



INSPIRING YOU TO LIVE YOUR PASSION

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ABOUT THIS PUBLICATION

Our annual Corporate Review reflects on our performance against the objectives and strategies of our strategic plan. It also sets out our financial position and sustainability performance for the 2014/2015 year.

The material covered in this publication includes our Australia, New Zealand and China operations across our stores, Support Offices and Distribution Centres. All financial figures are reported in Australian dollars and the period covered is the 52 weeks ending 27 June 2015, unless otherwise specified.

The Corporate Review, along with our Annual Report, is one of the methods we use to showcase our business and report on our activities to our stakeholders and the general public.

This year, we have initiated benchmarking our sustainability performance against the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines and we will continue working towards full alignment with all relevant GRI Guidelines in future.

Our Corporate Review, along with our Annual Report is available to view online at www.superretailgroup.com

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Only 800 copies of this review were printed, using recycled paper.

2015 HIGHLIGHTS



88K

CUSTOMER
EMAIL ENQUIRIES

18

STORE OPENINGS

396K

CUSTOMER
TELEPHONE ENQUIRIES

42M

CUSTOMER TRANSACTIONS



7M

LOYALTY CLUB MEMBERS

\$2.2B

NET REVENUE

487K

SOCIAL MEDIA FANS

1

NEW DISTRIBUTION
CENTRE

64M

CUSTOMER
WEBSITE SESSIONS

A person is seen from behind, hiking on a dirt trail. They are wearing a wide-brimmed hat, a bright yellow-green sleeveless shirt, and a large blue backpack. A hand is reaching out from the right side of the frame towards the person. The background consists of rolling green hills under a bright sky. A dark blue diagonal band runs across the image from the top left to the bottom right.

ABOUT US

“Providing solutions and engaging experiences that enable our customers to make the most of their leisure time.”



OUR STORY

What started as a fledgling automotive parts mail order business, from the living room of our founder Reg Rowe's family home in 1974 has grown to become one of Australasia's most successful retail organisations.

While we have never lost sight of our humble beginnings on the outskirts of Brisbane, today our network extends to more than 630 retail stores, six Distribution Centres, and almost 12,000 team members across Australia, New Zealand and China. Through our supply chain and sourcing operations, and our strong trade partner relationships, we deliver trusted products and engaging experiences to our millions of customers throughout Australasia. More than 40 years later, the same simple principle of providing customers with great products and solutions to enhance their leisure time is still deeply embedded in our culture and brought to life every day by each and every one of our team members.

It is this diverse team who has built the reputation we enjoy today for creating strong brands that inspire customers to live their passions - a vision which unites us all.

Our retail portfolio includes some of the most recognised lifestyle brands across automotive, leisure and sports. We also operate a business-to-business division, Super Retail Commercial, which provides cost-effective product sourcing for a range of insurance, loyalty and convenience businesses across Australia, New Zealand and Asia Pacific through leveraging the Group's impressive supply chain capabilities.

Our extensive online and digital presence is complementary to our physical store footprint and we continually seek out new ways of doing business. This innovation enables us to deliver a seamless, multi-channel shopping experience, which means our customers can engage with our brands whenever and however they prefer.

We are proud to offer inspiration and value to our customers, who look to us as a trusted source of advice and solutions that best meet their needs. We believe in delivering exceptional choice and convenience for our customers and offering various ways to interact with us, whether in store, online, or via our social media communities.

The passion for providing customers with great products, service and convenience that drove an entrepreneurial Reg Rowe and his wife Hazel to create the business all those years ago, is still evident today across every part of Super Retail Group.

