



**SUPER CHEAP AUTO GROUP LIMITED (SUL)**  
**INTERIM REPORT**  
**FOR THE 26 WEEK PERIOD ENDED 27 DECEMBER 2008**

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	<b>Section</b>
<b>Appendix 4D</b>	<b>A</b>
<b>Interim Financial Report</b>	<b>B</b>

## SECTION A

# APPENDIX 4D HALF YEAR REPORT

## SUPER CHEAP AUTO GROUP LIMITED (SUL)

ABN 81 108 676 204

### Statutory Results

Current Reporting Period: From 29 June to 27 December 2008  
Previous Reporting Period: From 1 July to 29 December 2007

### Results for Announcement to the Market

		Amount \$'000
Revenue from ordinary activities	Up 12.9% to	412,811
Profit from ordinary activities after tax attributable to members	Up 8.7% to	13,555
Net profit for the period attributable to members	Up 8.7% to	13,555

For commentary on the results refer to the Directors' Report.

### Net Tangible Assets per Security

	2008 \$	2007 \$
Net Tangible assets per security	0.57	0.63

### Financial Information

The Appendix 4D should be read in conjunction with the consolidated financial report for the 26 weeks ending 27 December 2008 as set out on pages 3 to 24.

### Foreign Entities

Foreign entities have been accounted for in accordance with Australian Accounting Standards.

## Dividends – Ordinary Shares

	Amount per security	Franked amount per security
2008 Final dividend declared 27 August 2008 (paid 14 October 2008)	7.5¢	7.5¢
2009 Interim dividend declared 18 February 2009 (payable 31 March 2009)	6.5¢	6.5¢
Record date for determining entitlements to the interim dividend	9 March 2009	

The Company does not have a Dividend Reinvestment Plan.

## Information on Audit or Review

The interim report is based on accounts which have been subject to review.

**SECTION B**

**SUPER CHEAP AUTO GROUP LIMITED  
INTERIM FINANCIAL REPORT  
FOR THE 26 WEEKS ENDED 27 DECEMBER 2008**

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## DIRECTORS' REPORT

The Directors of Super Cheap Auto Group Limited submit herewith the financial report for the 26 week period ended 27 December 2008.

### Directors

The names of the Directors of the Company during or since the end of the period are:

R D McIlwain  
R A Rowe  
D D McDonough  
R J Wright  
P A Birtles  
R J Skippen (appointment date: 16 September 2008)

### Review of Operations

The consolidated net profit for the period was \$13,555,000 (2007: \$12,465,000). Sales for the period were \$412,811,000 (2007: \$365,674,000).

Highlights during the half year included:-

- Supercheap Auto opened 5 new stores during the period to take total store numbers to 255 as well as refurbishing 25 existing stores. BCF opened 5 stores and acquired 1 store from an external entity to take total store numbers to 55. Goldcross opened 4 stores and acquired two stores to take store numbers to 17;
- Supercheap Auto had sales of \$302.6 million which represented an increase of 5.3% over the prior comparative period, whilst BCF sales of \$101.6 million were 29.9% higher than the comparative period. Goldcross sales were \$8.6 million in their first half of trading in the Super Cheap Auto Group;
- \$30.0 million was invested in new and refurbished stores and \$2.1 million in infrastructure and systems during the period. Net external debt decreased by \$12.3 million.

### Dividends

On 18 February 2009, the Directors declared a dividend of 6.5 cents fully franked. The dividend will be paid on 31 March 2009.

### 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.

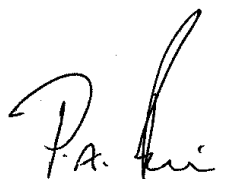
Signed in accordance with a resolution of Directors made pursuant to Section 306(3) of the Corporations Act 2001.

On behalf of the Directors.



