

22 May 2012

Company Announcements
ASX Compliance
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

**Super Retail Group Limited (ASX Code: SUL) – Sports Retailing Brand
Development Update**

Super Retail Group will today present an update on its strategy for its Sports
Retailing Division and its Goldcross Cycles business.

A copy of the presentation is attached.

Yours sincerely
Super Retail Group Limited



Robert Dawkins
Company Secretary

Super Retail Group

Sports Retailing

Brand Development Update

22nd May 2012

Super Retail
Group



Acquisition of Rebel Group



- Super Retail Group acquired Rebel Group for A\$610m with effect from 30 October 2011
- The business had pro-forma FY11 sales of A\$603m and pro-forma FY11 EBITDA of A\$77m
- Opportunity for annualised synergy benefits of \$10m+ per annum by FY 13
- Rebel Group is the national leader in sporting goods retailing but opportunity to drive market growth and increase market share
- Very strong brand awareness (99% recall) and no close national competitor
- Strong strategic fit with Super Retail Group's operating model
- Super Retail Group's expertise in product development, sourcing, range management, marketing and supply chain can create additional value
- *Inject passion back into the business*

Opportunities to drive growth



At the time of acquisition SUL identified a number of initiatives to drive Rebel Group's growth

Immediate priorities (<12 months)

- ✓ Determine and position customer offering:
 - Identify core customer
 - Brand positioning
 - Ranging strategy
 - Store portfolio and profile
 - Merchandising strategy
- ✓ Engage trade partners
- ✓ Review store portfolio
 - Review underperforming stores
 - Commence new store roll out

- ✓ Commence integration:
 - Team and culture
 - Management Structure
 - Seek to extract sourcing synergies
 - Leverage international logistics capability
 - Loyalty program
 - Develop IT and Supply chain integration plan

Ongoing initiatives (>12 months)

- ✓ New store development
- ✓ Store refurbishment
- ✓ Leverage Group systems and processes
- ✓ Implement SUL SAP system
- ✓ Supply chain integration
- ✓ International sourcing
- ✓ Multi channel and customer relationship management development

Sports Retailing Integration



- Strategic Brand positioning work complete
- Future store design work underway
- SAP implementation underway with go-live planned for Q2 FY13
- Aged stock on track to be at 5% by June 2012
- Web site relaunch underway
- Support functions integrated into Super Retail Group management structure
- Strong support from Rebel and Amart team members
- Developing stronger relationships with trade partners
- \$10m annualised synergy benefits to be delivered by end of FY 13 – on track
- LFL sales up by 4.7% in the 26 weeks to 28 April (3.0% in the 17 weeks to 28 April)