OUR JOURNEY

1972
Foundation

1974
Retail established

1981
Name change to
Super Cheap Auto

1993
Sales of \$19.4m

1997
Expansion into
New South Wales

1999
Opened 50th store
Expansion to ACT

2015

Brendale (Qld) Distribution Centre opens

Supercheap Auto opens 300th store

2014

Erskine Park (New South Wales) Distribution Centre opens

2011

Acquisition of Rebel Group

2010

Acquisition of Ray's Outdoors

Renamed as Super Retail Group Limited

2008

Acquisition of Goldcross Cycles

2006

Opened sourcing office in Hangzhou

2001

Expansion to VIC & NT

2002

Opened 100th store

Expansion to Tasmania

2003

Acquisition of Marlows

Launched in New Zealand

2005

Acquisition of CampMart stores

Naming rights sponsor of the Bathurst 1000

Announced launch of BCF Boating Camping Fishing

2004

Listed on the Australian Stock Exchange

Opened 200th store

OUR STORES

634

STORES ACROSS OUR
ENTIRE NETWORK

65

5

41

BRAND	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	NZ	TOTAL
AMART SPORTS	-	11	1	28	4	-	12	-	-	56
BCF	3	33	1	38	6	-	19	17	-	117
RAY'S OUTDOORS	1	7	-	10	5	4	18	8	-	53
REBEL	4	33	-	10	6	1	25	12	-	91
SUPERCHEAP AUTO	4	66	3	80	18	5	52	28	44	300
WORKOUT WORLD	1	9	-	4	2	-	1	-	-	17
TOTAL	13	159	5	170	41	10	127	65	44	634



170

159

13

127

10

44

OUR GOVERNANCE

Super Retail Group Limited is a public company listed on the Australian Stock Exchange under the ticker code SUL.

Our Board of Directors is committed to ensuring the Group's policies and practices in the critical area of corporate governance are of the highest standards and in line with ASX Principles and Recommendations. The Board delegates responsibility for day-to-day management of the Group to our Group Managing Director and Chief Executive Officer, Peter Birtles.

Our Board comprises five directors, four of whom (including the Chairman) hold their positions in a non-executive capacity. The predominance of Independent Non-Executive Directors separates the Board from the Company's executive management team and ensures board independence. The structure also provides the Company with the benefit of a diverse range of experience, qualifications and professional skills. For further information on our Board and corporate governance, please refer to our Corporate Governance Statement (2015) available on our corporate website: www.superretailgroup.com

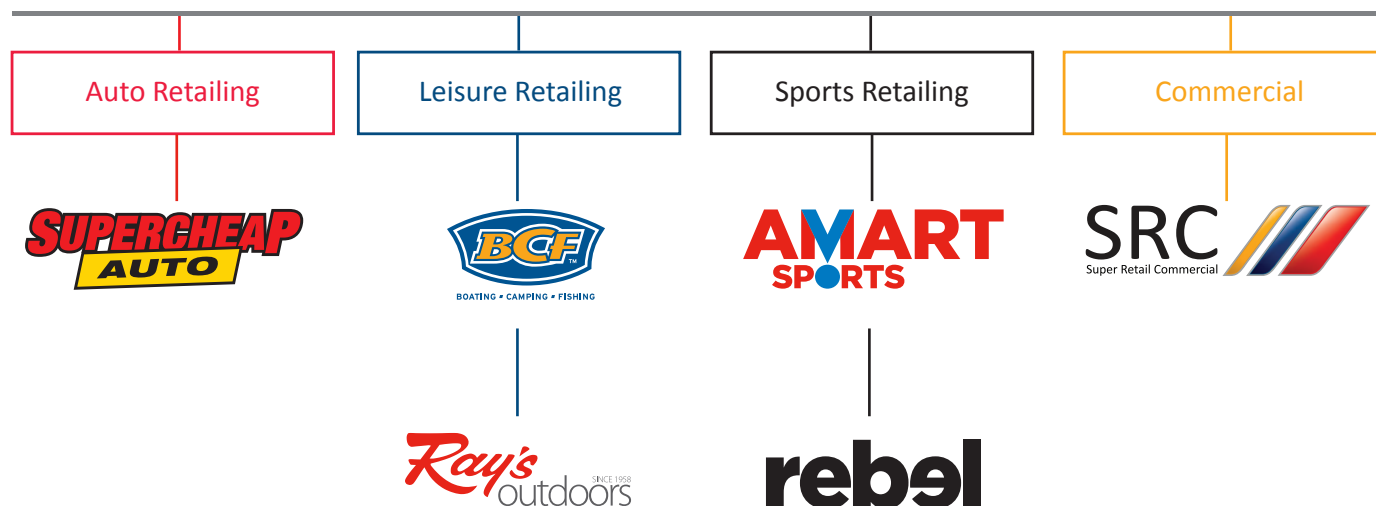
Our Structure

We operate four divisions across the Group being Auto Retailing, Leisure Retailing, Sports Retailing and Commercial. All divisions are supported by our Group Services team, comprised of Finance, Human Resources, Information Services, Property & Legal, International Operations and Supply Chain functions.