**R D McIlwain**  
Director

Brisbane  
18 February 2009



**P A Birtles**  
Director

PricewaterhouseCoopers  
ABN 52 780 433 757

Riverside Centre  
123 Eagle Street  
BRISBANE QLD 4000  
GPO Box 150  
BRISBANE QLD 4001  
DX 77 Brisbane  
Australia  
Telephone +61 7 3257 5000  
Facsimile +61 7 3257 5999  
[www.pwc.com/au](http://www.pwc.com/au)

### Auditor's Independence Declaration

As lead auditor for the review of Super Cheap Auto Group Limited for the half year ended 27 December 2008, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Super Cheap Auto Group Limited and the entities it controlled during the period.



Brett Delaney  
Partner  
PricewaterhouseCoopers

Brisbane  
18 February 2009

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## CONSOLIDATED INCOME STATEMENT

For the 26 weeks ended 27 December 2008

	Notes	Consolidated entity	
		27 December	29 December
		2008	2007
		\$'000	\$'000
Revenue from continuing operations	3	413,210	365,795
Other income	4	423	41
<b>Total revenues and other income</b>		<b>413,633</b>	<b>365,836</b>
<b>Expenses</b>			
Cost of sales of goods		243,088	219,804
Other expenses:			
- selling and distribution		48,633	41,712
- marketing		25,333	22,943
- occupancy		32,184	25,501
- administration		40,430	33,965
Borrowing costs expense		6,393	4,028
<b>Total expenses</b>		<b>396,061</b>	<b>347,953</b>
<b>Profit before income tax</b>	5	<b>17,572</b>	17,883
Income tax expense	6	(4,017)	(5,418)
<b>Profit attributable to members of Super Cheap Auto Group Limited</b>		<b>13,555</b>	<b>12,465</b>
<b>Earnings per share for profit attributable to the ordinary equity holders of the company</b>			
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		12.7	11.7
Diluted earnings per share		12.7	11.6

*The above consolidated income statement must be read in conjunction with the accompanying notes.*

## CONSOLIDATED BALANCE SHEET

### As at 27 December 2008

	Notes	Consolidated entity	
		27 December 2008 \$'000	28 June 2008 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	30,571	8,709
Trade and other receivables	8	21,404	19,282
Inventories	9	225,206	193,975
Total current assets		<u>277,181</u>	<u>221,966</u>
<b>Non-current assets</b>			
Property, plant and equipment	10	86,147	79,552
Deferred tax assets	11	8,336	7,629
Intangible assets	12	78,111	76,009
Total non-current assets		<u>172,594</u>	<u>163,190</u>
<b>Total assets</b>		<u>449,775</u>	<u>385,156</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	13	135,240	91,205
Borrowings	14	35,294	57,393
Current tax liabilities	15	2,780	3,682
Provisions	16	9,060	7,696
Total current liabilities		<u>182,374</u>	<u>159,976</u>
<b>Non-current liabilities</b>			
Trade and other payables	17	12,156	10,469
Borrowings	18	100,808	70,315
Deferred tax liabilities	19	0	0
Provisions	20	9,863	8,635
Total non-current liabilities		<u>122,827</u>	<u>89,419</u>
<b>Total liabilities</b>		<u>305,201</u>	<u>249,395</u>
<b>Net assets</b>		<u>144,574</u>	<u>135,761</u>
<b>EQUITY</b>			
Contributed equity	21	84,763	84,763
Reserves		(223)	(3,480)
Retained profits		60,034	54,478
Capital and reserves attributable to equity holders of Super Cheap Auto Group Limited		<u>144,574</u>	<u>135,761</u>

*The above consolidated balance sheet must be read in conjunction with the accompanying notes.*

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the 26 weeks ended 27 December 2008**

