



13 May 2008

ASX/Media Announcement

Super Cheap Auto Group (SUL) Announces Launch of Bicycle Retailing Business and Acquisition of Goldcross Cycles Pty Ltd.

The Managing Director of Super Cheap Auto Group Limited, Mr. Peter Birtles, today announced that the Group has entered into an agreement to purchase 100% of the issued share capital of Goldcross Cycles Pty Ltd. The acquisition is expected to be completed in mid June subject to certain conditions precedent.

Goldcross Cycles is the largest chain of wholly owned bicycle retail stores in Australia with 11 stores in the Greater Melbourne region. The business was founded 30 years ago and is still managed today by its sole shareholder Mr. David Hall.

The initial purchase price will be circa \$6 million. Super Cheap Auto Group will be assuming circa \$5m of debt. A performance based payment of up to \$3 million is payable in August 2009 dependant on profit achievement in the 2009 Financial Year.

Super Cheap Auto Group will also be paying circa \$1.4million to acquire 50% of the issued share capital of Australian Bicycles Pty Ltd, the largest supplier to the Goldcross Cycles business. Australian Bicycles own the exclusive rights to distribute the Fuji, SE and Kestrel brands in the Australian market. Australian Bicycles will continue to be managed by David Hall who retains ownership of the balance of the shares. The purchase agreement includes an option for Super Cheap Auto Group to acquire the remaining 50%.

Commenting on the acquisition, Mr. Birtles said Super Cheap Auto Group was very excited about the opportunity to build a national bicycle retail business.

“We have been working on the bicycle market for some time. It has demonstrated good growth over the last few years and we believe that a number of factors, including public policy, environmental concerns and demographic changes will continue to drive growth in the future.”

“David Hall has built a strong business and we are delighted to have the opportunity to continue to work with David who will become a key supplier. We will look to develop a deeper understanding of the business over the next few months before commencing a store rollout program.”

“We have built our organisation to be able to support expansion into new retail categories and we have the necessary systems, supply chain infrastructure and merchandising capability to grow a successful national network.”

Mr. Hall said “I am very pleased to be moving forward in a partnership with the Super Cheap Auto Group. We have been discussing this opportunity over the past 18 months and I am confident that there is a good cultural fit between the two organisations. We share the same vision of a national chain of category killer bike stores offering the widest range in convenient locations.”

A slide pack containing further information has been lodged with the ASX.

Mr. Birtles will be presenting the details of the acquisition by teleconference today at 12 noon. To listen to this presentation simply click on the link below:

<http://www.brr.com.au/event/45524>

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