



SUPER CHEAP AUTO GROUP LIMITED (SUL)

HALF YEAR REPORT

FOR THE 26 WEEK PERIOD ENDED 25 DECEMBER 2004

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SECTION A

APPENDIX 4D HALF YEAR REPORT

SUPER CHEAP AUTO GROUP LIMITED (SUL)

ABN 81 108 676 204

Statutory Results

Current Reporting Period: From 27 June to 25 December 2004
Previous Reporting Period: Not Applicable

Results for Announcement to the Market

	Amount \$'000	Percentage Change %
Revenue from ordinary activities	222,427	N/A
Profit from ordinary activities after tax attributable to members	10,958	N/A
Net profit for the period attributable to members	10,958	N/A

Net Tangible Assets per Security

	2004 \$	2003 \$
Net Tangible assets per security	0.51	N/A

Brief Explanation of Revenue and Net Profit for the Period

Super Cheap Auto Group Limited was incorporated on 8 April 2004. On 23 April 2004, the Company acquired all of the issued share capital of Super Cheap Auto Pty Ltd, the principal trading company. The Appendix 4D should be read in conjunction with the consolidated financial report for the period ending 25 December 2004 as set out on pages 4 to 15.

For commentary on the results refer to the Company Release and Investor Presentation.

Foreign Entities

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

Dividends – Ordinary Shares

	Amount per security	Franked amount per security
2005 Interim dividend declared 18 February 2005 (payable 24 March 2005)	2.0¢	2.0¢
Record date for determining entitlements to the interim dividend	2 March 2005	

This is the first dividend declared by the Company.

The Company does not have a Dividend Reinvestment Plan.

Information on Audit or Review

The half-year report is based on accounts which have been subject to review.

SECTION B

INTRODUCTION

Super Cheap Auto Group Limited was incorporated on 8 April 2004. On 23 April 2004, the Company acquired all of the issued share capital of Super Cheap Auto Pty Ltd, the principal trading company.

The pro-forma results reflect the trading activities for the 26 weeks to 25 December 2004 for Super Cheap Auto Group Limited. The pro-forma results for the 26 weeks to 27 December 2003 are based upon the unaudited actual historical results of Super Cheap Auto Pty Ltd, prior to its acquisition by Super Cheap Auto Group Limited.

The pro-forma results are not a substitute for Super Cheap Auto Group Limited's consolidated financial report for the period ending 25 December 2004, which is set out on pages 4 to 15.

PRO-FORMA RESULTS

Statement of Financial Performance

	2004 (6 Months) \$m	2003 (6 months) \$m
Sales		
Australia	201.4	183.5
New Zealand	20.9	3.3
Total	222.3	186.8
COGS (Note 1a)	(136.1)	(115.2)
Gross Profit	86.2	71.6
Operating Expenses (Note 1b)	(67.3)	(55.0)
EBITDA	18.9	16.6
Depreciation	(3.8)	(3.2)
EBITA	15.1	13.4
Amortisation	(1.4)	(1.4)
EBIT	13.7	12.0
Net Borrowing Costs	(1.9)	(1.3)
Income Tax	(4.0)	(3.6)
NPAT (pre items in Note 1)	7.8	7.1
After tax benefit arising from change to inventory valuation methodology (Note 1a)	3.2	0
After tax share issue costs (Note 1b)	0	(1.2)
NPAT	11.0	5.9

Note 1

The following significant and non-recurring items have been disclosed separately for the purposes of the pro-forma Statement of Financial Performance.

- (a) 2004: Change of methodology of trading stock valuation has resulted in a one off credit to the Statement of Financial Performance of \$4.5 million pre-tax. The change concerns capitalisation of supply chain costs. This change ensures consistency between accounting and taxable profits following the release of ATO Practice Statement LA 2003/13 (being \$4.8 million pre-tax credit relating to prior years and a \$0.3 million pre-tax debit relating to current period).
- (b) 2003: Costs of \$1.7 million (pre-tax) associated with the implementation of the Senior Management Team Share Plan.