	Notes	Consolidated entity	
		27 December 2008 \$'000	29 December 2007 \$'000
<b>Total equity at the beginning of the period</b>		<b>135,761</b>	124,526
Changes in the fair value of cash flow hedges, net of tax		1,695	338
Exchange differences on translation of foreign operations		1,419	(348)
<b>Net (expense)/income recognised directly in equity</b>		<b>3,114</b>	(10)
<b>Profit for the period</b>		<b>13,555</b>	12,465
<b>Total recognised income and expense for the period</b>		<b>16,669</b>	12,455
Transactions with equity holders in their capacity as equity holders:			
Dividends provided for or paid		(7,997)	(6,918)
Employee share options		141	135
<b>Total equity at the end of the period</b>		<b>144,574</b>	130,198
Total recognised income and expense for the period is attributable to:			
Members of Super Cheap Auto Group Limited		16,669	12,455

*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 27 December 2008**

	Notes	Consolidated entity	
		27 December 2008 \$'000	29 December 2007 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax)		452,069	402,819
Payments to suppliers and employees (inclusive of goods and services tax)		(367,991)	(341,666)
Rental payments:			
- external		(27,284)	(22,871)
- related parties		(4,708)	(3,591)
Income taxes paid		(5,478)	(7,900)
Net cash inflow from operating activities	25	<u>46,608</u>	<u>26,791</u>
<b>Cash flows from investing activities</b>			
Payments for business acquired		(4,621)	(1,549)
Payments for property, plant and equipment		(17,291)	(22,927)
Proceeds from sale of property, plant and equipment		746	155
Net cash (outflow) from investing activities		<u>(21,166)</u>	<u>(24,321)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		225,959	155,300
Repayments of borrowings		(215,822)	(142,100)
Interest paid		(5,882)	(3,701)
Dividend paid to company's shareholders		(7,997)	(6,918)
Repayments of advances to related parties		0	0
Net cash (outflow) from financing activities		<u>(3,742)</u>	<u>2,581</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>21,700</b>	<b>5,051</b>
Cash and cash equivalents at the beginning of the period		8,709	6,271
Effects of exchange rate changes on cash and cash equivalents		162	56
<b>Cash and cash equivalents at the end of the financial period</b>	7	<u><b>30,571</b></u>	<u><b>11,378</b></u>

*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 27 DECEMBER 2008

## 1. Basis of preparation of half-year financial report

This general purpose financial report for the interim half year reporting period ended 27 December 2008 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 28 June 2008 and any public announcements made by 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

The consolidated entity is organised on a global basis into the following business segments:

Supercheap Auto: Retail and distribution of motor vehicle spare parts and accessories, tools and equipment.

BCF (Boating, Camping and Fishing): Retail and distribution of boating, camping and fishing equipment.

Goldcross: Retail and distribution of bicycles and bicycle equipment and accessories.

### Business Segments

<b>Half-year 2008</b>	Supercheap Auto \$'000	BCF \$'000	Goldcross and Oceania \$'000	Total continuing operations \$'000	Inter-segment eliminations/ unallocated \$'000	Consolidated \$'000
Total segment revenue	<b>302,842</b>	<b>101,663</b>	<b>8,651</b>	<b>413,156</b>	<b>477</b>	<b>413,633</b>
Unallocated revenue						<b>0</b>
Total revenue and other income						<b>413,633</b>
Segment result (pre-borrowing costs)	<b>19,451</b>	<b>7,906</b>	<b>(1,608)</b>	<b>25,749</b>	<b>(1,784)</b>	<b>23,965</b>
Borrowing costs					<b>(6,393)</b>	<b>(6,393)</b>
Profit before income tax						<b>17,572</b>
<b>Half-year 2007</b>						
Total segment revenue	287,485	78,336	0	365,821	15	365,836
Unallocated revenue						0
Total revenue and other income						365,836
Segment result (pre-borrowing costs)	18,117	4,813	0	23,038	(1,019)	21,911
Borrowing costs					(4,028)	(4,028)
Profit before income tax						17,883

