issue			(1,976)
Deferred tax credit recognised directly in equity			354
Closing balance 2 July 2011	130,018,739		194,541

The purpose of the issue on 27 April 2010 was to finance the acquisition of Ray's Outdoors and provide additional funds to meet capital expenditure and working capital requirements associated with growing the Ray's Outdoors store network.

Dividend reinvestment plan

The company has established a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. Shares issued under the plan at a 2.5% discount to the market price.

The ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present, in person or by proxy, at a meeting of shareholders of the parent entity is entitled to one vote and, upon a poll, each share is entitled to one vote.

Options over nil (2010: nil) ordinary shares were issued during the period, with 770,000 (2010: 797,500) options being exercised during the period. Performance rights over 363,427 (2010: 375,165) ordinary shares were issued during the period. Nil performance rights were exercised during the period. Information relating to options outstanding at the end of the financial period are set out in Note 38.

(c) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors overall capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position (including minority interest) plus net debt.

During 2011 the Group's strategy, which was unchanged from 2010, was to ensure that the gearing ratio remained below 50%. This target ratio range excludes the short-term impact of acquisitions. The gearing ratios at 2 July 2011 and 3 July 2010 were as follows:

24 Contributed equity (continued)

	Consolidated	
	2011 \$'000	2010 \$'000
Total borrowings	99,175	109,008
Less: Cash & cash equivalents	(25,697)	(30,200)
Net Debt	<u>73,478</u>	<u>78,808</u>
Total Equity	303,680	270,557
Total Capital	<u>377,158</u>	<u>349,365</u>
Gearing Ratio	19.5%	22.6%

The decrease in the gearing ratio was due to dividend reinvestment plan in place for shareholders as well as a small reduction in debt levels. The Group now has significant capacity to fund its growth plans, including continued expansion of the store network.

The Group monitors ongoing capital on the basis of the fixed charge cover ratio. The ratio is calculated as earnings before finance costs, tax, depreciation, amortisation and store and DC rental expense divided by fixed charge obligations (being finance costs and store and DC rental expenses). Rental expenses are calculated net of straight line lease adjustments, while finance costs exclude non-cash mark-to-market losses or gains on interest rate swaps.

During 2011 the Group's strategy, which was unchanged from 2010, was to maintain a fixed charge cover ratio of around 2.0 times. The fixed charge cover ratios at 2 July 2011 and 3 July 2010 were as follows:

	Consolidated	
	2011 \$'000	2010 \$'000
Earnings	55,599	38,053
Add: Taxation expense	22,053	15,827
Finance costs	10,973	10,477
Depreciation and amortisation	22,802	22,730
Rental expense	84,486	69,833
EBITDAR	<u>195,913</u>	156,920
Finance costs (excluding MTM adjustment)	10,973	12,678
Rental expense	84,486	69,833
Fixed charges	<u>95,459</u>	82,511
Fixed charge cover ratio	2.05	1.90

The improvement in the fixed charge cover ratio was due to the increased profitability of the Group.

25 Reserves and retained profits

	Consolidated	
	2011	2010
	\$'000	\$'000
Reserves		
Foreign currency translation reserve	(3,607)	(2,407)
Share based payments reserve	3,149	1,932
Hedging reserve	(2,781)	633
	<u>(3,239)</u>	<u>158</u>
Movements		
Foreign currency translation reserve		
Balance at the beginning of the financial period	(2,407)	(2,933)
Net exchange difference on translation of foreign controlled Entity	(1,200)	526
Balance at the end of the financial period	<u>(3,607)</u>	<u>(2,407)</u>
Share based payments reserve		
Balance at beginning of the financial period	1,932	1,068
Options lapsed	0	0
Options and performance rights expense	1,217	864
Balance at the end of the financial period	<u>3,149</u>	<u>1,932</u>
Hedging reserve		
Balance of beginning of the financial period	633	1,907
Revaluation – gross	(4,877)	(1,822)
Deferred tax	1,463	548
Balance at the end of the financial period	<u>(2,781)</u>	<u>633</u>
Retained earnings		
Balance at the beginning of the financial period	88,241	71,685
Net profit/(loss) for the financial period attributable to shareholders of Super Retail Group Limited	55,599	38,053
Dividends provided for or paid	(31,462)	(21,497)
Retained profits/(losses) at the end of the financial period	<u>112,378</u>	<u>88,241</u>

Nature and purpose of reserves

(i) Hedging reserve - cash flow hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, as described in note 1(k). Amounts are recognised in profit and loss when the associated hedged transaction affects profit and loss.

(ii) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of options and performance rights issued but not exercised.

(iii) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve, as described in note 1(e). The reserve is recognised in profit and loss when the net investment is disposed of.

26 Dividends

	Parent Entity	
	2011	2010
	\$'000	\$'000
Ordinary shares		
Dividends paid by Super Retail Group Limited during the reporting period were as follows:		
Interim dividend for the period ended 1 January 2011 of 11.5 cents (2010: 8.5 cents per share) paid on 5 April 2011. Fully franked based on tax paid @ 30%	14,844	9,182
Final dividend for the period ended 3 July 2010 of 13.0 cents per share (2010: 11.5 cents per share) paid on 1 October 2010. Fully franked based on tax paid @ 30%	16,618	12,315
Total dividends provided and paid	31,462	21,497
Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment plan were as follows:		
Paid in cash	20,797	14,395
Satisfied by issue of shares	10,665	7,102
	31,462	21,497
Dividends not recognised at year end		
Subsequent to year end, the Directors have declared the payment of a final dividend of 17.5 cents per ordinary share (2010: 13.0 cents per ordinary share), fully franked based on tax paid at 30%.		
The aggregate amount of the dividend expected to be paid on 26 September 2011, out of retained profits at 2 July 2011, but not recognised as a liability at year end, is	22,753	16,579
Franking credits		
The franked portions of dividends paid after 2 July 2011 will be franked out of existing franking credits and out of franking credits arising from the payments of income tax in the years ending after 2 July 2011.		
Franking credits remaining at balance date available for dividends declared after the current balance date based on a tax rate of 30%	52,124	47,147

The above amounts represent the balance of the franking account as at the end of the financial period, adjusted for:

- franking credits that will arise from the payment of the current tax liability; and,
- franking debits that will arise from the payment of the dividend as a liability at the reporting date.

The amount recorded above as the franking credit amount is based on the amount of Australian income tax paid or to be paid in respect of the liability for income tax at the balance date.

The impact on the franking account of the dividend recommended by the directors since year end, but not recognised as a liability at year end, will be a reduction in the franking account of \$9,751,405 (2010: \$7,105,371).

27 Key management personnel disclosures

(a) Key management personnel compensation

	Consolidated	
	2011 \$	2010 \$
Short-term employee benefits	3,556,350	3,344,736
Post-employment benefits	231,763	294,597
Share-based payments	726,090	430,935
	4,514,203	4,070,268

The key management personnel remuneration in some instances has been paid by a subsidiary.

(b) Equity instrument disclosures relating to key management personnel

(i) Options provided as remuneration and shares issued on exercise of such options

Details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, can be found in the Remuneration and Diversity Report on pages 18 to 28.