Our values-driven and team-spirited culture is strengthened by a common desire to inspire and exceed the expectations of our customers who share the same passion for leisure we do.

BOARD OF DIRECTORS

GROUP LEADERSHIP TEAM



GROUP SERVICES



OUR STRATEGIC ROADMAP

OUR VISION

Inspiring you to live your passion

OUR PURPOSE

To provide solutions and engaging experiences that enable our customers to make the most of their leisure time

OUR GOALS

To be one of the 5 largest Australasian retail companies

To achieve the highest team member engagement across the retail industry

To achieve higher customer engagement ratings than our competitors

To provide returns to our shareholders that exceed the ASX 200 by 5 percent

OUR FINANCIAL TARGETS

To deliver compound annual growth in EPS of greater than 15 percent

To grow return on capital to greater than 15 percent

FROM
OUR CEO



FROM OUR CEO

Welcome to the 2015 Super Retail Group Corporate Review.

The past year has been another significant one in the long term development of the Group. While we have generally been pleased with the performance of our larger businesses, a number of significant restructuring decisions have been made to address the underperformance of our smaller businesses.

We have also continued to make good progress with our investment in systems and infrastructure needed to build our multi-channel retail capabilities. We completed the development of our Distribution Centre network and now have the capacity required to support the future growth of the Group.

The restructuring costs and strategic investments have resulted in a fall in net profit in the current year. We believe these investments set us on the path to deliver strong profit growth in the years ahead. At the same time, our strong cash flow performance has enabled us to continue to invest in the business and allowed us to sustain dividend levels despite the fall in net profit.

The progress made has been recognised by the investment market and our share price, which started the 2014/15 year at \$8.46, closed for the year at \$9.40. We are focused on delivering strong earnings growth and improvement in return on capital to continue to drive shareholder returns.

Operating and Financial Performance

The Group's overall result reflected solid performance across our larger businesses, weaker performance and restructuring costs in our smaller businesses and the investment being made to develop the multi-channel supply chain and systems capabilities required to support our group strategy.

Our Auto Retailing division has again delivered solid growth, despite the challenge of weaker retail conditions in the business' home state of Queensland and delivered a further uplift in gross margin despite the lower Australian dollar increasing purchasing costs.

In our Leisure Retailing division, the BCF business was also impacted by the weaker Queensland economy, but pleasingly delivered solid like-for-like sales growth in the second half of the year as the sales cannibalisation experienced in the 2014 calendar year was largely eliminated.

In our Sports Retailing division, the combined Rebel and Amart Sports businesses generated both strong like-for-like sales and EBIT growth. Overall divisional EBIT growth was constrained by the disappointing performance of the Workout World business and the division's share of losses incurred by the Infinite Retail business. The division assumed control of the Infinite Retail business during the year and has started to integrate the business more closely.

A review of our underperforming businesses was completed during the year and a decision was made that the most value creating options were to restructure the Ray's Outdoors business, integrate the Workout World business within Rebel and close the FCO Fishing Camping Outdoors business. These restructures provide the platform for stronger profit growth over the next few years.

Good progress was made in our strategic development programs which are focused on building the capabilities to operate successfully as a multi-channel retailer. The three year program to build a more efficient Distribution Centre network was completed with the opening of our Brendale Distribution Centre in October 2014. We are now focused on driving cost efficiencies from this new network.

We have also continued to invest in our store development and refurbishment programs and the technology and systems to support our strategy. During the year, we invested circa \$72 million in capital expenditure and \$18 million in operating costs on our development programs. Operating cash flow performance was strong, reflecting progress made in improving stock turns in our Auto and Sports Retailing divisions. This remains an area for further improvement in the coming years.

Sustainability

During the year, we continued our support of the wider communities in which we operate. At the Group level, the focus was on raising funds for Red Cross and for children's healthcare charities, while at a business level support was provided to organisations in areas related to the activities serviced by the business' products; for example safe driving at Supercheap Auto. During the year, the Group provided \$0.7 million in donations and sponsorships including contributions from our team members and customers to various charities.