## Notes to the Consolidated Financial Statements (continued)

	Consolidated entity	
	27 December 2008 \$'000	29 December 2007 \$'000
<b>3. Revenue</b>		
<b>From continuing operations:</b>		
<i>Sales revenue</i>		
Sale of goods	412,811	365,674
<i>Other revenue</i>		
Interest	399	121
	<b>413,210</b>	<b>365,795</b>
<b>4 Other Income</b>		
Other income	<b>423</b>	<b>41</b>

## Notes to the Consolidated Financial Statements (continued)

### Consolidated entity

	27 December 2008 \$'000	29 December 2007 \$'000
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## 5. Income and Expenses

### Profit before income tax includes the following specific expenses:

Net loss on disposal of property, plant and equipment	294	248
Depreciation		
- Computer systems	2,570	2,349
- Plant and equipment	4,757	3,599
- Motor vehicles	62	186
Total depreciation	<u>7,389</u>	<u>6,134</u>
Amortisation		
- Computer software	1,205	1,346
- Intangibles	73	0
	<u>1,278</u>	<u>1,346</u>
Borrowing costs		
Interest and finance charges	6,393	4,028
Amount capitalised	0	0
Borrowing costs expensed	<u>6,393</u>	<u>4,028</u>
Rental expense relating to operating leases		
- Lease expenses	31,912	25,026
- Equipment hire	1,232	892
Total rental expense relating to operating leases	<u>33,144</u>	<u>25,918</u>
Foreign exchange gains and losses		
- Net foreign exchange loss/(gains)	<u>(2,923)</u>	<u>(94)</u>
Employee benefits expense		
Superannuation expense	4,566	3,454
Salaries and wages	65,992	56,562
	<u>70,558</u>	<u>60,016</u>

## Notes to the Consolidated Financial Statements (continued)

	Consolidated entity	
	27 December 2008 \$'000	29 December 2007 \$'000
<b>6. Income Tax</b>		
<b>(a) Income tax expense</b>		
Current tax	6,793	5,991
Deferred tax	(1,451)	(609)
Adjustments for current tax of prior periods	(1,325)	36
	<u>4,017</u>	<u>5,418</u>
Deferred income tax (revenue) expense included in income tax expense comprises:		
(Increase)/decrease in deferred tax assets	(1,510)	(853)
Increase/(decrease) in deferred tax liabilities	59	244
	<u>(1,451)</u>	<u>(609)</u>
<b>(b) Numerical reconciliation of income tax expense to prima facie tax payable</b>		
Profit from continuing operations before income tax expense	<u>17,572</u>	<u>17,883</u>
Tax at the Australian tax rate of 30% (2007: 30%)	5,272	5,365
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax consolidation adjustments re NZ branch	123	(80)
Sundry items	69	18
	<u>5,464</u>	<u>5,303</u>
Difference in overseas tax rates	0	72
R&D credits	0	0
Adjustments for current tax of prior period	(1,447)	48
Restatement of New Zealand deferred tax balance to 30%	0	(5)
Income tax expense	<u>4,017</u>	<u>5,418</u>
<b>(c) Amounts recognised directly in equity</b>		
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	<u>726</u>	<u>1</u>
	<u>726</u>	<u>1</u>