(ii) Performance Rights

Details of performance rights provided as remuneration and shares issued on the exercise of such performance rights, together with terms and conditions of the performance rights, can be found in the Remuneration and Diversity Report on pages 18 to 28.

The number of performance rights over ordinary shares in the Company held during the financial year by each Director of Super Retail Group Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2011 Name	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Directors of Super Retail Group						
R J Wright	0	0	0	0	0	0
R A Rowe	0	0	0	0	0	0
D D McDonough (resigned 31 August 2010)	0	0	0	0	0	0
R J Skippen	0	0	0	0	0	0
S A Pitkin	0	0	0	0	0	0
P A Birtles	100,000	100,000	0	0	200,000	0
Other key management personnel of the Group						
D F Ajala	38,835	36,325	0	0	75,160	0
S J Doyle	35,437	33,333	0	0	68,770	0
G G Carroll	25,172	23,089	0	0	48,261	0
G L Chad	28,420	26,270	0	0	54,690	0

27 Key management personnel disclosures (continued)

(iii) Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each Director of Super Retail Group Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2011						
Name	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Directors of Super Retail Group Limited						
R J Wright	0	0	0	0	0	0
R A Rowe	0	0	0	0	0	0
D D McDonough (resigned 31 August 2010)	0	0	0	0	0	0
R J Skippen	0	0	0	0	0	0
S A Pitkin	0	0	0	0	0	0
P A Birtles	350,000	0	150,000	0	200,000	200,000
Other key management personnel of the Group						
D F Ajala	135,000	0	135,000	0	0	0
S J Doyle	300,000	0	50,000	0	250,000	250,000
G G Carroll	175,000	0	75,000	0	100,000	100,000
G L Chad	87,500	0	37,500	0	50,000	50,000

No options are vested and unexercisable at the end of the year.

2010						
Name	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Directors of Super Retail Group Limited						
R J Wright	0	0	0	0	0	0
R A Rowe	0	0	0	0	0	0
D D McDonough (resigned 31 August 2010)	0	0	0	0	0	0
R J Skippen	0	0	0	0	0	0
P A Birtles	500,000	0	150,000	0	350,000	150,000
Other key management personnel of the Group						
D F Ajala	400,000	0	265,000	0	135,000	35,000
S J Doyle	400,000	0	100,000	0	300,000	200,000
G G Carroll	250,000	0	75,000	0	175,000	75,000
G L Chad	125,000	0	37,500	0	87,500	37,500

No options are vested and unexercisable at the end of the year.

(iii) Share holdings

The numbers of shares in the Company held during the financial year by each director of Super Retail Group Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

27 Key management personnel disclosures (continued)

2011				
Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Directors of Super Retail Group Limited				
Ordinary shares				
R J Wright	44,274	0	1,774	46,048
R A Rowe	53,028,254	0	643,072	53,671,326
D D McDonough (resigned 31 August 2010)	62,083	0	0	62,083
R J Skippen	0	0	0	0
S A Pitkin	0	0	10,000	10,000
P A Birtles	1,542,596	150,000	0	1,692,596
Other key management personnel of the Group				
Ordinary shares				
D F Ajala	165,136	135,000	(191,700)	108,436
S J Doyle	23,411	50,000	(50,000)	23,411
G G Carroll	0	75,000	(75,000)	0
G L Chad	37,500	37,500	0	75,000

2010				
Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Directors of Super Retail Group Limited				
Ordinary shares				
R J Wright	40,609	0	3,665	44,274
R A Rowe	52,402,159	0	626,095	53,028,254
D D McDonough (resigned 31 August 2010)	60,000	0	2,083	62,083
R J Skippen	0	0	0	0
P A Birtles	1,392,596	150,000	0	1,542,596
Other key management personnel of the Group				
Ordinary shares				
D F Ajala	281	265,000	(100,145)	165,136
S J Doyle	143,411	100,000	(220,000)	23,411
G G Carroll	0	75,000	(75,000)	0
G L Chad	50,000	37,500	(50,000)	37,500

Loans to key management personnel

There were no loans to individuals at any time.

Other transactions with key management personnel

Aggregate amounts of each of the above types of other transactions with key management personnel of Super Retail Group Limited:

	2011	2010
	\$000	\$000
Amounts paid to key management personnel as shareholders		
Dividends	13,510	10,891

28 Remuneration of auditors

During the period the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms.

	Consolidated	
	2011	2010
	\$	\$
(a) Assurance services		
<i>Audit services</i>		
PricewaterhouseCoopers Australian firm		
Audit and review of financial reports and other audit work under the <i>Corporations Act 2001</i>	424,468	405,321
Total remuneration for audit services	<u>424,468</u>	<u>405,321</u>
Total remuneration for assurance services	<u>424,468</u>	<u>405,321</u>
(b) Taxation services		
PricewaterhouseCoopers Australian firm		
Tax compliance services, including review of company income tax returns	257,749	213,272
Customs Advice	12,000	79,000
Total remuneration for taxation services	<u>269,749</u>	<u>292,272</u>
(c) Advisory services		
PricewaterhouseCoopers Australian firm		
Business Consulting	144,157	573,308
Total remuneration for advisory services	<u>144,157</u>	<u>573,308</u>

It is the Group's policy to employ PricewaterhouseCoopers on assignments additional to their statutory audit duties where PricewaterhouseCoopers' expertise and experience with the Group are important. These assignments are principally tax advice and due diligence reporting on acquisitions, or where PricewaterhouseCoopers is awarded assignments on a competitive basis. It is the Group's policy to seek competitive tenders for all major consulting projects.

29 Contingencies

	Consolidated		Parent	
	2011	2010	2011	2010
	\$000	\$000	\$000	\$000
Guarantees				
Guarantees issued by the bankers of the Group in support of various rental arrangements for certain retail outlets.				
The maximum future rental payments guaranteed amount to:	<u>3,030</u>	2,689	<u>1,469</u>	1,392

30 Commitments

	Consolidated	
	2011	2010
	\$000	\$000
Capital commitments		
Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities payable:		
Within one year	854	487
Later than one year but not later than five years	0	0
Later than five years	0	0
Total capital commitments	854	487
Lease commitments		
Commitments in relation to operating lease payments under non-cancellable operating leases are payable as follows:		
Within one year	81,370	76,045
Later than one year but not later than five years	226,318	211,782
Later than five years	72,291	76,250
Less lease straight lining adjustment (note 19)	(15,538)	(13,217)
Total lease commitments	364,441	350,860
Future minimum lease payments expected to be received in relation to non-cancellable sub-leases of operating leases	1,861	1,194
The Group leases various offices, warehouses and retail stores under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights. On renewal the terms of the leases are renegotiated.		
Remuneration commitments		
Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities, payable:		
Within one year	2,270	2,120
Later than one year and not later than five years	6,056	1,374
Later than five years	444	0
	8,770	3,494

Amounts disclosed as remuneration commitments include commitments arising from the service contracts of key management personnel referred to in the Remuneration and Diversity Report on pages 18 to 28 that are not recognised as liabilities and are not included in the key management personnel compensation.

Finance leases

The Group leases various plant and equipment with a carrying amount of \$199,000 (2010: \$605,000) under finance leases expiring within three to five years.

