Super Retail Group

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Postal: PO Box 344 Strathpine QLD 4500
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ABN 81 108 676 204

18 October 2011

Announcements Officer
Company Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Super Retail Group Limited – Shareholder letters in respect of Entitlement Offer

In accordance with the Listing Rules, I attach a copy of the following documents which will be despatched to shareholders today in connection with the A$334 million pro rata accelerated renounceable entitlement offer announced by Super Retail Group Limited on 17 October 2011:

- Letter to eligible shareholders in respect of the Entitlement Offer; and
- Letter to ineligible retail shareholders in respect of the Entitlement Offer.

Yours sincerely,

Robert Dawkins
Company Secretary

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

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MR SAMPLE SAMPLE
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Dear Shareholder

SUPER RETAIL GROUP LIMITED A$334 MILLION PRO RATA ACCELERATED RENOUNCEABLE ENTITLEMENT OFFER

On 17 October 2011, Super Retail Group Limited (**Super Retail Group**) announced a fully underwritten pro rata accelerated renounceable entitlement offer of new Super Retail Group ordinary shares (**New Shares**) to raise gross proceeds of approximately A$334 million (**Entitlement Offer**).

The proceeds from the Entitlement Offer (together with expanded debt facilities) will be used to fund the acquisition of Rebel Group Limited for $610 million.

If you are an eligible shareholder, you will be able to purchase 9 New Shares for every 19 existing Super Retail Group ordinary shares held on the Record Date of 7.00pm (Sydney time) on Thursday, 20 October 2011 (**Entitlement**). The offer price is A$5.34 per New Share (**Offer Price**). New Shares issued under the Entitlement Offer will rank equally with existing Super Retail Group ordinary shares from issue. Fractional Entitlements will be rounded up to the nearest whole number of shares.

Following completion of the Entitlement Offer, Super Retail Group will have issued approximately 63 million New Shares resulting in total Super Retail Group ordinary shares on issue of approximately 195 million. The Entitlement Offer is fully underwritten by Macquarie Capital (Australia) Limited and RBS Equity Capital Markets (Australia) Limited.

The Entitlement Offer comprises an institutional entitlement offer and an offer to eligible retail shareholders (as described below, **Eligible Retail Shareholders**) to participate at the same Offer Price and offer ratio (**Retail Entitlement Offer**).

Eligible Retail Shareholders

Eligible Retail Shareholders are those persons who:

- Are registered as a holder of existing Super Retail Group ordinary shares as at 7.00pm (Sydney time) on Thursday, 20 October 2011;
- Have a registered address in Australia or New Zealand;
- Are not in the United States and are not acting for the account or benefit of a person in the United States; and
- Were not invited to participate (other than as a nominee, in respect of other underlying holdings) in the institutional entitlement offer.

Retail Offer Booklet

This letter is not an offer document but rather an advance notice of some key terms and conditions of the Retail Entitlement Offer. Full details of the Retail Entitlement Offer are set out in an offer booklet (**Retail Offer Booklet**), copies of which will be available on the ASX website www.asx.com.au and Super Retail Group's website at www.superretailgroup.com.au from Thursday, 20 October 2011.

Eligible Retail Shareholders will be mailed a Retail Offer Booklet, together with a personalised Entitlement and Acceptance Form which contains details of your Entitlement, on or around

Wednesday, 26 October 2011. You should read all of the Retail Offer Booklet carefully before deciding whether to participate in the Retail Entitlement Offer.

Action required by Eligible Retail Shareholders

Your Entitlement may have value and it is important you determine whether to take up, transfer or sell (in whole or in part) or do nothing in respect of your Entitlement.

***Take up an Entitlement*:** If you wish to take up all or part of your Entitlement, you will need to complete and return the personalised Entitlement and Acceptance Form together with the requisite Application Monies, or alternatively pay your Application Monies using BPAY®, in each case by following the instructions set out on the personalised Entitlement and Acceptance Form. Application Monies must be received by the Super Retail Group Share Registry by 5.00pm (Sydney time) on Wednesday, 16 November 2011.