## Notes to the Consolidated Financial Statements (continued)

	Consolidated entity	
	27 December 2008 \$'000	28 June 2008 \$'000
<b>7. Current assets – cash and cash equivalents</b>		
Cash at bank and in hand	<u>30,571</u>	<u>8,709</u>
<b>8. Current assets – trade and other receivables</b>		
Trade receivables	17,011	14,107
Provision for impairment of receivables	(333)	(165)
	<u>16,678</u>	<u>13,942</u>
Other receivables	3,751	3,221
Tax receivable	818	1,745
Prepayments	157	374
	<u>21,404</u>	<u>19,282</u>
<b>9. Current assets – inventories</b>		
Finished goods, at lower of cost or net realisable value	<u>225,206</u>	<u>193,975</u>
<b>10. Non-current assets – property, plant and equipment</b>		
Plant and equipment - at cost	107,407	94,472
Less accumulated depreciation	(35,915)	(29,253)
Net plant and equipment	<u>71,492</u>	<u>65,219</u>
Motor vehicles – at cost	488	750
Less accumulated depreciation	(380)	(554)
Net motor vehicles	<u>108</u>	<u>196</u>
Computer systems – at cost	36,547	33,495
Less accumulated depreciation	(22,000)	(19,358)
Net computer equipment	<u>14,547</u>	<u>14,137</u>
Total net property, plant and equipment	<u>86,147</u>	<u>79,552</u>
<b>11. Non-current assets – deferred tax assets</b>		
Deferred tax asset	<u>8,336</u>	<u>7,629</u>

## Notes to the Consolidated Financial Statements (continued)

### Consolidated entity

27 December 2008 \$'000	28 June 2008 \$'000
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### 12. Non-current assets – intangible assets

Goodwill - at cost	69,539	66,581
Less impairment	0	0
Net goodwill	69,539	66,581
Trademarks - at cost	14	14
Less accumulated depreciation	0	0
Net trademarks	14	14
Computer software - at cost	18,400	17,977
Less accumulated amortisation	(12,669)	(11,463)
Net computer software	5,731	6,514
Brand names - at cost	2,500	2,500
Less accumulated amortisation	(63)	0
Net brand names	2,437	2,500
Supplier agreement	400	400
Less accumulated amortisation	(10)	0
Net supplier agreement	390	400
Total net intangibles	78,111	76,009

### 13. Current liabilities – trade and other payables

Trade payables	109,775	75,327
Other payables	25,465	15,853
Loans from related parties	0	25
	135,240	91,205

### 14. Current liabilities – borrowings

<b>Secured</b>		
Finance leases	321	1,091
Commercial bill	32,839	56,501
Less borrowing costs capitalised, net	(491)	(581)
Total current liabilities – secured interest bearing liabilities	32,669	57,011
<b>Unsecured</b>		
Related parties	1	1
Unsecured bank financing	2,624	381
Total current liabilities – unsecured interest bearing liabilities	2,625	382
Total current liabilities – interest bearing liabilities	35,294	57,393

## Notes to the Consolidated Financial Statements (continued)

	Consolidated entity	
	27 December 2008 \$'000	28 June 2008 \$'000
<b>15. Current liabilities – tax liabilities</b>		
Income tax payable	2,780	3,682
<b>16. Current liabilities – provisions</b>		
Put option provision	531	531
Make good provision	128	165
Employee benefits	8,401	7,000
	<b>9,060</b>	<b>7,696</b>
<b>Movements in provisions – dividends</b>		
Carrying amount at the start of the financial period	0	0
Dividend declared	7,997	5,865
Payments/other sacrifices of economic benefits	(7,997)	(5,865)
Carrying amount at the end of the financial period	<b>0</b>	<b>0</b>
<b>17. Non-current liabilities – trade and other payables</b>		
Straight line lease adjustment	12,156	10,469
<b>18. Non-current liabilities – borrowings</b>		
<b>Secured</b>		
Finance lease	808	0
Cash advance	100,000	70,315
	<b>100,808</b>	<b>70,315</b>
<b>Secured interest bearing liabilities</b>		
Total secured interest bearing liabilities (current and non-current) are:		
Finance lease	1,129	1,091
Commercial bills	33,498	55,920
Cash advance	100,000	70,000
Total current and non-current secured interest bearing liabilities	<b>134,627</b>	<b>127,011</b>
<b>19. Non-current liabilities – deferred tax liabilities</b>		
Deferred tax liabilities	0	0
<b>20. Non-current liabilities – provisions</b>		
Make good provision	5,872	4,954
Employee benefits	1,085	907
Provision for Goldcross performance incentive	2,774	2,774
Provision for future Oceania dividend	132	0
	<b>9,863</b>	<b>8,635</b>

