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23 February 2011

ASX/Media Announcement

Super Retail Group announces first half results

Super Retail Group Limited (ASX:SUL) today announced a 60% increase in net profit after tax to $24.9 million for the 26 week period to 1 January 2011.

Highlights from the results include:

- A 41% increase in the Group's underlying first half EBIT (adjusting for trading calendar variations and a prior period goodwill impairment charge of $2.0 million)
- Solid like for like sales growth achieved in both Supercheap Auto and BCF
- Increased gross margin in both the Auto and Cycle and the Leisure Retailing divisions
- A 41% increase in Earnings Per Share over the prior comparative period
- Strong operating cash flow performance delivered an $8 million reduction in Net Debt despite a $28 million investment in store development
- Successful integration of the Ray's Outdoors business achieved in line with plan.

The Directors declared a fully franked interim dividend of 11.5 cents per share, an increase of 35% over the prior comparative period. The dividend will be paid on 5 April 2011 with a record date of 4 March 2011. The Company will again provide shareholders with the opportunity to reinvest their dividends through the Dividend Reinvestment Plan.

Super Retail Group Managing Director Mr Peter Birtles said the results were a testament to the resilience of the Supercheap Auto and BCF Boating Camping Fishing businesses and the benefits of continued investment in store development, range development, trade partnerships, supply chain and team member development.

"These results build on the strong momentum we've established throughout the Group and reflect the strength of our business model," he said.

"We are particularly pleased with the positive outcomes we've achieved from our investment in strategic initiatives over the past five years, which are evidenced in these results.

"During the period, we've successfully managed to maintain sales growth, while also investing in our store network and delivering improvements in our business operations.

"This progress has provided a solid platform for the continued growth of our Group."

AUTO AND CYCLE RETAILING

Sales increased by 6.6% to $360.5 million.

Supercheap Auto's like for like sales growth was 3.4%, building on like for like growth of 6.1% in the prior comparative period. Goldcross Cycles' like for like sales growth was negative 13.5%, reflecting the slowdown in the bicycle market. During the 26 week period, the division opened nine new stores and refurbished 10 others, including one as a Superstore, resulting in 293 stores trading at the end of December 2010.

EBIT grew by 43.8% to $27.2 million, with the EBIT margin increasing by 1.9% points.

Gross margins increased by 1.7% points over the prior comparative period as the division benefited from product range management, own brand development, sourcing initiatives, a reduction in supply chain costs and the stronger Australian dollar.

Operating costs as a percentage of sales reduced by 0.2% points. This reduction resulted from efficiencies in space management and support functions.

LEISURE RETAILING

Sales increased 60% to $201.4 million, reflecting the contribution from the Ray's Outdoors business and the opening of 15 new stores.

BCF's like for like sales growth was 1.5%, building on like for like sales growth of 8.8% in the prior comparative period. This positive result was respectable given the number of wet weeks along the East Coast of Australia during the period. The division had 122 stores trading at the end of December 2010.

EBIT grew by 60% to $18.2 million.

Gross margins increased by 1.7% points, reflecting the contribution of the higher gross margins of the Ray's Outdoors business and improvements in BCF, driven by product range development, supply chain efficiencies and improved trading terms.

Operating costs as a percentage of sales increased by 1.7% points, reflecting the higher service, and, therefore, higher costs associated with the sale of products such as outdoor furniture, BBQs, apparel and footwear in the Ray's Outdoors business.

CASH FLOW AND NET DEBT

Operating cash flow pre store investment at $59.7 million was $10 million higher than the prior comparative period, after adjusting for timing differences.. Closing Net Debt of $70.5 million was $8.3 million lower than at the end of June 2010, despite investing $28.3 million in new and refurbished stores during the half.

Net Debt remains well within the Group's facility limits and all associated banking covenants have been comfortably achieved.

LOOKING AHEAD

Mr Birtles said the second half had started well for the Group, with strong sales growth and continued momentum.

"Like for like sales growth has been around 4% in both Supercheap Auto and BCF Boating Camping Fishing for the first seven weeks of the second half," Mr Birtles said.

"This is particularly pleasing given the depressed retailing and adverse weather conditions experienced during this period.

"Both of our businesses are on track to improve gross margins over the full year.