Review of Goldcross Cycles Business



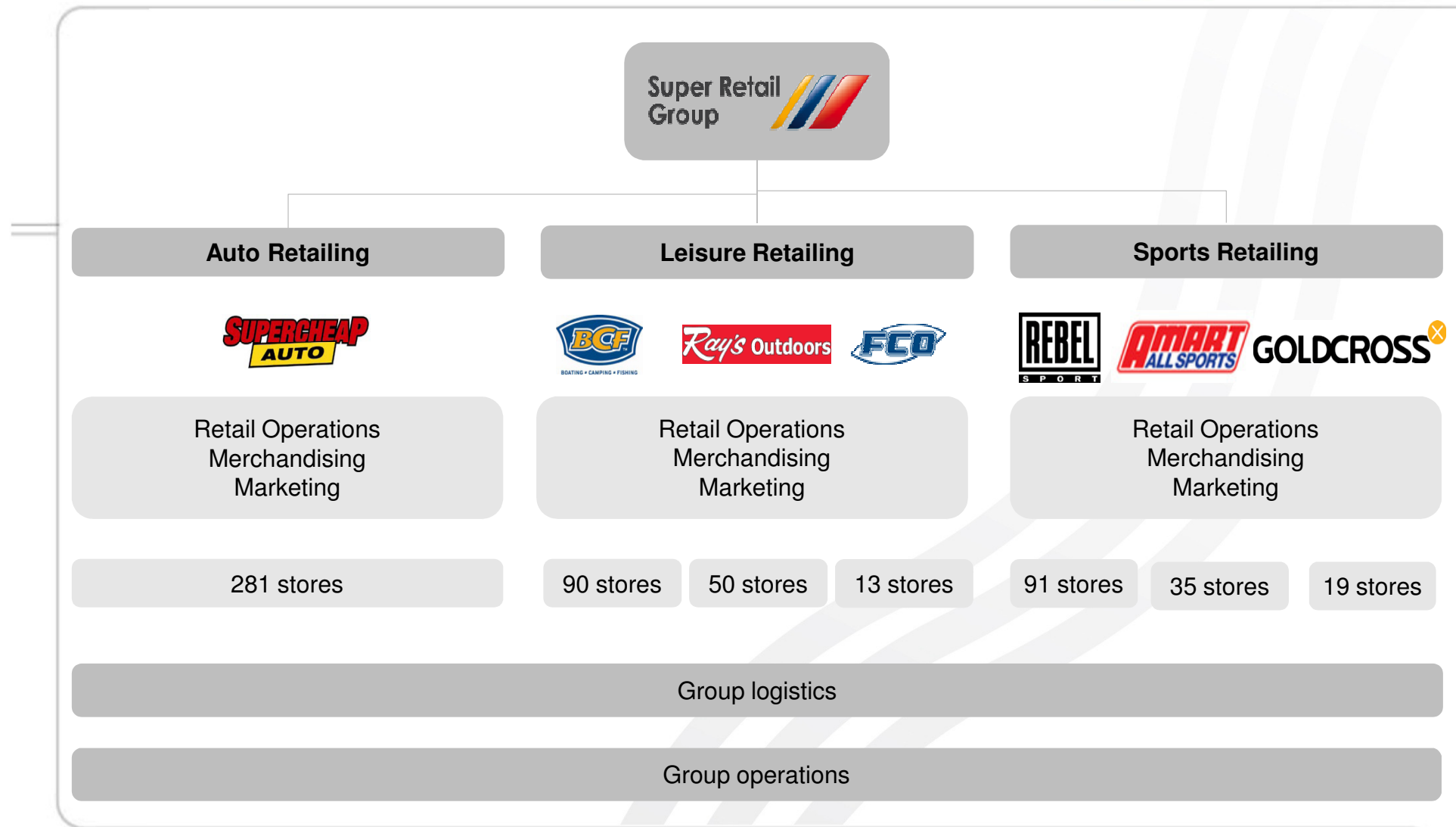
- EBIT loss projected to decrease in line with plan
- Strong gross margin improvement driven by reduced discounting, increased private brand, supply chain improvement and better inventory management
- Strong growth in bike servicing activity and revenue
- Reduction in stock per store in line with plan
- Loyalty membership and internet site visitation increasing but behind plan
- Underlying LFL growth in sales
- Sales per square metre still significantly below the level required to deliver required return on capital – legacy of larger stores
- SUL has developed some strong capabilities in the bike category: product development, range management, sourcing, supply chain, bike servicing

Goldcross Cycles Plans



- There remains an opportunity for a national bike retailer
- SUL will continue to trial the development of a customer offer to seize this opportunity
- Management of the Goldcross Cycles bike business will transfer to the Sports Retailing division – a more natural home
- Opportunity to evaluate conversion of a number of larger Goldcross Cycles stores to Amart All Sports stores and the business will test a store within a store concept
- A number of the smaller standalone stores will act as hub stores with a wider range and more extensive service and build capability
- The bike offer in the Sports stores will require circa 150m²
- Private brand and exclusive brand offers will play an important role
- Private brand parts and accessories will be distributed through Rebel Sport
- If the trial is successful the concept will be rolled out to other Amart All Sports stores
- The trial will commence in Q2 FY 2013

Super Retail Group (from Q2 FY 13)