	Consolidated	
	2011	2010
	\$000	\$000
Commitments in relation to finance leases are payable as follows:		
Within one year	34	104
Later than one year but not later than five years	8	0
Minimum lease payments	42	104
Future finance charges	(2)	(8)
Total lease liabilities	40	96
Representing lease liabilities:		
Current (note 16)	32	96
Non-current	8	0
	40	96

31 Related party transactions

Transactions with related parties are at arm's length unless otherwise stated.

(a) Parent entities

The parent entity within the Group is Super Retail Group Limited, which is the ultimate Australian parent.

(b) Subsidiaries

Interests in subsidiaries are set out in note 32.

(c) Key Management Personnel

Disclosures relating to key management personnel are set out in note 27.

(d) Directors

The names of the persons who were Directors of Super Retail Group Limited during the financial period are R J Wright, R A Rowe, D D McDonough (resigned 31 August 2010), R J Skippen, S A M Pitkin and P A Birtles.

(e) Amounts due from related parties

Amounts due from Directors of the consolidated entity and their director-related entities are shown below in note 31(g)

(f) Transactions with related parties

Aggregate amounts included in the determination of profit from ordinary activities before income tax that resulted from transactions with related parties:

	Consolidated	
	2011 \$	2010 \$
<i>Other Transactions</i>		
- store lease payments – R A Rowe related property entities	9,439,979	9,405,863
- remuneration paid to directors of the ultimate Australian parent entity	1,980,928	1,767,960

Rent payable on R A Rowe related properties at year-end was \$18,168 (2010: \$19,617)

(g) Loans to/(from) Related Parties

Loans to/(from) Directors

There are no loans to or from related parties at 2 July 2011 (2010 :\$nil)

32 Investments in controlled entities

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding	
			2011 %	2010 %
Super Cheap Auto Pty Ltd ^(a)	Australia	Ordinary	100	100
Super Cheap Auto (New Zealand) Pty Ltd ^(b)	New Zealand	Ordinary	100	100
Super Retail Group Services Pty Ltd ^(a)	Australia	Ordinary	100	100
SRG Leisure Retail Pty Ltd (formerly BCF Australia Pty Ltd ^(a))	Australia	Ordinary	100	100
SCA Equity Plan Pty Ltd ^(b)	Australia	Ordinary	100	100
Goldcross Cycles Pty Ltd ^(a)	Australia	Ordinary	100	100
Oceania Bicycles Pty Ltd	Australia	Ordinary	50	50
Ray's Outdoors Pty Ltd ^(a)	Australia	Ordinary	100	100
Super Retail Group Trading (Shanghai) Ltd	China	Ordinary	100	0
FCO New Zealand Limited	New Zealand	Ordinary	100	0
SRGS Pty Ltd ^(a)	Australia	Ordinary	100	0

(a) These controlled entities have been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by the Australian Securities and Investments Commission.

(b) Investment is held directly by Super Cheap Auto Pty Ltd.

33 Business Combinations

(a) Ray's Outdoors (prior period)

(i) Summary of acquisition

On 31 May 2010, the parent entity acquired 100% of the issued share capital of Ray's Outdoors Pty Ltd.

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:	\$'000
Purchase consideration	
Cash paid	51,685
Consideration in shares	1,548
Total purchase consideration (referred to (ii) below)	<u>53,233</u>
Less: Provisional allocation of fair value of net identifiable assets acquired (see below)	<u>(43,021)</u>
Goodwill recognised on acquisition	10,212

(ii) Purchase considerations

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair Value \$'000
Cash	70
Other Receivables	346
Inventory (net of provisions)	26,874
Plant & Equipment	11,104
Brand name	20,000
Deferred make good	702
Tax Assets	1,503
Trade Payables	(7,500)
Provision for Employee Entitlements	(1,864)
Make-good provision	(1,389)
Other Payables	(614)
Deferred tax liability	(6,211)
Net Identifiable Assets Acquired	<u>43,021</u>

	Consolidated 2010 \$'000
Outflow of cash to acquire subsidiary, net of cash acquired	
Total purchase consideration	53,233
Less: Consideration in shares	(1,548)
Less: Balances acquired	
Cash	(70)
	<u>(1,618)</u>
Outflow of cash	<u>51,615</u>

The Ray's Outdoor acquisition was disclosed provisionally in the financial report for the year ended 3 July 2010. Since this date, the completion statement has been reviewed and adjustments were made to inventory (decrease of \$266,000), provisions for employee entitlements (increase of \$217,000), plant and equipment (decrease of \$896,000), a corresponding increase to tax assets of \$143,000 and gift voucher liability increase of \$515,000.

A corresponding increase has been recognised in goodwill of \$1,751,000.

The goodwill is attributable to Ray's Outdoors strong position and profitability in the outdoor and leisure market and the synergies expected to arise from the acquisition.

33 Business Combinations (continued)

(b) Explore Outdoors (prior period)

Acquisition by controlled entity

On 27 October 2009, BCF Australia Pty Ltd acquired certain assets and assumed certain liabilities of the Explore Outdoors Dubbo business from an entity external to the Group.

Net assets acquired are as follows:	\$'000
Purchase consideration	
Cash Paid	1,331
Total purchase consideration	<u>1,331</u>
Less: Provisional allocation of fair value of net identifiable assets acquired (refer below)	<u>371</u>
Goodwill recognised on acquisition	960

The goodwill is attributable to Explore Outdoors Dubbo strong position and profitability in the leisure market and synergies expected to arise after the company's acquisition

Fair value of identifiable net assets acquired	\$'000
Inventory (net of provisions)	387
Gift voucher liability	(6)
Employee entitlements	(8)
Other creditors	(2)
Net identifiable assets acquired	<u>371</u>

The amounts recognised by the vendor immediately before acquisition for each class of asset and liability are not significantly different from the fair values included in the table above.

34 Net tangible asset backing

Consolidated Entity

2011	2010
Cents	Cents

Net tangible asset per ordinary share	\$1.40	\$1.28
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35 Deed of cross guarantee

Super Retail Group Limited, Super Cheap Auto Pty Ltd, SRG Leisure Retail Pty Ltd (formerly BCF Australia Pty Ltd), Super Retail Group Services Pty Ltd, Goldcross Cycles Pty Ltd, Ray's Outdoors Pty Ltd, SRGS Pty Ltd and SCA Equity Plan Pty Ltd are parties to a Deed of Cross Guarantee under which each company guarantees the debts of the others. This Deed of Cross Guarantee was amended on 8 June 2010 to include Ray's Outdoors Pty Ltd. By entering into the Deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended by Class Orders 98/2017, 00/0321, 01/1087, 02/0248 and 02/1017) issued by the Australian Securities and Investments Commission.

(a) Consolidated Income Statement, Statement of Comprehensive Income and a summary of movements in consolidated retained earnings

The above companies represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the Deed of Cross Guarantee that are controlled by Super Retail Group Limited, they also represent the 'Extended Closed Group'.