"We have a strong business model, focused strategy and expect continuing growth opportunities for our business in the future.

"We plan to continue to grow our store network, opening two to three new Auto & Cycle stores and four to six new Leisure stores during the second half."

ENDS

Further information:	Mr Peter Birtles Managing Director Super Retail Group 07 3482 7500	Mr Gary Carroll Chief Financial Officer Super Retail Group 07 3482 7500

Peter Birtles and Gary Carroll will be presenting the results by teleconference today at 10.00 am (daylight saving time). To listen to this presentation go to the Boardroom Radio website (brr.com.au)

Released through:	Ms Stephanie Paul Phillips Group 07 3230 5000

SUPER RETAIL GROUP LIMITED (SUL)
(Previously Super Cheap Auto Group Limited)

INTERIM REPORT

FOR THE 26 WEEK PERIOD ENDED 1 JANUARY 2011

	Section
Appendix 4D	**A**
Interim Financial Report	**B**

SECTION A

APPENDIX 4D
HALF YEAR REPORT

SUPER RETAIL GROUP LIMITED (SUL)

(Previously Super Cheap Auto Group Limited)

ABN 81 108 676 204

Statutory Results

Current Reporting Period:	From 4 July 2010 to 1 January 2011
Previous Reporting Period:	From 28 June to 26 December 2009

Results for Announcement to the Market

		Amount $'000
Revenue from ordinary activities	Up 21.2% to	561,902
Profit from ordinary activities after tax attributable to members	Up 60.4% to	24,896
Net profit for the period attributable to members	Up 60.4% to	24,896

For commentary on the results refer to the Directors' Report.

Dividends – Ordinary Shares

	Amount per security	Franked amount per security
2010 Final dividend declared 24 August 2010 (paid 1 October 2010)	13¢	13¢
2011 Interim dividend declared 22 February 2011 (payable 5 April 2011)	11.5¢	11.5¢
Record date for determining entitlements to the interim dividend	4 March 2011	

The Company has a Dividend Reinvestment Plan.

Net Tangible Assets per Security

	2010 $	2009 $
Net Tangible assets per security	1.32	0.74

Financial Information

The Appendix 4D should be read in conjunction with the consolidated financial report for the 26 weeks ending 1 January 2011 as set out on pages 3 to 22.

Foreign Entities

Foreign entities have been accounted for in accordance with Australian Accounting Standards.

Information on Audit or Review

The interim report is based on accounts which have been subject to review.

SECTION B

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

INTERIM FINANCIAL REPORT

FOR THE 26 WEEKS ENDED 1 JANUARY 2011

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DIRECTORS' REPORT

The Directors of Super Retail Group Limited (previously Super Cheap Auto Group Limited) submit herewith the financial report for the 26 week period ended 1 January 2011.

Directors

The names of the Directors of the Company during or since the end of the period are:

R A Rowe
D D McDonough (resigned 31 August 2010)
R J Wright
P A Birtles
R J Skippen
S A Pitkin (appointed 1 July 2010)

Review of Operations

The consolidated net profit for the period was $24,896,000 (2009: $15,519,000). Sales for the period were $561,902,000 (2009: $463,587,000).

Highlights during the half year included:-

- On 1 December 2010 the Group was renamed from Super Cheap Auto Group Limited to Super Retail Group Limited.
- Supercheap Auto opened seven new stores and closed one store during the period to take total store numbers to 273 as well as refurbishing 10 existing stores including the conversion of one store to a superstore. BCF opened seven stores to take total store numbers to 76. Goldcross Cycles opened two stores during the period to take total store numbers to 20. Ray's Outdoors opened eight stores during the period to take total store numbers to 46.
- The Auto & Cycle Retailing Division had sales of $360.5 million which represented an increase of 6.6% over the prior comparative period, whilst the Leisure Retailing Division had sales of $201.4 million which were 60.6% higher than the comparative period as a result of new store openings and the impact of the Ray's Outdoors acquisition.
- $28.3 million was invested in new and refurbished stores including capital expenditure, set up costs and working capital requirements. $4.0 million in infrastructure and systems during the period. Net external debt decreased by $8.3 million since 3 July 2010.

Dividends

On 22 February 2011, the Directors declared a dividend of 11.5 cents fully franked. The dividend will be paid on 5 April 2011.

