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ASX/Media Announcement

Super Cheap Auto Group (SUL) Update on Half Year Trading Performance

Since the last trading announcement at the Group's annual general meeting in October 2009, the Group has continued to trade strongly ahead of the prior comparative period.

As a result, sales growth in the Group's three businesses for the 26 weeks to 26 December 2009 was as follows:

	Total Growth	Like for Like Growth
Supercheap Auto	7.7%	6.1%
BCF Boating Camping Fishing	23.4%	8.8%
Goldcross Cycles	24.4%	n/a
Group	11.9%	n/a

Subject to the finalisation of half year accounting entries, the Group is forecasting that Group EBITA (Earnings before interest, tax and amortisation) will be in the vicinity of 20% to 21% higher than the prior comparative period.

The positive sales performance at Supercheap Auto and BCF Boating Camping Fishing has been augmented by improvements in gross margin and a reduction in operating costs as a % of sales. EBITA margins are forecast to grow by around 40 basis points at Supercheap Auto and by around 120 basis points at BCF Boating Camping Fishing compared to the prior comparative period.

Sales and gross margin performance at Goldcross Cycles has been below business plan expectations and the business is forecast to record an EBITA loss of around \$3.5 million. As a result of this underperformance, the Directors are reviewing the carrying value of the \$8.1 million goodwill arising from the acquisition of the Goldcross Cycles business. The Directors expect to record a write down of approximately \$2 million.

The Group will announce its finalised 2010 half year trading results on 18 February 2010.

Super Cheap Auto Group Managing Director, Mr. Peter Birtles, said that the overall Group results were very pleasing.

“The momentum that we have established over the last three financial years has been maintained and, although we expect that the rate of sales growth will slow in the 2nd half of the year, we anticipate that we will deliver solid like for like sales growth and continue to improve EBIT margins,” said Mr. Birtles.

“We remain confident that we can establish a profitable Goldcross Cycles business and are in the process of finalising a revised business plan.”

“Our store opening program is ahead of plan this year and we expect to open a further two Supercheap Auto stores and four BCF Boating Camping Fishing stores in the 2nd half of the year, said Mr. Birtles.

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