Sell an Entitlement: There are a number of ways in which Eligible Retail Shareholders can sell all or part of their Entitlement, each of which may result in different value for the Entitlement sold:

1. If you wish to sell all of your Entitlement on ASX, you should instruct your stockbroker and provide them with details they may request as set out on your personalised Entitlement and Acceptance Form. Entitlements can be sold on ASX from Thursday, 20 October 2011 to Wednesday, 9 November 2011.
2. If you wish to take up part of your Entitlement and sell the balance on ASX, you need to:
    - in respect of the part of your Entitlement you are taking up, complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies (or pay your Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form); and
    - in respect of Entitlements to be sold on ASX, you should instruct your stockbroker and provide them with details they request as set out on your personalised Entitlement and Acceptance Form.
3. If you wish to transfer all or part of your Entitlement other than on ASX, you will need to complete and return a Renunciation and Transfer Form (which can be obtained through the Super Retail Group Offer Information Line or your stockbroker) together with the Entitlement and Acceptance Form and the transferee's Application Monies to the Super Retail Group Share Registry by 5.00pm (Sydney time) on Wednesday, 16 November 2011. The purchaser's address must be in Australia or New Zealand (unless Super Retail Group otherwise agrees) and the purchaser must not be in the United States or acting for the account or benefit of a person in the United States.

Please note you may incur brokerage if you choose to sell your Entitlement on ASX. Eligible Retail Shareholders who sell their Entitlement before receiving confirmation of their Entitlement in the Entitlement and Acceptance Form do so at their own risk. You can ascertain your correct Entitlement by calling your stockbroker or the Super Retail Group Offer Information Line on 1800 170 502 (within Australia) or +61 2 8280 7323 (from outside Australia).

Nominees must not take up Entitlements on behalf of, or send any documents related to the Retail Entitlement Offer to, any person in the United States.

In order to exercise Entitlements, holders must meet certain eligibility criteria that will be set out in the Retail Offer Booklet. In particular, persons in the United States and persons acting for the account or benefit of a person in the United States will not be eligible to purchase Entitlements on ASX or exercise Entitlements purchased on ASX. It is the responsibility of purchasers of Entitlements on ASX to inform themselves of the eligibility criteria for exercise. If holders of Entitlements after the end of the trading period do not meet the eligibility criteria, they will not be able to exercise the Entitlements. In the event that holders are not able to exercise their Entitlements, they may receive no value for them.

Do nothing: Entitlements not taken up, sold or transferred will lapse and New Shares in respect of those Entitlements will be offered for sale in the retail shortfall bookbuild. You will receive any proceeds in excess of the Offer Price in respect of your Entitlement, net of any applicable withholding tax.

The tax consequences from selling your Entitlement or from doing nothing may be different. Before selling your Entitlement or choosing to do nothing in respect of your Entitlement, you should seek your own tax advice (and you may wish to refer to the tax disclosures contained in the Retail Offer Booklet which will provide information on potential implications for Australian shareholders).

Key Dates for Eligible Retail Shareholders

Announcement of the Entitlement Offer	Monday, 17 October 2011
Retail Entitlements trading on ASX begins (deferred settlement)	Thursday, 20 October 2011
Record Date for eligibility in the Entitlement Offer	Thursday, 20 October 2011
Retail Entitlement Offer opens	Friday, 21 October 2011
Retail Entitlements allotted	Wednesday, 26 October 2011
Retail Entitlements trading on ASX begins (normal settlement)	Thursday, 27 October 2011
Retail Entitlements trading on ASX ends	Wednesday, 9 November 2011
Retail Entitlement Offer closes	Wednesday, 16 November 2011
Retail shortfall bookbuild	Monday, 21 November 2011
Settlement of the Retail Entitlement Offer	Monday, 28 November 2011
Issue of the New Shares under the Retail Entitlement Offer	Tuesday, 29 November 2011
New Shares under the Retail Entitlement Offer commence trading on ASX and on a normal settlement basis	Wednesday, 30 November 2011
Retail premium proceeds (if any) despatched to shareholders	Wednesday, 30 November 2011

The above timetable is indicative only and subject to change. All times are references to Sydney time. Super Retail Group reserves the right to vary these dates or to withdraw the Entitlement Offer at any time.

For further information on the Entitlement Offer you should call the Super Retail Group Offer Information Line on 1800 170 502 (within Australia) or + 61 2 8280 7323 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday before Friday, 9 December 2011. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

The Super Retail Group Board is pleased to offer this opportunity to you.

Yours faithfully

Robert Wright
Chairman

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. This document may not be distributed to, or relied upon by, persons in the United States. Neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States, unless they have been registered under the Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Persons in the United States and persons acting for the account or benefit of persons in the United States may not access the Retail Offer Booklet or other documents relating to the Retail Entitlement Offer.

Super Retail Group

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18 October 2011

Dear Shareholder

SUPER RETAIL GROUP LIMITED A$334 MILLION PRO RATA ACCELERATED RENOUNCEABLE ENTITLEMENT OFFER

Notice to Ineligible Retail Shareholders

On 17 October 2011, Super Retail Group Limited (**Super Retail Group**) announced a fully underwritten pro rata accelerated renounceable entitlement offer of new Super Retail Group ordinary shares (**New Shares**) at an offer price of A$5.34 per New Share (**Offer Price**) to raise gross proceeds of approximately A$334 million (**Entitlement Offer**).