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 and Financial Report. Amounts rounded are rounded off to the nearest thousand dollars.

Auditor's Independence Declaration

A copy of the auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is included at page 5 of this report.

Signed in accordance with a resolution of Directors made pursuant to Section 306(3) of the Corporations Act 2001.

On behalf of the Directors.

R J Wright	**P A Birtles**
Director	Director

Brisbane
22 February 2011

pwc

Auditor's Independence Declaration

As lead auditor for the review of Super Retail Group Limited for the half year ended 1 January 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 review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

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

Cameron Henry
Partner

Brisbane
22 February 2011

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CONSOLIDATED INCOME STATEMENT
For the 26 weeks ended 1 January 2011

	Notes	Consolidated entity	
		1 January 2011 $'000	**26 December 2009 $'000**
Revenue from continuing operations	3	**562,301**	463,655
Other income	4	**73**	53
Total revenues and other income		**562,374**	463,708
Expenses			
Cost of sales of goods		**317,720**	269,243
Other expenses:			
- selling and distribution		**68,871**	55,319
- marketing		**30,900**	26,204
- occupancy		**45,449**	35,717
- administration		**57,618**	50,856
Borrowing costs expense		**5,822**	4,831
Total expenses		**526,380**	442,170
Profit before income tax	5	**35,994**	21,538
Income tax expense	6	**(11,098)**	(6,019)
Profit attributable to members of Super Retail Group Limited		**24,896**	15,519
Other comprehensive income			
Cash flow hedges		**(1,189)**	(1,768)
Exchange differences on translation of foreign operations		**(1,857)**	25
Income tax relating to components of other comprehensive income		**0**	0
Other comprehensive income for the half year, net of tax		**(3,046)**	(1,743)
Total comprehensive income for the half year		**21,850**	13,776
Total comprehensive income for the year is attributable to:			
Members of Super Retail Group Limited		**21,850**	13,776
Earnings per share for profit attributable to the ordinary equity holders of the company			
		Cents	Cents
Basic earnings per share		**20.3**	14.4
Diluted earnings per share		**20.0**	14.1

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 1 January 2011

	Notes	Consolidated entity	
		1 January 2011 $'000	**3 July 2010 $'000**
ASSETS			
Current assets			
Cash and cash equivalents	7	**28,720**	30,200
Trade and other receivables	8	**30,502**	22,195
Inventories	9	**291,861**	253,101
Total current assets		**351,083**	305,496
Non-current assets			
Property, plant and equipment	10	**107,994**	105,309
Deferred tax assets	11	**10,134**	7,611
Intangible assets	12	**106,613**	103,830
Total non-current assets		**224,741**	216,750
Total assets		**575,824**	522,246
LIABILITIES			
Current liabilities			
Trade and other payables	13	**146,057**	99,563
Borrowings	14	**65**	10,096
Current tax liabilities	15	**8,641**	7,694
Provisions	16	**13,050**	11,781
Total current liabilities		**167,813**	129,134
Non-current liabilities			
Trade and other payables	17	**14,483**	13,217
Borrowings	18	**99,174**	98,912
Deferred tax liabilities	19	**0**	0
Provisions	20	**11,746**	10,426
Total non-current liabilities		**125,403**	122,555
Total liabilities		**293,216**	251,689
Net assets		**282,608**	270,557
EQUITY			
Contributed equity	21	**188,350**	182,158
Reserves		**(2,261)**	158
Retained profits		**96,519**	88,241
Capital and reserves attributable to equity holders of Super Retail Group Limited		**282,608**	270,557

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 26 weeks ended 1 January 2011

	Notes	Contributed Equity $'000	Reserves $'000	Retained Earnings $'000	Total $'000
Balance at 27 June 2009		84,627	42	71,685	156,354
Total comprehensive income for the period as reported in the 2010 half year financial statements		0	(1,743)	15,519	13,776
Transactions with owners in their capacity as owners					
Contributions of equity, net of transaction cost		5,470	0	0	5,470
Dividends provided for or paid		0	0	(12,315)	(12,315)
Employee share options		0	383	0	383
		5,470	383	(12,315)	(6,462)
Balance at 26 December 2009		90,097	(1,318)	74,889	163,668
Balance at 3 July 2010		182,158	158	88,241	270,557
Total comprehensive income for the period		0	(3,046)	24,896	21,850
Transactions with owners in their capacity as owners					
Contributions of equity, net of transaction cost		6,192	0	0	6,192
Dividends provided for or paid		0	0	(16,618)	(16,618)
Employee share options		0	627	0	627
		6,192	627	(16,618)	(9,799)
Balance at 1 January 2011		**188,350**	**(2,261)**	**96,519**	**282,608**