Set out below is a consolidated income statement and a summary of movements in consolidated retained profits for the period ended 2 July 2011 of the Closed Group consisting of Super Retail Group Limited, Super Cheap Auto Pty Ltd, SRG Leisure Retail Pty Ltd (formerly BCF Australia Pty Ltd), Super Retail Group Services Pty Ltd, Goldcross Cycles Pty Ltd, Ray's Outdoors Pty Ltd and SCA Equity Plan Pty Ltd.

35 Deed of cross guarantee (continued)

	Consolidated	
	2011 \$'000	2010 \$'000
<i>Income Statement</i>		
Revenue from continuing operations	1,020,152	862,697
Other income	1,343	149
Total revenues and other income	1,021,495	862,846
Cost of sales of goods	(547,326)	(484,194)
Other expenses from ordinary activities		
- selling and distribution	(130,895)	(104,255)
- marketing	(49,136)	(41,402)
- occupancy	(84,189)	(68,241)
- administration	(120,780)	(103,231)
Borrowing costs expense	(8,712)	(8,689)
Total expenses	(941,038)	(810,012)
Profit before income tax	80,457	52,834
Income tax (expense)/benefit	(22,574)	(15,531)
Profit for the period	57,883	37,303
<i>Statement of comprehensive income</i>		
Profit for the year	57,883	37,303
Other comprehensive income		
Cash flow hedgings	(3,414)	(1,274)
Income tax relating to components of other comprehensive income	0	0
Other comprehensive income for the year, net of tax	(3,414)	(1,274)
Total comprehensive income for the year	54,469	36,029
<i>Summary of movements in consolidated retained earnings</i>		
Retained profits at the beginning of the financial year	82,890	67,084
Profit for the period	57,883	37,303
Dividends provided for or paid	(31,462)	(21,497)
Retained profits at the end of the financial year	109,311	82,890

35 Deed of cross guarantee (continued)

(b) Statement of Financial Position

Set out below is a consolidated statement of financial position as at 2 July 2011 of the Closed Group consisting of Super Retail Group Limited, Super Cheap Auto Pty Ltd, SRG Leisure Retail Pty Ltd (formerly BCF Australia Pty Ltd), Super Retail Group Services Pty Ltd, Goldcross Cycles Pty Ltd, Ray's Outdoors Pty Ltd, SRGS Pty Ltd and SCA Equity Plan Pty Ltd.

	Consolidated	
	2011	2010
	\$'000	\$'000
ASSETS		
Current assets		
Cash and cash equivalents	23,521	29,106
Trade and other receivables	18,916	17,075
Inventories	267,963	227,910
Total current assets	<u>310,400</u>	<u>274,091</u>
Non-current assets		
Other financial assets	401	401
Property, plant and equipment	101,117	98,043
Deferred tax assets	10,546	7,293
Intangible assets	111,242	103,781
Total non-current assets	<u>223,306</u>	<u>209,518</u>
Total assets	<u>533,706</u>	<u>483,609</u>
LIABILITIES		
Current liabilities		
Trade and other payables	89,551	66,335
Borrowings	0	8,912
Current tax liabilities	11,013	7,989
Provisions	11,051	9,979
Total current liabilities	<u>111,615</u>	<u>93,215</u>
Non-current liabilities		
Trade and other payables	15,538	13,217
Borrowings	99,135	100,000
Deferred tax liabilities	0	0
Provisions	7,983	10,426
Total non-current liabilities	<u>122,656</u>	<u>123,643</u>
Total liabilities	<u>234,271</u>	<u>216,858</u>
Net assets	<u>299,435</u>	<u>266,751</u>
EQUITY		
Contributed equity	194,541	182,158
Reserves	(4,417)	1,703
Retained profits	109,311	82,890
Total equity	<u>299,435</u>	<u>266,751</u>

36 Reconciliation of profit from ordinary activities after income tax to net cash inflow from operating activities

	Consolidated	
	2011 \$000	2010 \$000
Profit from ordinary activities after related income tax	55,599	38,053
Depreciation and amortisation	22,802	22,730
Net (gain)/loss on sale of non-current assets	294	516
Non-cash employee benefits expense/share based payments	1,222	784
Finance costs	10,973	10,477
Other non cash items	0	96
Change in operating assets and liabilities, net of effects from the purchase of controlled entities and the sale of the service entity		
- (increase) /decrease in receivables	(675)	1,128
- (increase) in inventories	(40,138)	(2,756)
- (decrease)/increase in payables	24,914	(18,226)
- (decrease)/increase in provisions	(2,268)	2,664
- (decrease) in deferred tax	(1,821)	(2,906)
Net cash inflow from operating activities	70,902	52,560

37 Earnings per share

	Consolidated Entity	
	2011 Cents	2010 Cents
Basic earnings per share	43.1	34.0
Diluted earnings per share	42.5	33.0

Weighted average number of shares used as the denominator

	Consolidated Entity	
	2011 Number	2010 Number
Weighted average number of shares used as the denominator in calculating basic earnings per share	128,987,743	111,859,967
Adjustments for calculation of diluted earnings per share options	1,792,920	2,303,494
Weighted average potential ordinary shares used as the denominator in calculating diluted earnings per share	130,780,663	114,163,461

	Consolidated Entity	
	2011 \$'000	2010 \$000
Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
- earnings used in calculating basic earnings per share – net profit after tax	55,599	38,053
Diluted earnings per share		
- earnings used in calculating diluted earnings per share – net profit after tax	55,599	38,053

(a) Information concerning the classification of securities

(i) Options and Performance Rights

Options and performance rights granted are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive.

38 Share-based payments

(a) Executive Performance Rights

The Company has established the Super Retail Group Executive Performance Rights Plan ("Performance Rights") to assist in the retention and motivation of executives of Super Retail Group ("Participants").

It is intended that the Performance Rights will enable the Company to retain and attract skilled and experienced executives and provide them with the motivation to enhance the success of the Company.

Under the Performance Rights, rights may be offered to Participants selected by the Board. Unless otherwise determined by the Board, no payment is required for the grant of rights under the Rights Plan.

Subject to any adjustment in the event of a bonus issue, each right is an option to subscribe for one Share. Upon the exercise of a right by a Participant, each Share issued will rank equally with other Shares of the Company.

Performance Rights issued under the plan may not be transferred unless approved by the Board. The table below summarises rights granted under the plan.

Number of Rights Issued

Grant Date	Balance at start of the year (Number)	Granted during the year (Number)	Exercised during the year (Number)	Forfeited during the year (Number)	Balance at the end of the year (Number)	Unvested at the end of the year (Number)
Consolidated – 2011						
1 September 2009	375,165	0	0	18,427	356,738	356,738
1 September 2010	0	374,823	0	11,396	363,427	363,427
	375,165	374,823	0	29,823	720,165	720,165

(b) Executive Option Plan

The Company has established the Super Retail Group Executive Share Option Plan ("Option Plan"). The Company had established the Option Plan to assist in the retention and motivation of executives of Super Cheap Auto ("Participants"). It is intended that the Option Plan will enable the Company to retain and attract skilled and experienced executives and provide them with the motivation to enhance the success of the Company.

Under the Option Plan, options may be offered to Participants selected by the Board. Unless otherwise determined by the Board, no payment is required for the grant of options under the Option Plan.