Financial Cash Flow

	2004 (6 Months) \$m	2003 (6 months) \$m
EBITDA	18.9	16.6
Tax Paid	(4.0)	(2.8)
Investment in Working Capital	(3.7)	(8.2)
Investments in Other Assets	(0.1)	0
Cash flows from Operating Activities	11.1	5.6
Capital Expenditure	(8.2)	(6.6)
Deposit paid on CampMart acquisition	(1.0)	0
Proceeds from sale of service centres in prior year	1.0	1.5
Cash flows from Investing Activities	(8.2)	(5.1)
Net Interest	(1.9)	(1.9)
Debt Issuance/(Repayment)	2.3	7.0
Dividend Payment to Shareholders	(5.0)	0
Loans Repaid by Related Parties	1.0	4.6
Cash flows from Financing Activities	(3.6)	9.7
Net Change in Cash	(0.7)	10.2
Beginning Cash Balance	13.6	(0.7)
Ending Cash Balance	12.9	9.5

SECTION C

**SUPER CHEAP AUTO GROUP LIMITED
FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 25 DECEMBER 2004**

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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 25 December 2004.

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

R D McIlwain
R E Thorn
R A Rowe
D D McDonough
R J Wright

Review of Operations

The consolidated net profit for the period was \$10,958,000 (2003: N/A). Sales for the period were \$222,320,000.

Highlights during the half year included:

- Opening 21 stores across Australia and New Zealand bringing total store numbers to 204
- Opening the 29th store in New Zealand within 53 weeks of the 1st store
- Developing supply chain operations to increase capacity at the Lawnton DC and reduce supply chain costs as a % of sales
- The success of the Christmas promotional period with like for like sales growing by over 10% in the 6 weeks to 1 January in line with planned promotional activity
- Renegotiation of supply arrangements with suppliers, including improvements to trading terms, which generated around \$10m cash flow benefit.

Net cash flow was strong with cash flow from operating activities at \$11.1m benefiting from improvements in working capital management. Net debt at 25 December was \$39.9m, a \$9.3m reduction during the period.

Matters subsequent to the end of the period

On 18 January 2005, BCF Australia Pty Ltd, a wholly owned subsidiary of Super Cheap Auto Group Limited, acquired the assets of the CampMart business. A deposit of \$1,000,000 was paid prior to 25 December 2004, with a further \$5,000,000 paid on completion at 18 January 2005. Final settlement occurs 60 days following completion on which date BCF Australia Pty Ltd will be liable for the working capital acquired. This is estimated to be \$700,000.

Dividends

On 18 February 2005, the Directors declared a dividend of 2.0 cents fully franked. The dividend will be paid on 24 March 2005.

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

The lead auditor's Independence Declaration was received in accordance with Section 307C of the Corporations Act 2001 a copy of which is included at page 17 of this report.

Signed in accordance with a resolution of Directors.

On behalf of the Directors.



R D McIlwain
Director



R E Thorn
Director

Brisbane
18 February 2005

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
For the 26 weeks ended 25 December 2004

	Notes	Consolidated entity	
		December 2004 \$'000	December 2003 \$'000
Revenue from ordinary activities			
Sale of goods		222,320	0
Other revenues from ordinary activities		107	0
Total revenues		<u>222,427</u>	<u>0</u>
Expenses from ordinary activities			
Cost of sales of goods		131,634	0
Other expenses from ordinary activities			
- selling and distribution		24,386	0
- marketing		12,925	0
- occupancy		13,406	0
- administration		21,836	0
Borrowing costs expense		2,061	0
Total expenses		<u>206,248</u>	<u>0</u>
Profit from ordinary activities before related income tax expense	4	16,179	0
Income tax expense relating to ordinary activities	5	<u>(5,221)</u>	<u>0</u>
Total changes in equity other than those resulting from transactions with owners as owners		<u>10,958</u>	<u>0</u>
		Cents	
Basic earnings per share		10.3	
Diluted earnings per share		10.3	

The above statement of financial performance must be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 25 December 2004