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

CONSOLIDATED CASH FLOW STATEMENT
For the 26 weeks ended 1 January 2011

	Notes	Consolidated entity	
		1 January 2011 $'000	**26 December 2009 $'000**
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**611,118**	509,591
Payments to suppliers and employees (inclusive of goods and services tax)		**(507,188)**	(416,150)
Rental payments:			
- external		**(44,152)**	(32,905)
- related parties		**(5,265)**	(4,749)
Income taxes paid		**(11,820)**	(6,765)
Net cash inflow from operating activities	25	**42,693**	49,022
Cash flows from investing activities			
Payments for business acquired		**0**	(1,332)
Payments for property, plant and equipment		**(18,623)**	(15,325)
Proceeds from sale of property, plant and equipment		**83**	0
Net cash (outflow) from investing activities		**(18,540)**	(16,657)
Cash flows from financing activities			
Proceeds from borrowings		**91,000**	205,900
Repayments of borrowings		**(101,047)**	(211,435)
Interest paid		**(5,077)**	(5,102)
Dividend paid to company's shareholders		**(11,981)**	(8,494)
Proceeds from issue of shares		**1,554**	1,445
Net cash (outflow) from financing activities		**(25,551)**	(17,686)
Net increase/(decrease) in cash and cash equivalents		**(1,398)**	14,679
Cash and cash equivalents at the beginning of the period		**30,200**	16,810
Effects of exchange rate changes on cash and cash equivalents		**(82)**	(5)
Cash and cash equivalents at the end of the financial period	7	**28,720**	31,484

The above consolidated cash flow statement must be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 26 WEEKS ENDED 1 JANUARY 2011

1. Basis of preparation of half-year financial report

This general purpose financial report for the interim half year reporting period ended 1 January 2011 has been prepared in accordance with the requirements of the Corporations Act 2001 and Accounting Standard AASB134: Interim Financial Reporting.

The interim financial report does not include full disclosures of the type normally included in an annual financial report. Accordingly, it is recommended that this financial report be read in conjunction with the annual financial report for the period ended 3 July 2010 and any public announcements made by Super Retail Group Limited (previously Super Cheap Auto Group Limited) and its controlled entities during the interim reporting period in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2. 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, 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 period ended 1 January 2011 is set out on the following page.

Under AASB 8 adjustments are allowed to be made to the disclosed segment results to reflect the reports used by management to make strategic decisions. The prior year comparative for the Auto & Cycles segment has been adjusted to include Super Cheap Auto, Goldcross and Oceania.

Notes to the Consolidated Financial Statements (continued)

2. Segment information (continued)

Business Segments

Half-year 2010/11	Auto & Cycle Retailing $'000	Leisure Retailing $'000	Total continuing operations $'000	Inter-segment eliminations/ unallocated $'000	Consolidated $'000
Total sales to external customers	**360,486**	**201,416**	**562,200**	**0**	**561,902**
Unallocated revenue					
Total revenue and other income					**561,902**
Segment result (pre-borrowing costs and impairment)	**27,477**	**18,327**	**45,804**	**(3,988)**	**41,816**
Impairment of goodwill				**0**	**0**
Borrowing costs				**(5,822)**	**(5,822)**
Profit before income tax					**35,994**
Segment assets	**352,626**	**183,168**	**535,794**	**40,030**	**575,824**
Unallocated assets					**0**
Total assets					**575,824**
Segment liabilities	**(183,087)**	**(119,199)**	**(302,286)**	**147,354**	**(154,932)**
Unallocated liabilities					**(138,284)**
Total liabilities					**(293,216)**
Depreciation and amortisation expense	**7,887**	**3,659**	**11,546**	**71**	**11,617**
Half-year 2009/10					
Total sales to external customers	338,121	125,466	463,587	0	463,587
Unallocated revenue					0
Total revenue and other income					463,587
Segment result (pre-borrowing costs and impairment)	18,906	11,396	30,302	(1,933)	28,369
Impairment of goodwill				(2,000)	(2,000)
Borrowing costs				(4,831)	(4,831)
Profit before income tax					21,538
Segment assets	326,002	115,820	441,822	37,163	478,985
Unallocated assets					0
Total assets					478,985
Segment liabilities	(167,254)	(91,652)	(258,906)	97,742	(161,164)
Unallocated liabilities					(154,153)
Total liabilities					(315,317)
Depreciation and amortisation expense	7,647	2,295	9,942	71	10,013