Subject to any adjustment in the event of a bonus issue, each option is an option to subscribe for one Share. Upon the exercise of an option by a Participant, each Share issued will rank equally with other Shares of the Company.

Options issued under the Option Plan may not be transferred unless the Board determines otherwise. The Company has no obligation to apply for quotation of the options on ASX. However, the Company must apply to ASX for official quotation of Shares issued on the exercise of the options.

At any one time, the total number of options on issue under the Option Plan that have neither been exercised nor lapsed will not exceed 5.0% of the total number of shares in the capital of the Company on issue.

38 Share-based payments (continued)

Set out below are summaries of options granted under the plan:

Grant Date	Exercise date	Exercise price	Balance at start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year	Unvested at end of the year
			Number	Number	Number	Number	Number	Number
Consolidated – 2011								
27 Jan 2006	5 Jan 2009	\$2.44	100,000	0	50,000	0	50,000	0
27 Jan 2006	5 Jan 2010	\$2.44	135,000	0	35,000	0	100,000	0
27 Jan 2006	5 Jan 2011	\$2.44	200,000	0	100,000	0	100,000	0
17 April 2006	17 April 2010	\$2.25	75,000	0	75,000	0	0	0
17 April 2006	17 April 2011	\$2.25	100,000	0	0	0	100,000	0
1 July 2006	1 July 2009	\$2.25	55,000	0	55,000	0	0	0
1 July 2006	1 July 2010	\$2.25	225,000	0	225,000	0	0	0
1 July 2006	1 July 2011	\$2.25	300,000	0	0	0	300,000	0
26 Oct 2006	1 Feb 2010	\$2.44	150,000	0	150,000	0	0	0
26 Oct 2006	1 Feb 2011	\$2.44	200,000	0	0	0	200,000	0
23 Aug 2007	24 Jul 2010	\$4.37	180,000	0	80,000	0	100,000	0
1 August 2008	1 August 2011	\$2.49	220,000	0	0	40,000	180,000	180,000
Total			1,940,000	0	770,000	40,000	1,130,000	180,000
Weighted average exercise price			\$2.55	Nil	\$2.55		\$2.55	\$2.49

Consolidated – 2010								
27 Jan 2006	5 Jan 2009	\$2.44	400,000	0	300,000	0	100,000	0
27 Jan 2006	5 Jan 2010	\$2.44	200,000	0	65,000	0	135,000	0
27 Jan 2006	5 Jan 2011	\$2.44	200,000	0	0	0	200,000	200,000
17 April 2006	17 April 2009	\$2.25	75,000	0	75,000	0	0	0
17 April 2006	17 April 2010	\$2.25	75,000	0	0	0	75,000	0
17 April 2006	17 April 2011	\$2.25	100,000	0	0	0	100,000	100,000
1 July 2006	1 July 2009	\$2.25	262,500	0	207,500	0	55,000	0
1 July 2006	1 July 2010	\$2.25	262,500	0	0	37,500	225,000	0
1 July 2006	1 July 2011	\$2.25	350,000	0	0	50,000	300,000	300,000
26 Oct 2006	1 Feb 2009	\$2.44	150,000	0	150,000	0	0	0
26 Oct 2006	1 Feb 2010	\$2.44	150,000	0	0	0	150,000	0
26 Oct 2006	1 Feb 2011	\$2.44	200,000	0	0	0	200,000	200,000
23 Aug 2007	24 Jul 2010	\$4.37	180,000	0	0	0	180,000	180,000
1 August 2008	1 August 2011	\$2.49	220,000	0	0	0	220,000	220,000
Total			2,825,000	0	797,500	87,500	1,940,000	1,200,000
Weighted average exercise price			\$2.32	Nil	\$2.38		\$2.55	\$2.66

Fair value of options granted

The fair value at grant date is independently determined using a Binomial option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

No options have been granted in the past two financial years.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Expenses arising from share based payments transactions:

	2011	2010
	\$000	\$000
Executive Performance Rights	1,107	539
Executive Option Plan	115	245
	1,222	784

39 Events occurring after balance date

No matter or circumstance has arisen since 2 July 2011 that has significantly affected, or may significantly affect:

- (a) the Group's operations in future financial years; or
- (b) the results of those operations in future financial years; or
- (c) the Group's state of affairs in future financial years.

40 Parent entity financial information

Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	Consolidated	
	2011 \$'000	2010 \$'000
Statement of Financial Position		
Current assets	199,109	178,818
Total assets	346,862	326,295
Current liabilities	13,569	15,461
Total liabilities	112,859	115,616
<i>Shareholders' equity</i>		
Issued capital	194,541	182,158
Reserves		
Share-based payments	3,149	1,932
Cash flow hedges	100	198
Retained earnings	36,213	26,391
	234,003	210,679
Profit or loss for the year	41,284	32,551
Total comprehensive income	41,284	32,551

DIRECTORS' DECLARATION

Super Retail Group Limited (formerly Super Cheap Auto Group Limited)
For the period ended 2 July 2011

In the directors' opinion:

- (a) the financial statements and notes set out on pages 30 to 83 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 2 July 2011 and of its performance for the financial period ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (c) at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in note 35 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 35.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the managing director and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.



R Wright
Director



P A Birtles
Director

Brisbane
18 August 2011

AUDIT REPORT

Super Retail Group Limited (formerly Super Cheap Auto Group Limited)

For the period 2 July 2011

(continued)



Independent auditor's report to the members of Super Retail Group Limited

Report on the financial report

We have audited the accompanying financial report of Super Retail Group Limited (the company), which comprises the balance sheet as at 2 July 2011 and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the Super Retail Group Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at the period's end or from time to time during the financial period.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

PricewaterhouseCoopers, ABN 52 780 433 757

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AUDIT REPORT

Super Retail Group Limited (formerly Super Cheap Auto Group Limited)

For the period 2 July 2011

(continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

- (a) the financial report of Super Retail Group Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 2 July 2011 and of its performance for the period ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration and Diversity Report

We have audited the remuneration and diversity report included in pages 18 to 28 of the directors' report for the year ended 2 July 2011. The directors of the company are responsible for the preparation and presentation of the remuneration and diversity report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration and diversity report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration and diversity report of Super Retail Group Limited for the year ended 2 July 2011, complies with section 300A of the *Corporations Act 2001*.



PricewaterhouseCoopers



Cameron Henry
Partner

Brisbane
18 August 2011

SHAREHOLDER INFORMATION

Super Retail Group Limited (formerly Super Cheap Auto Group Limited)
For the period ended 2 July 2011

The shareholder information set out below was applicable as at 18 August 2011.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	Ordinary Shareholders	Option holders
1-1000	1,482	
1,001-5,000	1,408	
5,001-10,000	267	11
10,001-50,000	182	8
50,001-100,000	27	3
100,001 and over	42	1

There were 246 holders of less than a marketable parcel of ordinary shares.

B. Equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Ordinary shares	
	Number held	Percentage of issued shares
SCA FT PTY LTD	53,671,326	41.16%
NATIONAL NOMINEES LIMITED	14,129,240	10.84%
J P MORGAN NOMINEES AUSTRALIA LIMITED	13,029,724	9.99%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,149,057	8.55%
COGENT NOMINEES PTY LIMITED	6,487,572	4.98%
CITICORP NOMINEES PTY LIMITED	4,646,729	3.56%
COGENT NOMINEES PTY LIMITED	1,752,021	1.34%
SUNCORP CUSTODIAN SERVICES PTY LIMITED & SUNCORP CUSTODIAN SERVICES PTY LIMITED	1,369,970	1.05%
MR PETER ALAN BIRTLES	1,240,000	0.95%
GEOMAR SUPERANNUATION PTY LTD	1,170,000	0.90%
MR ROBERT EDWARD THORN	723,368	0.55%
AMP LIFE LIMITED	567,904	0.44%
GRAHGER CAPITAL SECURITIES PTY LTD	560,000	0.43%
EQUITAS NOMINEES PTY LIMITED	548,220	0.42%
EQUITAS NOMINEES PTY LIMITED	543,931	0.42%
EQUITAS NOMINEES PTY LIMITED	543,931	0.42%
EQUITAS NOMINEES PTY LIMITED	535,391	0.41%
CITICORP NOMINEES PTY LIMITED	528,151	0.41%
JP MORGAN NOMINEES AUSTRALIA LIMITED	493,978	0.38%
UBS NOMINEES PTY LTD	467,900	0.36%
RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED	453,915	0.35%
	114,612,328	87.89%

Super Retail Group Limited wishes to confirm that, in accordance with ASX Listing Rule 4.10.4, the substantial holders in the company as at 18 August 2011 were:-

Name	Ordinary shares	
	Number held	Percentage of issued shares
SCA FT PTY LTD	53,671,326	41.16%
NATIONAL NOMINEES LIMITED	14,129,240	10.84%
J P MORGAN NOMINEES AUSTRALIA LIMITED	13,029,724	9.99%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,149,057	8.55%

C. Voting rights

The voting rights relating to each class of equity securities is as follows:

- a) Ordinary Shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.
- b) Options and Performance Rights
No voting rights.

STORE LISTING





SUPERCHEAP AUTO

AUSTRALIAN CAPITAL TERRITORY

BELCONNEN (02) 6253 5660
FYSHWICK (02) 6239 2333
GUNGALIN (02) 6241 0387
TUGGERANONG (02) 6293 2233

NEW SOUTH WALES

ALBURY (02) 6041 1866
ARMIDALE (02) 6771 1955
AUBURN (02) 9648 5722
BALLINA (02) 6681 4755
BANKSTOWN (02) 9709 6500
BATHURST (02) 6331 7122
BELLA VISTA (02) 8814 6335
BENNETTS GREEN (02) 4947 4088
BLACKTOWN (02) 9676 1444
BONDI JUNCTION (02) 9389 3968
BROOKVALE (02) 9905 5666
CAMPBELLTOWN (02) 4625 9000
CESSNOCK (02) 4990 1037
COFFS HARBOUR (02) 6651 8550
DAPTO (02) 4260 9120
DUBBO (02) 6882 0611
ERINA (02) 4367 4850
FAIRY MEADOW (02) 4225 2366
GLENDALE (02) 4954 6066
GOULBURN (02) 4822 9190
GRAFTON (02) 6642 7222
GRIFFITH (02) 6962 9566
INVERELL (02) 6722 5466
KEMPSEY (02) 6562 1996
KOTARA (02) 4965 5488
LAKE HAVEN (02) 4392 7077
LAKE ROAD (02) 6581 5778
LAKEMBA (02) 9740 9999
LISMORE (02) 6622 7797
LIVERPOOL (02) 9600 7100
MAITLAND (02) 4933 5133
MCGRATHS HILL (02) 4577 8822
MENAI (02) 9543 3577
MITTAGONG (02) 4872 3820
MOREE (02) 6752 4755
MT DRUITT (02) 9677 1400
MUDGEE (02) 6372 7055
NARELLAN (02) 4647 4533
NEWCASTLE (02) 4968 9833
NORTH PARRAMATTA (02) 9683 4188
NOWRA (02) 4422 9700
ORANGE (02) 6369 1066
PENRITH (02) 4733 3322
PORT MACQUARIE (02) 6583 2099
QUEANBEYAN (02) 6299 4099
ROCKDALE (02) 9567 0966
SHELLHARBOUR (02) 4297 6899
SINGLETON (02) 6571 5955
TAMWORTH (02) 6762 4433
TAREE (02) 6551 6211
TUGGERAH (02) 4355 4055
TWEED HEADS (07) 5524 8911
ULLADULLA (02) 4455 3488
VILLAWOOD (02) 9632 0877
WAGGA WAGGA (02) 6921 6922
WARWICK FARM (02) 9822 7299
WENTWORTHVILLE (02) 9896 0166
WEST GOSFORD (02) 4323 2044
WETHERILL PARK (02) 9604 9622

NORTHERN TERRITORY

ALICE SPRINGS (08) 8952 7455
BERRIMAH (08) 8932 9866
DARWIN (08) 8985 4898

QUEENSLAND

ACACIA RIDGE (07) 3274 6311
AIRLIE BEACH (07) 4948 3644
ASHMORE (07) 5539 2033
AYR (07) 4783 7377
BEENLEIGH (07) 3287 2777
BILOELA (07) 4992 5299

BOOVAL (07) 3282 6356
BOWEN (07) 4786 4543
BROWNS PLAINS (07) 3806 8177
BUNDABERG (07) 4151 1111
BURLEIGH (07) 5576 6000
BURPENGARY (07) 3888 9366
CABOOLTURE (07) 5499 0488
CAIRNS (Earlville) (07) 4033 0600
CANNON HILL (07) 3395 8622
CAPALABA (07) 3823 1677
CARSELDINE (07) 3261 4777
CHERMESIDE (07) 3359 4930
CLEVELAND (07) 3286 5777
CURRUMUNDI (07) 5437 7400
DALBY (07) 4662 2933
DECEPTION BAY (07) 3204 8100
EMERALD (07) 4982 0088
ENOGGERA (07) 3855 3188
GATTON (07) 5462 4398
GLADSTONE (07) 4976 9133
GOODNA (07) 3818 0722
GYMPIE (07) 5482 7566
HERMIT PARK (07) 4721 6488
HERVEY BAY (Pialba) (07) 4124 1211
INGHAM (07) 4776 1635
INNISFAIL (07) 4061 4788
IPSWICH (07) 3812 2366
KALLANGUR (07) 3204 4922
KAWANA WATERS (07) 5478 3555
KEPERRA (07) 3851 3611
KINGAROY (07) 4162 5733
LABRADOR (07) 5537 7977
LAWNTON (07) 3881 2800
LOGANHOLME (07) 3209 9322
LOGANLEA (07) 3805 2688
MACGREGOR (07) 3849 6822
MACKAY (07) 4942 2344
MACKAY CITY (07) 4951 0944
MANUNDA (07) 4053 6912
MAROOCHYDORE (07) 5479 4844
MARYBOROUGH (07) 4121 3332
MERMAID BEACH (07) 5554 6233
MOOROOKA (07) 3892 2565
MT ISA (07) 4749 3785
NERANG (07) 5527 3988
NOOSA (07) 5455 5444
NUNDAH (07) 3256 7600
OXENFORD (07) 5573 4422
OXLEY (07) 3379 4066
REDCLIFFE (07) 3284 2055
ROBINA (07) 5578 8477
ROCKHAMPTON (07) 4922 5433
SMITHFIELD (Cairns) (07) 4038 1588
SOUTHPORT (07) 5527 0666
STONES CORNER (07) 3394 4844
TAIGUM (07) 3265 7211
TARINGA (07) 3871 3808
THE PINES (07) 5534 5633
THURINGOWA (07) 4773 9000
TOOWOOMBA CITY (07) 4632 0799
TOOWOOMBA SOUTH (07) 4635 7577
TOWNSVILLE (Garbutt) (07) 4725 6866
UNDERWOOD (07) 3841 3400
VICTORIA POINT (07) 3207 9262
WARWICK (07) 4661 7633
WINDSOR (07) 3857 0677
WYNNUM (07) 3348 2044
YAMANTO (07) 3294 1033
YEPPON (07) 4930 2166