This letter is to inform you about the Entitlement Offer, and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter.

The Entitlement Offer and use or proceeds

The Entitlement Offer comprises:

i. an institutional entitlement offer (**Institutional Entitlement Offer**) and;

ii. an offer to eligible retail shareholders to participate at the same Offer Price and offer ratio (**Retail Entitlement Offer**).

Proceeds from the Entitlement Offer (together with expanded debt facilities) will be used to fund the acquisition of Rebel Group Limited for $610 million as announced to ASX on Monday, 17 October 2011.

Details of the Retail Entitlement Offer

The Retail Entitlement Offer is being made to eligible retail shareholders (as described below, **Eligible Retail Shareholders**) on the basis of 9 New Shares for every 19 existing Super Retail Group ordinary shares held on the Record Date of 7.00pm (Sydney time) on Thursday, 20 October 2011 (**Entitlement**). An offer booklet in relation to the Retail Entitlement Offer (**Retail Offer Booklet**) will be despatched to Eligible Retail Shareholders on or around Wednesday, 26 October 2011.

Eligible Retail Shareholders

Eligible Retail Shareholders are those persons who:

- Are registered as a holder of existing Super Retail Group ordinary shares as at 7.00pm (Sydney time) on Thursday, 20 October 2011;
- Have a registered address in Australia or New Zealand;
- Are not in the United States and are not acting for the account or benefit of a person in the United States; and
- Were not invited to participate (other than as a nominee, in respect of other underlying holdings) in the Institutional Entitlement Offer.

Shareholders who are not Eligible Retail Shareholders and who are not institutional shareholders (whether or not eligible to participate under the Institutional Entitlement Offer) are ineligible retail shareholders (**Ineligible Retail Shareholders**).

The restrictions upon eligibility to participate in the Entitlement Offer arise because of the legal and regulatory requirements in countries other than Australia or New Zealand and the potential costs to Super Retail Group of complying with these legal and regulatory requirements compared with the relatively small number of shareholders in those countries, the relatively small number of existing Super Retail Group ordinary shares they hold and the relatively low value of New Shares to which they would otherwise be entitled. Super Retail Group has determined, pursuant to Listing Rule 7.7.1 (a) of the ASX Listing Rules, that it would be unreasonable to make offers to shareholders in certain countries under the Retail Entitlement Offer.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b), Super Retail Group wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. You will not be sent the documents relating to the Entitlement Offer.

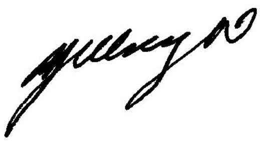
However, as the Entitlement Offer is renounceable, you may receive value for entitlements you would have received had you been eligible to participate in the Entitlement Offer. Arrangements have been made for the Entitlements of Ineligible Retail Shareholders to be issued to a nominee in accordance with section 615 of the Corporations Act and for the New Shares that would have represented those Entitlements to be sold via the retail shortfall bookbuild on Monday, 21 November 2011 **(Retail Shortfall Bookbuild),** which is to be undertaken by the underwriters to the Entitlement Offer. You will receive any proceeds in excess of the Offer Price in respect of each New Share sold in the Retail Shortfall Bookbuild that you would have received under the Retail Entitlement Offer if you were eligible to participate, net of any applicable withholding tax. However, there is no guarantee that you will receive any value as a result of the Retail Shortfall Bookbuild.

You are not required to do anything in response to this letter.

For further information on the Entitlement Offer you can call the Super Retail Group Offer Information Line on 1800 170 502 (within Australia) or + 61 2 8280 7323 (outside Australia) from 8.30am to 5.30pm (Sydney time) Monday to Friday before Friday, 9 December 2011. If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

On behalf of the Board of Super Retail Group, I thank you for your continued support.

Yours faithfully



Robert Wright
Chairman

Important Information

This letter is issued by Super Retail Group Limited, ABN 81 108 676 204 (Super Retail Group). This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in Super Retail Group in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of Super Retail Group ordinary shares.

This notice does not constitute an offer to sell, or the solicitation to buy, any securities in the United States. No action has been, or will be, taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia or New Zealand. In particular, neither the entitlements nor the New Shares referred to herein have been, nor will be, registered under the U.S. Securities Act of 1933 (the Securities Act) or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up or sold by, and the entitlements and New Shares may not be offered or sold to, persons in the United Sates except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such other securities laws.