Passionate about our people | our products | our performance

Sports Retailing Management Team



Peter Birtles
SUL MD & CEO

Erica Berchtold
MD Sports Retailing

Mark Brunton
GM Retail

Rory Scott
GM Merchandising

Rob Kain
GM Marketing

Super Retail Group Operations
Logistics, Human Resources, Finance, Property, Information Services, Marketing

Passionate about our people | our products | our performance

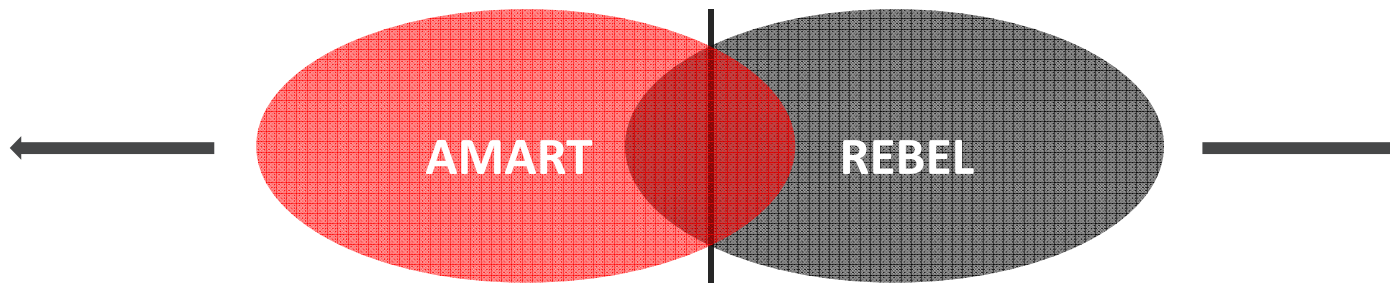
Business Objectives – Sports Retailing



BY 2017 SRG SPORTS RETAILING WILL:

- Be Australia's first choice for sporting needs
- Achieve 33% market share
- Grow to a \$1billion business
- Extend to 185 stores across Australia
- Report EBIT of 11%
- Deliver an engaging integrated multi-channel customer offer

Passionate about our people | our products | our performance



VISION

EVERYONE IN THE COMMUNITY CAN GET OUT THERE AND HAVE A GO

AUSTRALIANS WILL BE INSPIRED TO ACHIEVE THEIR PERSONAL BEST

CUSTOMER

The Andersons & Andy:
Cost conscious sports enthusiasts

Category Growth:
Achieved through increased participation.

Share Growth:
Achieved through price and depth of popular products.

The Robinsons, Rachel & Rob:
Sports enthusiasts who want quality equipment

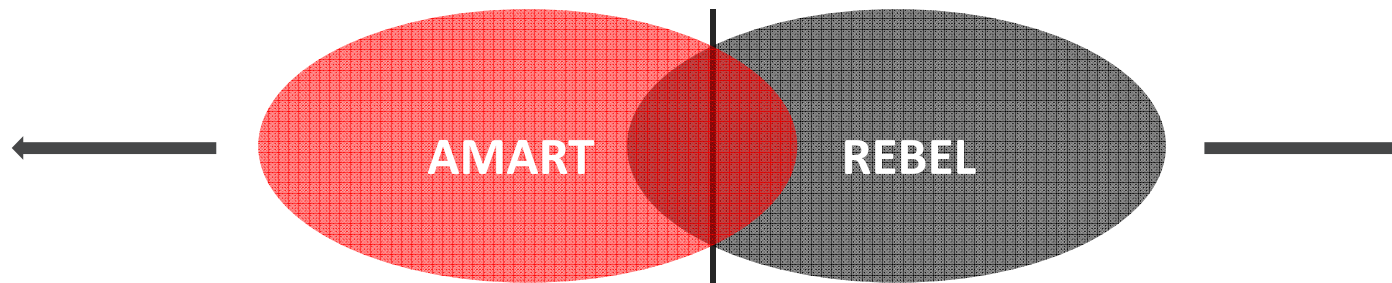
Category Growth:
Achieved through increased enthusiasm
(i.e. increased frequency and intensity)

Share Growth:
Achieved through superior brand experience (i.e. brand loyalty) and width of latest products.