	Notes	Consolidated entity	
		December	June
		2004	2004
		\$'000	\$'000
Current assets			
Cash assets	6	12,936	13,640
Receivables	7	3,861	5,394
Inventories	8	111,482	92,513
Tax Assets	9	0	1,633
Other	10	1,788	1,206
Total current assets		<u>130,067</u>	<u>114,386</u>
Non-current assets			
Property, plant and equipment	11	39,694	36,257
Intangible assets	12	44,010	45,349
Deferred tax assets	13	6,626	5,006
Other non-current assets	14	1,374	440
Total non current assets		<u>91,704</u>	<u>87,052</u>
Total assets		<u>221,771</u>	<u>201,438</u>
Current liabilities			
Payables	15	64,588	46,857
Current tax liabilities	17	1,368	0
Interest bearing liabilities	16	32,001	36,184
Provisions	18	3,929	8,643
Total current liabilities		<u>101,886</u>	<u>91,684</u>
Non-current liabilities			
Interest bearing liabilities	19	20,850	21,600
Deferred tax liabilities	20	143	355
Provisions	21	880	797
Total non-current liabilities		<u>21,873</u>	<u>22,752</u>
Total liabilities		<u>123,759</u>	<u>114,436</u>
Net assets		<u>98,012</u>	<u>87,002</u>
Equity			
Contributed equity	22	84,233	84,233
Reserves	23	54	2
Retained profits	23	13,725	2,767
Total Equity		<u>98,012</u>	<u>87,002</u>

The above statement of financial position must be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the 26 weeks ended 25 December 2004

	Notes	Consolidated entity	
		December 2004 \$'000	December 2003 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		245,173	0
Payments to suppliers and employees (inclusive of goods and services tax)		(215,901)	0
Rental payments		(14,132)	0
Income taxes paid		(4,052)	0
Net cash inflow from operating activities	26	<u>11,088</u>	<u>0</u>
Cash flows from investing activities			
Payments for business acquired		(1,000)	0
Payments for property, plant and equipment		(8,087)	0
Proceeds from sale of property, plant and equipment		81	0
Proceeds from sale of Service Centres in prior year		824	0
Net cash inflow/(outflow) from investing activities		<u>(8,182)</u>	<u>0</u>
Cash flows from financing activities			
Proceeds from external borrowings		2,250	0
Repayments of advances to related parties		951	0
External interest paid		(1,959)	0
External interest received		98	0
Dividend paid		(5,000)	0
Net cash inflow (outflow) from financing activities		<u>(3,660)</u>	<u>0</u>
Net increase/(decrease) in cash held			
Cash at the beginning of the financial period		13,640	0
Effects of exchange rate changes on cash		50	0
Cash at the end of the financial period	6	<u>12,936</u>	<u>0</u>

The above statement of cash flows must be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 26 WEEKS ENDED 25 DECEMBER 2004

1. Basis of preparation

The Half-Year Consolidated Financial Statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting, Urgent Issues Group Consensus views and other authoritative pronouncements of the Australian Accounting Standards Board.

This financial report covers the consolidated entity of Super Cheap Auto Group Limited and its controlled entities and Super Cheap Auto Group Limited as an individual parent entity.

It is recommended that this financial report be read in conjunction with the annual financial report for the period ended 26 June 2004 and any public announcements made by Super Cheap Auto Group Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies in the preparation of the half year report are consistent with those adopted and disclosed in the 2004 annual financial report of Super Cheap Auto Group Limited.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

2. International Financial Reporting Standards (IFRS)

The economic entity will be required to prepare financial statements using Australian Standards that comply with IFRS when the economic entity reports in 2006.

The economic entity has established a project team to monitor and plan for the adoption of IFRS. The project team has been considering developments in IFRS and the likely impact that these standards will have on our financial reports and accounting policies.

The following areas are those that have been identified as potentially having an impact on the Group's accounting policies:

(a) Goodwill

Under the Australian equivalent to IFRS 3 *Business Combinations*, amortisation of goodwill will be prohibited, and will be replaced by annual impairment testing focusing on the cash flows of the related cash generating unit.

This will result in a change to the current accounting policy, under which goodwill is amortised on a straight line basis over 20 years.

(b) Share-based compensation benefits

Under the Australian equivalent to IFRS 2 *Share-based Payments*, equity-based compensation to employees will be recognised as an expense over the period between the grant date and the vesting date of the equity instrument.