## Notes to the Consolidated Financial Statements (continued)

	Consolidated entity	
	27 December 2008 \$'000	29 December 2007 \$'000
<b>21. Contributed equity</b>		
Ordinary shares fully paid (106,629,622 ordinary shares as at 27 December 2008)	<b>84,763</b>	84,763
<b>22. Dividends</b>		
<b>Ordinary Shares</b>		
Dividends provided for or paid during the half year.	<b>7,997</b>	6,918
<b>Dividends not recognised at the end of the half year</b>		
Subsequent to the end of the half year, the Directors have recommended the payment of an interim dividend of 6.5 cents per ordinary share fully franked based on tax paid at 30%. The aggregate amount of the dividend expected to be paid on 31 March 2009, out of retained profits at 27 December 2008, but not recognised as a liability at the end of the half year is	<b>6,931</b>	5,854

## 23. Business combinations

During the past 12 months, the parent entity acquired the Goldcross Cycles business as detailed below at (a). In addition, BCF Australia Pty Ltd acquired certain assets and liabilities of two businesses during the period, JV Marine (see (b) below) and Jurkiewicz Adventure Store (see (c) below). Goldcross acquired certain assets and liabilities of two businesses during the period, Victor Cycles (see (d) below) and Riders Cycles (see (e) below).

These acquisitions resulted in the recognition of the following goodwill:

	\$'000
Goldcross Cycles	10,306
JV Marine	3,459
Jurkiewicz Adventure Store	919
Victor Cycles	77
Riders Cycles	1,750
	<u>16,511</u>

### (a) Goldcross Cycles (prior period)

#### (i) Summary of acquisition

On 23 June 2008, the parent entity acquired 100% of the issued share capital of Goldcross Cycles Pty Ltd and 50% of the issued share capital of Oceania Bicycles Pty Ltd.

Due to the timing of the acquisition, the contribution to revenues and net profit was not material. If the acquisition had occurred on 1 July 2007, consolidated revenue and consolidated profit for the period ended 28 June 2008 would have been \$734,706,000 and \$23,786,000 respectively. These amounts have been calculated using the Group's accounting policies and by adjusting the results of the subsidiary to reflect the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant and equipment and intangible assets had applied from 1 July 2007, together with the consequential tax effects.

## 23. Business combinations (continued)

Details of the fair value of the assets and liabilities acquired and goodwill are as follows:

	<b>\$'000</b>
Purchase consideration	8,041
Additional consideration accrued	2,774
Put option (current value)	531
Provision for future Oceania dividend	132
Direct costs relating to acquisition	267
Total Purchase consideration (refer to (ii) below)	<u>11,745</u>
Less: Provisional allocation of Fair value of net identifiable assets acquired (refer below)	<u>1,439</u>
Goodwill recognised on acquisition	<u>10,306</u>

Super Cheap Auto Group Limited has not recognized a minority interest on acquisition of Oceania Bicycles Pty Ltd, on the basis that Super Cheap Auto Group Limited has elected to deem that control has passed on acquisition due to a put agreement on the remaining 50% of shares. Control is achieved via Supply Agreements as well as the ability of Super Cheap Auto Group Limited to acquire the remaining shares of Oceania Bicycles Pty Ltd in the event of a dispute.

As part of the acquisition of a 50% shareholding in Oceania Bicycles Pty Ltd, Super Cheap Auto Group Limited has granted the vendor an option to sell the remaining 50% to the group at an agreed EBITA multiple. This option can be exercised at any time up to 10 years from acquisition.

In the event the stores comprising Goldcross at settlement date achieve a certain EBIT result additional consideration of \$3,000,000 may be payable in cash. As this payment is considered probable it has been recorded, at present value, in the total purchase consideration of Goldcross Cycles Pty Ltd. If it becomes probable that additional consideration will be payable, it will be brought to account as a component of the goodwill arising on the acquisition when the amount can be reliably measured.