SOUTH AUSTRALIA

BLAIR ATHOL (08) 8269 7122
DARLINGTON (08) 8358 3566
ELIZABETH (08) 8287 6533
HECTORVILLE (08) 8165 0813
KILKENNY (08) 8347 2214
MARION (08) 8296 2210
MELROSE PARK (08) 8177 0048
MUNNO PARA (08) 8254 7999
NOARLUNGA (08) 8384 2833
PARA HILLS (08) 8258 2760

PORT ADELAIDE (08) 8447 6088
PORT PIRIE (08) 8633 1197
SALISBURY (08) 8258 4811
THEBARTON (08) 8354 0666
WHYALLA (08) 8645 5159

TASMANIA

BURNIE (03) 6432 4855
CAMBRIDGE (03) 6248 4655
DEVONPORT (03) 6424 3244
GLENORCHY (03) 6272 9200
LAUNCESTON (03) 6333 0511

VICTORIA

BAIRNSDALE (03) 5153 2799
BALLARAT (03) 5339 9455
BENDIGO (03) 5442 7877
BLACKBURN (03) 9894 7377
BRIMBANK (03) 8390 2611
BROADMEADOWS (03) 9309 2799
CARRUM DOWNS (03) 9782 8305
COLAC (03) 5231 4099
CRANBOURNE (03) 5995 7299
DANDENONG (03) 9706 7788
ECHUCA (03) 5480 6788
EPPING (03) 9408 4288
ESSENDON (03) 9379 3600
FRANKSTON (03) 9781 2288
GLEN WAVERLEY (03) 9803 5298
HOPPERS CROSSING (03) 9748 7277
HORSHAM (03) 5382 5000
KANGAROO FLAT (03) 5447 9144
KEYSBOROUGH (03) 9798 8466
KNOX CITY (03) 9800 4722
MARIBYRNONG (03) 9318 8444
MELTON (03) 8746 2302
MENTONE (03) 9585 0399
MILDURA (03) 5022 2588
MOE (03) 5126 1755
MORNINGTON (03) 5976 4611
NARRE WARREN (03) 9705 9199
NORTH GEELONG (03) 5272 3277
PAKENHAM (03) 5940 8120
PRESTON (03) 9484 6006
RINGWOOD (03) 9847 0055
ROWVILLE (03) 9764 1677
ROXBURGH PARK (03) 8339 0765
SALE (03) 5144 3466
SHEPPARTON (03) 5831 3944
SUNBURY (03) 9746 3610
SUNSHINE (03) 9310 2488
THOMASTOWN (03) 9466 3699
TRARALGON (03) 5174 9755
WANGARATTA (03) 5722 3244
WARRAGUL (03) 5623 5699
WARRNAMBOOL (03) 5561 7660
WATERGARDENS (03) 9390 9699
WAURN PONDS (03) 5241 8947
WERRIBEE (03) 9748 0055
WODONGA (02) 6024 3733
YARRAVILLE (03) 9318 9928

WESTERN AUSTRALIA

ALBANY (08) 9842 5400
BALCATT (08) 9240 1566
BELMONT (08) 9477 5699
BUNBURY (08) 9721 9977
BUSSELTON (08) 9751 1611
CANNING VALE (08) 9455 3411
CANNINGTON HOMETOWN (08) 9258 7294
CLARKSON (08) 9407 9533
GERALDTON (08) 9921 8244
GOSNELLS (08) 9398 4822
JOONDALUP (08) 9300 0744
KALGOORLIE (08) 9021 7145
MANDURAH (08) 9581 8588
MIDLAND (08) 9274 5422
MIRRABOOKA (08) 9344 3255
MORLEY (08) 9375 6933
MYAREE (08) 9317 7699
O'CONNOR (08) 9314 3822

OSBORNE PARK (08) 9443 3711
ROCKINGHAM (08) 9592 7999
SPEARWOOD (08) 9494 2144
VICTORIA PARK (08) 9361 8422
WHITFORD (08) 9403 0444

NEW ZEALAND

ALBANY 0011 64 9 448 2461
ALICETOWN 0011 64 4 569 1576
ASHBURTON 0011 64 3 307 2960
BLENHEIM 0011 64 3 579 3480
BOTANY 0011 64 9 273 8160
CAMBRIDGE 0011 64 7 823 7618
DUNEDIN 0011 64 3 477 2590
EASTGATE 0011 64 3 389 1249
GISBORNE 0011 64 6 868 3760
HAMILTON 0011 64 7 834 3586
HASTINGS 0011 64 6 870 4521
HAWERA 0011 64 6 278 3641
HENDERSON 0011 64 9 984 9001
INVERCARGILL 0011 64 3 214 4385
KELSTON 0011 64 9 813 2091
LEVIN 0011 64 6 368 3195
LYALL BAY 0011 64 4 387 1092
MANUKAU 0011 64 9 250 4392
MASTERTON 0011 64 6 370 3308
MT MAUNGANUI 0011 64 7 574 1593
MT WELLINGTON 0011 64 9 574 6435
NAPIER 0011 64 6 842 1461
NEW PLYMOUTH 0011 64 6 758 3882
ONEHUNGA 0011 64 9 634 1267
PALMERSTON NORTH 0011 64 6 354 1743
PAPANUI 0011 64 3 354 8123
PARAPARAUMU 0011 64 4 298 1523
PORIRUA 0011 64 4 238 2641
PUKEKOHE 0011 64 9 239 2073
RICCARTON 0011 64 3 341 5087
ROTORUA 0011 64 7 348 5275
STOKE 0011 64 3 547 8394
TAKANINI 0011 64 9 299 8615
TAUPO 0011 64 7 376 5023
TAURANGA 0011 64 7 579 5436
TE RAPA 0011 64 7 848 1270
TIMARU 0011 64 3 686 9068
UPPER HUTT 0011 64 4 528 0278
WAIRAU PARK 0011 64 9 442 1905
WANGANUI 0011 64 6 348 9407
WESTGATE 0011 64 9 832 1830
WHAKATANE 0011 64 7 308 9072
WHANGAREI 0011 64 9 459 6440