(c) Forward Exchange Contracts

The Company enters into foreign currency forward exchange contracts in order to minimise the exchange rate risk associated with the purchase of inventory. The forward exchange contract can either be based upon anticipated purchase transactions or firm commitments. Currently, any unrealised gains or losses on foreign currency forward exchange contracts, together with the cost of the contracts, are deferred and recognised in the measurement of the underlying transaction.

Under the Australian equivalent to IAS 39 *Financial Instruments – Recognition and Measurement*, gains or losses on the forward exchange contracts will be recognised directly in equity or in inventory or will be offset against any gain or loss on the hedged item in the statement of financial performance, depending on the nature of the contract.

Notes to the Consolidated Financial Statements (continued)

2. International Financial Reporting Standards (IFRS) (continued)

(d) Income Tax

Under the Australian equivalent to IAS 12 Income Taxes, deferred tax balances are determined using the balance sheet method which calculates temporary differences based on the carrying amounts of an entity's assets and liabilities in the statement of financial position and their associated tax bases. In addition, current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity.

This will result in a change to the current accounting policy, under which deferred tax balances are determined using the income statement method, items are only tax-effected if they are included in the determination of pre-tax accounting profit or loss and/or taxable income or loss and current and deferred taxes cannot be recognised directly in equity.

3. Segment information

The consolidated entity is organised geographically on a global basis which represents its primary and only internal segmentation reporting. The economic entity's only business segment is the retail and distribution of motor vehicle spare parts and accessories, tools and equipment.

Geographical Segments

	Australia	New Zealand	Inter-Segment eliminations/ unallocated	Consolidated
	December 2004 \$'000	December 2004 \$'000	December 2004 \$'000	December 2004 \$'000
Sales to external customers	201,433	20,887	0	222,320
Inter-segment sales	10,593	0	(10,593)	0
Total sales revenue	212,026	20,887	(10,593)	222,320
Other revenue	105	2	0	107
Total segment revenue	212,131	20,889	(10,593)	222,427
Segment result	14,463	1,716	0	16,179
Unallocated revenue less unallocated expenses				0
Profit from ordinary activities before related income tax expense				16,179
Income tax expense				(5,221)
Net profit/(loss)				10,958

Notes to the Consolidated Financial Statements (continued)

	Consolidated entity	
	December	December
	2004 \$'000	2003 \$'000
4. Profit from ordinary activities		
Net gains and expenses		
Profit from ordinary activities before income tax expense includes the following specific gains and expenses:		
Net gains		
Net gain arising from change to inventory valuation methodology (a)	4,488	0
Net foreign exchange gains for the period	4	0
Expenses		
Depreciation		
- Plant and equipment	1,852	0
- Capitalised leased plant and equipment	0	0
- Motor vehicles	128	0
- Computer equipment	1,846	0
Total depreciation	<u>3,826</u>	<u>0</u>
Amortisation – goodwill	1,339	0
Net loss on disposal of property, plant and equipment	88	0
Other charges against assets		
- write down of inventories to net realisable value	5,081	0
- scrapping of property, plant and equipment	0	0
- minor assets expensed on acquisition	61	0
Total other charges against assets	<u>5,142</u>	<u>0</u>
Borrowing costs – other corporations		
- interest and finance charges	1,995	0
- lease finance costs	0	0
- amortisation of ancillary costs of borrowings	66	0
Total borrowing costs – other corporations	<u>2,061</u>	<u>0</u>
Rental expenses		
- operating lease costs	12,781	0
- equipment hire	424	0
Total rental expenses	<u>13,205</u>	<u>0</u>

(a) To ensure consistency between accounting and taxable profits and following the release of ATO Practice Statement LA 2003/13, the valuation methodology of inventory has been changed to incorporate capitalisation of supply chain costs. This has resulted in a one off credit to the Statement of Financial Performance.