	Consolidated entity	
	1 January 2011 $'000	**26 December 2009 $'000**

3. Revenue

From continuing operations:		
Sales revenue		
Sale of goods	**561,902**	463,587
Other revenue		
Interest	**397**	68
Dividends – external parties	**2**	0
	562,301	463,655

4 Other Income

Other income	**73**	53

5. Income and Expenses

Profit before income tax includes the following specific expenses:		
Net loss on disposal of property, plant and equipment	**209**	48
Depreciation		
- Computer systems	**2,773**	2,742
- Plant and equipment	**7,151**	5,747
- Motor vehicles	**71**	20
Total depreciation	**9,995**	8,509
Amortisation/Impairment		
- Computer software	**1,551**	1,431
- Intangibles	**71**	73
- Goodwill	**0**	2,000
	1,622	3,504
Borrowing costs		
Interest and finance charges	**5,822**	4,831
Accretion of put option	**57**	57
Borrowing costs expensed	**5,879**	4,888
Rental expense relating to operating leases		
- Lease expenses	**43,858**	34,433
- Equipment hire	**2,476**	1,803
Total rental expense relating to operating leases	**46,334**	36,236
Foreign exchange gains and losses		
- Net foreign exchange loss/(gains)	**(625)**	2,267
Employee benefits expense		
Superannuation expense	**6,107**	5,188
Salaries and wages	**96,275**	77,148
	102,382	82,336

	Consolidated entity	
	1 January 2011 $'000	**26 December 2009 $'000**

6. Income Tax

(a) Income tax expense

Current tax	**12,943**	7,772
Deferred tax	**(1,872)**	(875)
Adjustments for current tax of prior periods	**168**	(878)
Adjustments for deferred tax of prior periods	**(141)**	0
	11,098	6,019
Deferred income tax (revenue) expense included in income tax expense comprises:		
(Increase)/decrease in deferred tax assets	**(1,875)**	(868)
Increase/(decrease) in deferred tax liabilities	**3**	(7)
	(1,872)	(875)

(b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit from continuing operations before income tax expense	**35,994**	21,538
Tax at the Australian tax rate of 30% (2009: 30%)	**10,798**	6,461
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax consolidation adjustments re NZ branch	**132**	(205)
Investment allowance	**0**	(199)
Goodwill impairment	**0**	600
Sundry items	**0**	240
	10,930	6,897
Adjustments for current tax of prior period	**168**	(65)
R&D credits	**0**	(813)
Income tax expense	**11,098**	6,019

(c) 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	**(510)**	(757)
	(510)	(757)

Notes to the Consolidated Financial Statements (continued)

	Consolidated entity	
	1 January 2011 $'000	**3 July 2010 $'000**

7. Current assets – cash and cash equivalents

Cash at bank and in hand	**28,720**	30,200

8. Current assets – trade and other receivables

Trade receivables	**14,979**	10,969
Provision for impairment of receivables	**(180)**	(210)
	14,799	10,759
Other receivables	**3,670**	2,030
Tax receivable	**381**	548
Prepayments	**11,652**	8,858
	30,502	22,195

9. Current assets – inventories

Finished goods, at lower of cost or net realisable value	**291,861**	253,101

10. Non-current assets – property, plant and equipment

Plant and equipment - at cost	**151,859**	141,546
Less accumulated depreciation	**(57,991)**	(51,581)
Net plant and equipment	**93,868**	89,965
Motor vehicles – at cost	**403**	912
Less accumulated depreciation	**(284)**	(251)
Net motor vehicles	**119**	661
Computer systems – at cost	**44,260**	42,377
Less accumulated depreciation	**(30,253)**	(27,694)
Net computer equipment	**14,007**	14,683
Total net property, plant and equipment	**107,994**	105,309

