



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

INTERIM REPORT

FOR THE 26 WEEK PERIOD ENDED 1 JANUARY 2011

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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
Director

Brisbane
22 February 2011



P A Birtles
Director

Auditors Independence declaration to be inserted.

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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		<u>562,374</u>	<u>463,708</u>
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		<u>526,380</u>	<u>442,170</u>
Profit before income tax	5	35,994	21,538
Income tax expense	6	<u>(11,098)</u>	<u>(6,019)</u>
Profit attributable to members of Super Retail Group Limited		<u>24,896</u>	<u>15,519</u>
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		<u>(3,046)</u>	<u>(1,743)</u>
Total comprehensive income for the half year		<u>21,850</u>	<u>13,776</u>
Total comprehensive income for the year is attributable to:			
Members of Super Retail Group Limited		<u>21,850</u>	<u>13,776</u>
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

Notes to the Consolidated Financial Statements (continued)

	Consolidated entity	
	1 January 2011 \$'000	26 December 2009 \$'000
3. Revenue		
From continuing operations:		
<i>Sales revenue</i>		
Sale of goods	561,902	463,587
<i>Other revenue</i>		
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

Notes to the Consolidated Financial Statements (continued)

	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	<u>28,720</u>	<u>30,200</u>
8. Current assets – trade and other receivables		
Trade receivables	14,979	10,969
Provision for impairment of receivables	(180)	(210)
	<u>14,799</u>	<u>10,759</u>
Other receivables	3,670	2,030
Tax receivable	381	548
Prepayments	11,652	8,858
	<u>30,502</u>	<u>22,195</u>
9. Current assets – inventories		
Finished goods, at lower of cost or net realisable value	<u>291,861</u>	<u>253,101</u>
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	<u>93,868</u>	<u>89,965</u>
Motor vehicles – at cost	403	912
Less accumulated depreciation	(284)	(251)
Net motor vehicles	<u>119</u>	<u>661</u>
Computer systems – at cost	44,260	42,377
Less accumulated depreciation	(30,253)	(27,694)
Net computer equipment	<u>14,007</u>	<u>14,683</u>
Total net property, plant and equipment	<u>107,994</u>	<u>105,309</u>
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)
	<u>10,134</u>	<u>7,611</u>
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	<u>10,134</u>	

Notes to the Consolidated Financial Statements (continued)

Consolidated entity

1 January 2011 \$'000	3 July 2010 \$'000
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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	3 July
2011	2010
\$'000	\$'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
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(b) Movement in ordinary share capital during the half year

	2010/11	2009/10	2010/11	2009/10
	Shares	Shares	\$'000	\$'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	3 July
2011	2010
\$'000	\$'000

22. Dividends

Ordinary Shares

Dividends provided for or paid during the half year.	16,618	12,315
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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
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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	<u>45,689</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 (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
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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