The acquisition of Goldcross Cycles Pty Ltd and Oceania Bicycles Pty Ltd were disclosed provisionally in the financial report for the year ended 28 June 2008. An adjustment was made to the provisional values disclosed in the 28 June 2008 financial report relating to a future dividend payable to the remaining 50% shareholder in the 2012-13 financial year. This liability is recorded at net present value and has resulted in a \$132,000 increase in goodwill and a corresponding non-current liability.

### (ii) Purchase considerations

	<b>2008</b>
	<b>\$'000</b>
Outflow of cash to acquire subsidiary, net of cash acquired	
Total purchase consideration	<u>11,613</u>
Less: Consideration payable	<u>(3,380)</u>
Less: Balances acquired	
Cash	<u>12</u>
	<u>12</u>
Outflow of cash	<u>8,221</u>

## 23. Business combinations (continued)

	Fair Value \$'000
Cash	12
Other Receivables	516
Inventory	5,739
Plant & Equipment	1,768
Brand name	2,500
Supplier agreement	400
Deferred make goods	123
Tax Assets	633
Bank Overdraft	(1,209)
Trade Payables	(1,820)
Provision for Employee Entitlements	(247)
Make-good provision	(154)
Other Payables	(326)
Deferred tax liability	(750)
Non-Current Borrowings	(5,746)
Net Identifiable Assets Acquired	1,439

The goodwill is attributable to Goldcross' strong position and profitability in the bicycling market and the synergies expected to arise from the acquisition.

### (b) JV Marine (prior period)

#### Acquisition by controlled entity

On 1 February 2008, BCF Australia Pty Ltd acquired certain assets and assumed certain liabilities of the JV Marine business from an entity external to the Group.

	2008 \$'000
Net assets acquired and goodwill are as follows:	
Purchase consideration	
Cash Paid	5,908
Direct costs relating to the acquisition	69
	5,977
Total purchase consideration	5,977
Less: Provisional allocation of Fair value of net identifiable assets acquired (refer below)	2,518
	3,459
Goodwill	3,459

The goodwill is attributable to JV Marine's strong position and profitability in the fishing and boating accessories market and synergies expected to arise after the company's acquisition.

Fair value of identifiable net assets acquired	
Inventory	2,140
Other receivables	214
Plant and equipment	210
Employee entitlements	(61)
Other creditors	(3)
Net deferred tax assets	18
	2,518
Net identifiable assets acquired	2,518

## 23. Business combinations (continued)

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.

The acquired business contributed revenues of \$2.4 million to the Group for the period 1 February 2008 to 28 June 2008. If the acquisition had occurred on 1 July 2007, the contribution to group revenue would have been \$10.0 million. The contribution to Group net profit after tax is not significant.

(c) **Jurkiewicz Adventure Store (including Canberra Ski and Board Centre) (current period)**

2008  
\$'000

**Acquisition by controlled entity**

On 30 July 2008, BCF Australia Pty Ltd acquired certain assets and assumed certain liabilities of the Jurkiewicz Adventure Store business from an entity external to the Group.

Net assets acquired and goodwill are as follows:

Purchase consideration	
Cash Paid	1,700
Total purchase consideration	1,700
Less: Provisional allocation of Fair value of net identifiable assets acquired (refer below)	<u>781</u>
Goodwill	919

The goodwill is attributable to Jurkiewicz Adventure Store 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)	811
Employee entitlements	(21)
Other creditors	<u>(9)</u>
Net identifiable assets acquired	<u>781</u>

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.

The acquired business contributed revenues of \$1.028 million to the Group for the period 30 July 2008 to 27 December 2008. If the acquisition had occurred on 29 June 2008, the contribution to group revenue would have been \$1.034 million. The contribution to Group net profit after tax is not significant.