11. Non-current assets – deferred tax assets

Total deferred tax asset	**16,814**	14,559
Set-off of deferred tax liabilities pursuant to set-off provisions	**(6,680)**	(6,948)
	10,134	7,611
Movements in deferred balances have been recognised as follows:	**7,611**	
Opening balance charged/(credited) to:		
- income statement	**1,872**	
- directly to equity	**510**	
- goodwill	**141**	
Closing balance	**10,134**	

	Consolidated entity	
	1 January 2011 $'000	**3 July 2010 $'000**

12. Non-current assets – intangible assets

Goodwill - at cost	**75,784**	76,701
Less accumulated impairment	**(2,000)**	(2,000)
Net goodwill	**73,784**	74,701
Trademarks - at cost	**14**	14
Less accumulated depreciation	**(0)**	(0)
Net trademarks	**14**	14
Computer software	**28,678**	23,356
Less accumulated amortisation	**(18,400)**	(16,851)
Net computer software	**10,278**	6,505
Brand names - at cost	**22,500**	22,500
Less amortisation	**(313)**	(250)
Net brand names	**22,187**	22,250
Supplier agreement	**400**	400
Less amortisation	**(50)**	(40)
Net supplier agreement	**350**	360
Total net intangibles	**106,613**	103,830

13. Current liabilities – trade and other payables

Trade payables	**98,187**	70,459
Other payables	**47,866**	29,084
Loans from related parties	**4**	20
	146,057	99,563

14. Current liabilities – borrowings

Secured		
Finance leases	**65**	96
Cash advance	**0**	10,000
Total current liabilities – secured interest bearing liabilities	**65**	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	**65**	10,096

Notes to the Consolidated Financial Statements (continued)

	Consolidated entity	
	1 January 2011 $'000	**3 July 2010 $'000**

15. Current liabilities – tax liabilities

Income tax payable	**8,641**	7,694

16. Current liabilities – provisions

Put option provision	**814**	758
Provision for warranties	**44**	44
Make good provision	**516**	346
Employee benefits	**11,676**	10,633
	13,050	11,781
Movements in provisions – dividends		
Carrying amount at the start of the financial period	**0**	0
Dividend declared	**16,618**	21,497
Payments/other sacrifices of economic benefits	**(16,618)**	(21,497)
Carrying amount at the end of the financial period	**0**	0

17. Non-current liabilities – trade and other payables

Straight line lease adjustment	**14,483**	13,217

18. Non-current liabilities – borrowings

Secured		
Finance Lease	**0**	0
Cash advance	**100,000**	100,000
Less borrowing costs capitalised, net	**(826)**	(1,088)
	99,174	98,912
Secured interest bearing liabilities		
Total secured interest bearing liabilities (current and non-current) are:		
Finance lease	**65**	96
Cash advance	**99,174**	108,912
Total current and non-current secured interest bearing liabilities	**99,239**	109,008

19. Non-current liabilities – deferred tax liabilities

Deferred tax liabilities	**0**	0

20. Non-current liabilities – provisions

Make good provision	**9,107**	8,087
Employee benefits	**2,507**	2,207
Provision for future Oceania dividend	**132**	132
	11,746	10,426

Notes to the Consolidated Financial Statements (continued)

	Consolidated entity	
	1 January 2011 $'000	**3 July 2010 $'000**

21. Contributed equity

(a) Share Capital

Ordinary shares fully paid (128,902,619 ordinary shares as at 1 January 2011)	**188,350**	182,158

(b) Movement in ordinary share capital during the half year

	2010/11 Shares	2009/10 Shares	**2010/11 $'000**	2009/10 $'000
Dividend reinvestment plan issues	**775,040**	714,234	**4,637**	3,821
Shares issued under share option	**595,277**	762,500	**1,555**	1,649
	1,370,317	1,476,734	**6,192**	5,470