BCF

AUSTRALIAN CAPITAL TERRITORY

FYSHWICK (02) 6280 8888
TUGGERANONG (02) 6293 1855

NEW SOUTH WALES

ALBURY (02) 6023 6877
AUBURN (02) 9648 4366
BANKSTOWN (02) 9707 1699
BATHURST (02) 6331 4188
BENNETTS GREEN (02) 4947 4066
CAMPBELLTOWN (02) 4620 4855
CASTLE HILL (02) 9680 7833
COFFS HARBOUR (02) 6651 6500
DUBBO (02) 6882 0233
MCGRATHS HILL (02) 4587 9870
NOWRA (02) 4421 2668
PENRITH (02) 4733 0110
PORT MACQUARIE (02) 6583 2455
RUTHERFORD (02) 4931 9346
TAMWORTH (02) 6762 0133
TAREN POINT (02) 9525 0346
TUGGERAH (02) 4351 7655
TWEED HEADS (07) 5513 1244
WAGGA WAGGA (02) 6921 2155
WARRAWONG (02) 4274 1955
WEST GOSFORD (02) 4322 5833

NORTHERN TERRITORY

DARWIN (08) 8948 0099

QUEENSLAND

BROWNS PLAINS (07) 3800 1733
BUNDABERG (07) 4151 6566
BURLEIGH (07) 5593 8600
CAIRNS (07) 4051 8155
CALOUNDRA (07) 5438 9400
CANNON HILL (07) 3890 2744
CAPALABA (07) 3245 2220
GLADSTONE (07) 4978 0611
HERVEY BAY (07) 4194 1366
IPSWICH (07) 3202 4455
KEPERRA (07) 3851 4625
LABRADOR (07) 5500 5700
LAWNTON (07) 3889 2911
LOGANHOLME (07) 3801 3900
MACKAY (07) 4942 3499
MAROOCHYDORE (07) 5479 2390
MORAYFIELD (07) 5433 0499
MT ISA (07) 4743 0212
NOOSA (07) 5440 5866
PIALBA (07) 4194 1366
ROCKHAMPTON (07) 4926 5055
TOOWOOMBA (07) 4638 7511
TOWNSVILLE (07) 4775 6300
UNDERWOOD (07) 3808 2405
VIRGINIA (07) 3216 5077

SOUTH AUSTRALIA

GEPPS CROSS (08) 8260 3716
NOARLUNGA (08) 8186 5754
RICHMOND (08) 8352 3533

VICTORIA

BALLARAT (03) 5339 8011
BAYSWATER (03) 9729 2175
BENDIGO (03) 5447 3751
BRAESIDE (03) 9701 8200
COBURG (03) 9350 1177
CORIO (03) 5275 0238
EPPING (03) 9408 9323
GEELONG (03) 5275 0238
LAVERTON (03) 9360 9433
MILDURA (03) 5023 2107
MORNINGTON (03) 5976 8424
SHEPPARTON (03) 5822 4963
TAYLORS LAKES (03) 8361 6559
TRARALGON (03) 5176 5211
WARRNAMBOOL (03) 5561 0405

WESTERN AUSTRALIA

ALBANY (08) 9841 2133
BALCATTA (08) 9240 1700
BUNBURY (08) 9791 5233
CAMPBELL'S PROTACKLE (08) 9444 3710
CANNINGTON (08) 9350 5888
GERALDTON (08) 9921 3144
JOONDALUP (08) 9301 4011
MANDURAH (08) 9581 6399
MIDLAND (08) 9250 2166
MYAREE (08) 9317 6011
OSBORNE PARK (08) 9204 1022
ROCKINGHAM (08) 9527 9005

GOLDCROSS CYCLES

QUEENSLAND

BRISBANE CITY (07) 3211 0111
BROWNS PLAINS (07) 3809 4056
BURLEIGH (07) 5576 3772
CANNON HILL (07) 3902 1663
FORTITUDE VALLEY (07) 3852 5808
LABRADOR (07) 5529 1500
LAWNTON (07) 3205 1096
MAROOCHYDORE (07) 5479 4200
RIDERS MACGREGOR (07) 3849 5333

VICTORIA

CAMBERWELL (03) 9882 0400

CHADSTONE (03) 9563 2322
CHIRNSIDE PARK (03) 9727 3110
CRANBOURNE (03) 5991 4550
EPPING (03) 9408 0011
FOUNTAIN GATE (03) 9705 3333
HOPPERS CROSSING (03) 9369 9556
KNOX CITY (03) 9887 0833
MOONEE PONDS (03) 9370 7033
RICHMOND (03) 9427 8844
WAURN PONDS (03) 5245 7222

RAY'S OUTDOORS

AUSTRALIAN CAPITAL TERRITORY

FYSHWICK (02) 6280 4066

NEW SOUTH WALES

ALBURY (02) 6041 5333
CAMPBELLTOWN (02) 4628 9299
CAMPERDOWN (02) 9557 9333
CARINGBAH (02) 9542 8988
CASTLE HILL (02) 8850 7544
ERINA (02) 4365 3688
KOTARA (02) 4957 2700
LAKE HAVEN (02) 4392 0788
LIDCOMBE (02) 9647 1488
PENRITH (02) 4733 5744
PROSPECT (02) 9636 9266

QUEENSLAND

BROWNS PLAINS (07) 3800 0016
BURLEIGH (07) 5525 5995
CAIRNS (07) 4041 0808
GREENSLOPES (07) 3324 0055
MACGREGOR (07) 3219 4553
MAROOCHYDORE (07) 5443 1551
ROTHWELL (07) 3204 9075
TOOWOOMBA (07) 4638 4015

SOUTH AUSTRALIA

ADELAIDE CITY (08) 8231 3633
ELIZABETH (08) 8252 0166
ENFIELD (08) 8359 5866
HARBOUR TOWN (08) 8355 4333
MODBURY (08) 8263 0611

VICTORIA

BALLARAT (03) 5331 1888
BENDIGO (03) 5442 1103
BRIGHTON (03) 9596 3816
DANDENONG (03) 9706 9050
FOUNTAIN GATE (03) 9704 1254
FRANKSTON (03) 9770 0012
GEELONG (03) 5229 3278
HOPPERS CROSSING (03) 9749 4129
MARIBYRNONG (03) 9318 4499
MELBOURNE CITY (03) 9347 7666
MENTONE (03) 9584 6644
MILDURA (03) 5021 0100
NORTH GEELONG (03) 5278 7633
NUNAWADING (03) 9877 8455
PRESTON (03) 9484 1422
SHEPPARTON (03) 5821 8900
SOUTH MORANG (03) 9404 1977
TAYLORS LAKES (03) 9449 4333
WARRNAMBOOL (03) 5562 9588
WAURN PONDS (03) 5241 8855

WESTERN AUSTRALIA

BALCATTA (08) 9204 3436
CANNINGTON (08) 9451 6044
KELMSCOTT (08) 9495 2851
MANDURAH (08) 9534 9267
MYAREE (08) 9317 8277

FCO

NEW ZEALAND

MANUKAU 0011 64 9 261 2682
NEW PLYMOUTH 0011 64 9 758 3786
WHANGAREI 0011 64 9 438 2350



Super Retail Group Limited
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