## 23. Business combinations (continued)

### (d) Victor Cycles (current period)

2008  
\$'000

#### Acquisition by controlled entity

On 17 November 2008, Goldcross Pty Ltd acquired certain assets and assumed certain liabilities of the Victor Cycles business from an entity external to the Group.

Net assets acquired are as follows:

Purchase consideration	
Cash Paid	405
Direct costs relating to the acquisition	13
Total purchase consideration	418
Less: Provisional allocation of Fair value of net identifiable assets acquired (refer below)	<u>341</u>
Goodwill	77

The goodwill is attributable to Victor Cycles strong position and profitability in the cycling market and synergies expected to arise after the company's acquisition

Fair value of identifiable net assets acquired	
Inventory (net of provisions)	278
Plant and equipment	60
Other assets	4
Employee entitlements	<u>(1)</u>
Net identifiable assets acquired	<u>341</u>

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.

The acquired business contributed revenues of \$0.112 million to the Group for the period 17 November 2008 to 27 December 2008. If the acquisition had occurred on 29 June 2008, the contribution to group revenue would have been \$0.497 million. The contribution to group net profit after tax is not significant.

## 23. Business combinations (continued)

### (e) Riders Cycles (current period)

2008  
\$'000

#### Acquisition by controlled entity

On 11 December 2008, Goldcross Pty Ltd acquired certain assets and assumed certain liabilities of the Riders Cycles business from an entity external to the Group.

Net assets acquired and goodwill are as follows:

Purchase consideration	
Cash Paid	2,503
Less cash acquired	(1)
Total purchase consideration	2,502
Less: Provisional allocation of Fair value of net identifiable assets acquired (refer below)	<u>752</u>
Goodwill	1,750

The goodwill is attributable to Riders Cycles strong position and profitability in the cycling market and synergies expected to arise after the company's acquisition

#### Fair value of identifiable net assets acquired

Inventory (net of provisions)	695
Plant and equipment	50
Other assets	17
Employee entitlements	<u>(10)</u>
Net identifiable assets acquired	<u>752</u>

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.

The acquired business contributed revenues of \$0.189 million to the Group for the period 11 December 2008 to 27 December 2008. If the acquisition had occurred on 29 June 2008, the contribution to group revenue would have been \$2.150 million. The contribution to group net profit after tax is not significant.

## 24. Events occurring after reporting date

No matters or circumstances have arisen since 27 December 2008 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	
	27 December	29 December
	2008	2007
	\$'000	\$'000
Profit from ordinary activities after related income tax	13,555	12,465
Depreciation and amortisation	8,667	7,471
Net loss/(gain) on sale of non-current assets	294	248
Non-cash employee benefits expense/share based payments	141	135
Net interest expense	5,994	3,907
Change in operating assets and liabilities, net of effects from the purchase of controlled entities		
- (increase) in receivables	(1,069)	(3,106)
- (increase) in inventories	(28,326)	(32,455)
- increase in payables	46,360	37,960
- increase in provisions	2,428	778
- (increase) in deferred tax	(1,436)	(612)
Net cash inflow from operating activities	46,608	26,791

## DIRECTORS' DECLARATION


In accordance with a resolution of the Directors of 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 27 December 2008 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 D McIlwain**  
Director



**P A Birtles**  
Director

Brisbane  
18 February 2009

## Independent auditor's report to the members of Super Cheap Auto Group Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Super Cheap Auto Group Limited, which comprises the balance sheet as at 27 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Super Cheap Auto Group Limited (the consolidated entity). The consolidated entity comprises both Super Cheap Auto Group Limited (the company) and the entities it controlled during that half-year.

#### *Directors' responsibility for the half-year financial report*

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 27 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Super Cheap Auto Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

**Independent auditor's report to the members of  
Super Cheap Auto Group Limited (continued)**

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Super Cheap Auto Group Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 27 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

PricewaterhouseCoopers

Brett Delaney  
Partner

Brisbane  
18 February 2009