CUSTOMER VALUE PROPOSITION

"I love Amart because it's my one-stop sports store with really great prices on all the gear me and my family want. The guys in store are friendly, know their stuff and what's going on in sport in the local area."

"I love Rebel because it has the biggest range of sports gear, including the best brands and the latest technology. It's good value and the people really know their stuff. It's an inspiring place to be."



BRAND PERSONALITY

IS

Supportive
Half time oranges
All-rounder
Local
Commodore
Knowledgeable
Up to date
Enthusiast

ISN'T

Condescending
GU
Specialist
Global
WRX
Expertise
Leading edge
High performance

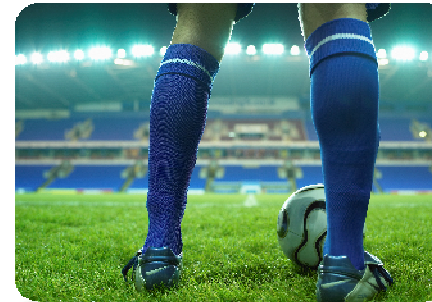


IS

Inspirational
Powerade
Competitive
Stadium
Is Audi A4
Experienced
Leading edge
High performance

ISN'T

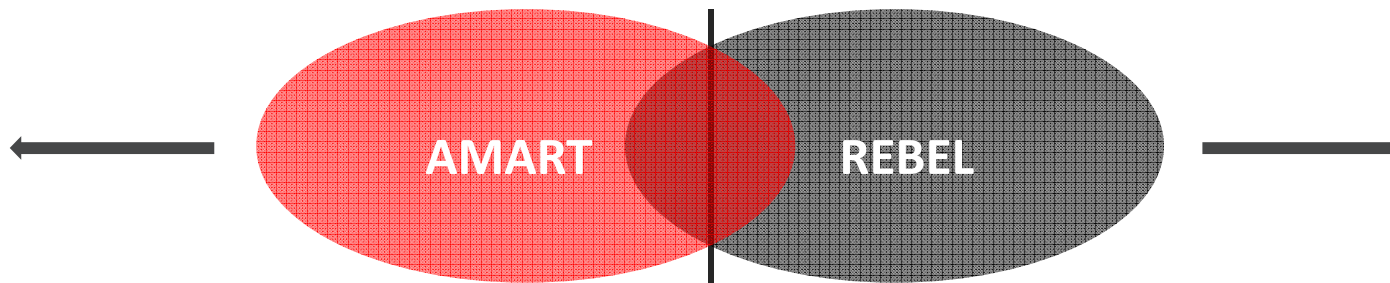
Out of reach
Red Bull
Ruthless
Local park
Porsche
Know-it-all
Isn't bleeding edge
Elite



POSITIONING

The community focussed, value based, sports store destination for the enthusiastic participant

Australia's leading and most inspiring sports store destination for the active enthusiast



SEVEN P's

PRODUCT:

Famous for fitness and footwear. Narrower range than Rebel but greater depth in popular products.

PRICE:

Australia's price leader in sporting goods.

PRESENTATION:

Strong consistent brand that is easy to shop both online and in stores.

PEOPLE:

Sports passionate people with strong general knowledge about popular sporting goods.

PROMOTION:

Local focus with supportive, down to earth tone of voice.

PLACE:

85 stores nationally with focus on outer suburban locations

PROCESS:

Leverage SRG's resources to maximise efficiencies.

PRODUCT:

Australia's biggest and most inspiring range of sporting goods from the leading international brands.

PRICE:

Fair and consistent pricing that is market competitive.

PRESENTATION:

Strong consistent brand that is inspiring to shop both online and in stores.

PEOPLE:

Sports passionate people with high levels of specialist knowledge in sporting goods.

PROMOTION:

National focus with inspiring tone of voice.

PLACE:

100 stores nationally with focus on metro and suburban shopping centres.

PROCESS:

Leverage SRG's resources to maximise efficiencies.