	Consolidated entity	
	1 January 2011 $'000	**3 July 2010 $'000**

22. Dividends

Ordinary Shares Dividends provided for or paid during the half year.	**16,618**	12,315
Dividends not recognised at the end of the half year		
Subsequent to the end of the half year, the Directors have recommended the payment of an interim dividend of 11.5 cents per ordinary share fully franked based on tax paid at 30%. The aggregate amount of the dividend expected to be paid on 5 April 2011, out of retained profits at 1 January 2011, but not recognised as a liability at the end of the half year is	**14,824**	9,182

23. 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)	53,233
Less: Provisional allocation of fair value of net identifiable assets acquired (see below)	(45,689)
Goodwill recognised on acquisition	7,544

23. Business combinations (continued)

(ii) Purchase considerations

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

	Fair Value $'000
Cash	71
Other Receivables	345
Inventory (net of provisions)	28,131
Plant & Equipment	12,000
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	(99)
Deferred tax liability	(6,211)
Net Identifiable Assets Acquired	45,689

	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)
	(1,618)
Outflow of cash	51,615

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 (increase of $992,000), provisions for employee entitlements (increase of $217,000) and a corresponding increase to tax assets of $142,000.

A corresponding decrease has been recognised in goodwill of $917,000.

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.

Under AASB3R "Business Combinations", the Group has 12 months from acquisition date to finalise the acquisition accounting. As such the acquisition accounting remains provisional at 1 January 2011.

23. Business combinations (continued)

(b) Explore Outdoors (prior period)

	2009 $'000
Acquisition by controlled entity	
On 27 October 2009, BCF Australia Pty Ltd acquired certain assets and assumed certain liabilities of the Explore Outdoors Dubbo Store business from an entity external to the Group.	
Net assets acquired and goodwill are as follows:	
Purchase consideration	
Cash Paid	1,331
Total purchase consideration	1,331
Less: Provisional allocation of Fair value of net identifiable assets acquired (refer below)	371
Goodwill	960

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

Fair value of identifiable net assets acquired	
Inventory (net of provisions)	387
Gift voucher liability	(6)
Employee entitlements	(8)
Other creditors	(2)
Net identifiable assets acquired	371

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.

24. Events occurring after reporting date

No matters or circumstances have arisen since 1 January 2011 that has significantly affected or may significantly affect the Group's operations or state of affairs in future financial years.

25. Reconciliation of profit after income tax to net cash inflow from operating activities

	Consolidated entity	
	1 January 2011 $'000	**26 December 2009 $'000**
Profit from ordinary activities after related income tax	**24,896**	15,519
Depreciation and amortisation	**11,617**	12,013
Net loss/(gain) on sale of non-current assets	**209**	48
Non-cash employee benefits expense/share based payments	**632**	401
Net interest expense	**5,425**	4,819
Change in operating assets and liabilities, net of effects from the purchase of controlled entities		
- (increase) in receivables	**(8,602)**	(1,132)
- (increase) in inventories	**(37,770)**	(21,823)
- increase in payables	**45,918**	38,607
- increase in provisions	**2,238**	1,129
- (increase) in deferred tax	**(1,870)**	(559)
Net cash inflow from operating activities	**42,693**	49,022

26. Contingencies

Guarantees Guarantees issued by the bankers of Super Retail Group Limited (previously Super Cheap Auto Group Limited) in support of various rental arrangements for certain retail outlets. The maximum future rental payments guaranteed amount to:	**2,108**	1,324

27. Commitments

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	**3,849**	4,205
Later than one year but not later than five years	**0**	0
Later than five years	**0**	0
Total capital commitments	**3,849**	4,205

Directors' Declaration

In accordance with a resolution of the Directors of Super Retail Group Limited (previously Super Cheap Auto Group Limited), it is our opinion that:

(a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 1 January 2011 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the period ended on that date; and

  (ii) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; 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.

On behalf of the Directors

R J Wright
Director

P A Birtles
Director

Brisbane
22 February 2011

pwc

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Super Retail Group Limited, which comprises the balance sheet as at 1 January 2011, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Super Retail Group Limited (the consolidated entity). The consolidated entity comprises both Super Retail Group Limited (the company) and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 1 January 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Super Retail Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

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

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Super Retail Group Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 1 January 2011 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001.*

PricewaterhouseCoopers

PricewaterhouseCoopers

Cameron Henry
Partner

Brisbane
22 February 2011