Notes to the Consolidated Financial Statements (continued)

Consolidated entity

December 2004 \$'000	December 2003 \$'000
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5. Income Tax

Income tax expense

The income tax expense for the financial period differs from the amount calculated on the profit. The differences are reconciled as follows:

Profit/(loss) from ordinary activities before income tax expense	16,179	0
Income tax calculated at 30%	4,854	0
Tax effect of permanent differences:		
- amortisation of goodwill	402	0
- prior year over provision	(61)	0
- other non-allowable items	26	0
Aggregate income tax expense	5,221	0

Consolidated entity

December 2004 \$'000	June 2004 \$'000
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6. Current assets – cash assets

Cash on hand	935	727
Cash at bank	11,951	12,863
Deposits at call	50	50
Total current assets – cash assets	12,936	13,640

The deposits at call bear interest at variable rates of between 4.6% and 5.3%

7. Current assets – receivables

Trade debtors	3,067	2,840
Sundry debtors	656	1,481
Security deposits	127	113
Related parties	11	960
Total current assets – receivables	3,861	5,394

8. Current assets – inventories

Finished goods, at cost	111,482	92,513
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9. Tax assets

Income tax receivable	0	1,633
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Notes to the Consolidated Financial Statements (continued)

	Consolidated entity	
	December	June
	2004	2004
	\$'000	\$'000
10. Current assets – other		
Prepayments	1,788	1,206
11. Non current assets – property, plant and equipment		
Plant and equipment, at cost	37,904	31,010
Less accumulated depreciation	(9,214)	(6,394)
Net plant and equipment	28,690	24,616
Capitalised leased plant and equipment	0	1,039
Less accumulated depreciation	0	(958)
Net capitalised leased plant and equipment	0	81
Motor vehicles	1,164	996
Less accumulated depreciation	(524)	(396)
Net motor vehicles	640	600
Computer equipment	19,074	17,825
Less accumulated depreciation	(8,710)	(6,865)
Net computer equipment	10,364	10,960
Total net property, plant and equipment	39,694	36,257
12. Non current assets – intangibles		
Goodwill and brand, at cost	53,570	53,570
Less accumulated amortisation	(9,574)	(8,235)
Net goodwill	43,996	45,335
Trademarks, at cost	14	14
Less accumulated depreciation	0	0
Net trademarks	14	14
Total net intangibles	44,010	45,349
13. Non-current assets – deferred tax assets		
Future income tax benefits	6,626	5,006
14. Non-current assets – other non-current assets		
Deposit paid on acquisition of CampMart	1,000	0
Borrowing costs, at cost	616	616
Less accumulated amortisation	(242)	(176)
Total other non-current assets	1,374	440

Notes to the Consolidated Financial Statements (continued)

	Consolidated entity	
	December 2004 \$'000	June 2004 \$'000
15. Current liabilities – payables		
Trade creditors	41,234	29,733
Other creditors	23,354	17,124
Total current liabilities – payables	<u>64,588</u>	<u>46,857</u>
16. Current liabilities – interest bearing liabilities		
Secured		
Commercial bill	32,000	29,000
Total current liabilities – secured interest bearing liabilities	<u>32,000</u>	<u>29,000</u>
Unsecured		
Related parties	1	7,184
Total current liabilities – unsecured interest bearing Liabilities	<u>1</u>	<u>7,184</u>
Total current liabilities – interest bearing liabilities	<u>32,001</u>	<u>36,184</u>
17. Current liabilities – tax liabilities		
Income tax payable	<u>1,368</u>	<u>0</u>
18. Current liabilities – provisions		
Dividends	0	5,000
Employee benefits	3,929	3,643
Total current liabilities – provisions	<u>3,929</u>	<u>8,643</u>
Movements in provisions – dividends		
Carrying amount at the start of the financial period	5,000	0
Provisions recognised as part of acquisition of Super Cheap Auto Pty Ltd	0	10,000
Payments/other sacrifices of economic benefits	(5,000)	(5,000)
Carrying amount at the end of the financial period	<u>0</u>	<u>5,000</u>
19. Non-current liabilities – interest bearing liabilities		
Secured		
Commercial bill	<u>20,850</u>	<u>21,600</u>
Secured liabilities		
Total secured liabilities (current and non-current) are:		
Commercial bills	52,850	50,600
Total current and non-current secured liabilities	<u>52,850</u>	<u>50,600</u>
20. Non-current liabilities – deferred tax liabilities		
Deferred tax liabilities	<u>143</u>	<u>355</u>

Notes to the Consolidated Financial Statements (continued)

	Consolidated entity	
	December 2004 \$'000	June 2004 \$'000
21. Non-current liabilities – provisions		
Employee benefits	880	797
22. Contributed equity		
Ordinary shares fully paid (106,429,622 ordinary shares)	84,233	84,233
23. Reserves and retained earnings		
Reserves		
Foreign currency translation reserve	54	2
Movements		
Balance at the beginning of the financial period	2	0
Net exchange difference on translation of foreign controlled Entity	52	2
Reserves at the end of the financial period	54	2
Retained earnings		
Balance at the beginning of the financial period	2,767	0
Net profit/(loss) for the financial period attributable to shareholders of Super Cheap Auto Group Limited	10,958	2,767
Dividends provided for or paid	0	0
Retained profits/(losses) at the end of the financial period	13,725	2,767

Nature and purpose of reserves

Foreign currency translation reserve.

Exchange differences which arise on translation of the foreign controlled entity are taken to the foreign currency translation reserve.

24. Contingent liabilities

There are no contingent liabilities in existence at the date of this report.

25. Events occurring after reporting date

On 18 January 2005, BCF Australia Pty Ltd, a wholly owned subsidiary of Super Cheap Auto Group Limited, acquired the assets of the CampMart business. A deposit of \$1,000,000 was paid prior to 25 December 2004, with a further \$5,000,000 paid on completion at 18 January 2005. Final settlement occurs 60 days following completion on which date BCF Australia Pty Ltd will be liable for the working capital acquired. This is estimated to be \$700,000.

Notes to the Consolidated Financial Statements (continued)

26. Reconciliation of profit from ordinary activities after income tax to net cash inflow from operating activities

	Consolidated entity	
	December 2004 \$'000	December 2003 \$'000
Profit from ordinary activities after related income tax	10,958	0
Depreciation and amortisation	5,231	0
Net (gain)/loss on sale of non-current assets	88	0
Cash flow attributed to investing and financing activities		
Interest paid – net	1,861	0
GST credit claims for fixed asset purchases	728	0
Loans repaid by related entities	(951)	0
Change in operating assets and liabilities, net of effects from the purchase of controlled entities and the sale of the service entity		
- (increase) in receivables	127	0
- (increase) in inventories	(18,969)	0
- increase in payables	13,477	0
- increase in provisions	370	0
- (decrease) in deferred tax	(1,832)	0
Net cash inflow from operating activities	11,088	0

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:
 - (i) give a true and fair view of the financial position as at 25 December 2004 and the performance for the period ended on that date of the consolidated entity; and
 - (ii) comply with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; 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 Board



R D McIlwain
Director



R E Thorn
Director

Brisbane
18 February 2005

**SUPER CHEAP AUTO GROUP LIMITED
AUDITOR'S INDEPENDENCE DECLARATION
UNDER S307C OF THE CORPORATIONS ACT 2001
HALF-YEAR REVIEW**

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Super Cheap Auto Group Limited for the half-year ended 25 December 2004, 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.

GRANT THORNTON
Chartered Accountants

Grant Thornton
L. R. Jones

L R JONES
Partner

Brisbane

Dated this 18th day of February 2005

**INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF SUPER CHEAP AUTO GROUP LIMITED**

Scope

We have reviewed the financial report of Super Cheap Auto Group Limited for the half-year ended 25 December 2004, comprising Statement of Financial Position, Statement of Financial Performance, Statement of Cashflows, Notes to Financial Statements and Directors Declaration. The financial report includes the consolidated financial statements of the consolidated entity comprising Super Cheap Auto Group Limited and the entities it controlled at the end of the half-year or from time to time during the half-year. The company's directors are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the consolidated entity's financial position and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investment Commission/Australian Stock Exchange Limited.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

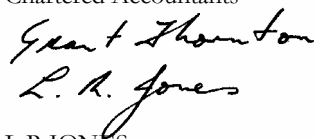
Statement

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of Super Cheap Auto Group Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 25 December 2004 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

GRANT THORNTON

Chartered Accountants



L R JONES

Partner

Brisbane

Dated this 18th day of February 2005