We have also maintained our focus on a number of environmental initiatives, including reducing packaging and power consumption and increasing recycling. Super Retail Group has now been recognised by the Australian Packaging Covenant in both their 2013 and 2014 annual report ratings for being a high performer signatory.

Since the establishment of our international sourcing operations in China in 2006, we have been committed to ethical sourcing. We undertake audits of factories manufacturing products for the Group to ensure compliance with our ethical sourcing policy, a copy of which is set out on our corporate website. The audits cover a number of factors including workplace health and safety and employment and payroll practices.

Further information on our sustainability initiatives is included on pages 60-73.

FROM OUR CEO

Team Members

The driving force behind Super Retail Group continues to be our strong culture underpinned by the passion and commitment of our 12,000 team members. I would like to take this opportunity to recognise and thank each team member, past and present, for their contribution.

Team retention rates have continued to be very strong and, at 75.4 percent, are significantly better than norms across the retail industry. We will aim to maintain retention at around the 75 percent level.

Team engagement surveys are conducted on an 18 month cycle and will be next completed in October 2015. Our last survey in April 2014 generated an overall team member engagement score of 68 percent, which favorably compares to the retail industry average of 55 percent and good employer status at 65 percent.

During the year, we significantly increased our focus on safety which led to a large increase in the reporting of incidents and investigation of injuries. This has provided a more accurate gauge of our safety performance and the Group's Lost Time Injury Frequency Rate (LTIFR) was at 13.2 for the 2015 year, which was above the 12.1 recorded for the 2014 year.

We have reviewed our commitment to reducing our LTIFR and have set a target of reducing LTIFR below 10.0 for 2015/2016.

We are committed to ensuring that we develop a diverse workforce and have set a target of increasing female representation of our Board and senior management to 40 percent by 2019. Currently 20 percent of our Board and 28 percent of senior management positions are held by females.

Looking Forward

In the year ahead, we aim to deliver top line growth through increased like-for-like sales and the opening of new stores. We will also focus on increasing overall gross margins, through private brand development and range, price and promotion management. Combined, these activities are aimed at offsetting the impact of higher purchase costs. We will also focus on increasing working capital efficiency and continuing to invest in building our multi-channel capabilities.

We expect overall retail growth in our markets to be modest given patchy consumer confidence and our higher exposure to the Queensland market, but we expect to achieve solid like-for-like sales growth driven by market share growth in all businesses. We expect to open between 20 and 30 stores across the Group in the next 12 months and we will continue with our store refurbishment and store of the future programs.

We expect that Group EBIT margin will increase as a result of improvements in gross margin and a reduction in the operating costs incurred on the Group's strategic programs.

Looking further ahead, we will continue to build our network of stores from around 630 today to circa 800, while at the same time developing and growing our ecommerce business. We will look to build on our strength in retailing products, to providing relevant services, recognising that our customers are increasingly looking for solutions and not just products.



We will continue to build our network of stores from around 630 today to circa 800.

We expect to increase profit margins across the Group through a combination of range management, sourcing and supply chain initiatives, growing our portfolio of private and exclusive brands and through cost efficiencies. We further expect that we will be able to deliver working capital efficiencies through improving stock turn and inventory funding.

Our investment in our multi-channel programs and the underperformance of some of our businesses has resulted in no earnings growth over the last two years. The restructuring programs in the underperforming businesses that we have undertaken in the last 12 months combined with the scaling back of investment in strategic programs, positions us to deliver solid earnings growth and an improvement in our return on capital in the coming years.

We see many opportunities for the growth and development of our Company into the future and we look forward to updating you on our progress in the year ahead.

Thank you for your support.

Peter Birtles

Group Managing Director and Chief Executive Officer

OUR STRATEGIC AGENDA

OUR STRATEGIC PILLARS

Understanding our customer

Engaging and inspiring our customer

Developing innovative and relevant solutions

Building leading private & exclusive brands

Optimising our supply chain

Engaging and developing our team

STRENGTHENING OUR FOUNDATIONS

Business Agility

Digital Capability

Data Management

IS Transformation

Inventory Management

Ray's Transformation

Sports Systems - Supero



OUR INNOVATION



SUPPLY CHAIN

During the year, we completed the construction of a new Distribution Centre (DC) at Brendale in Brisbane. The new DC became fully operational in May 2015 and marked the completion of construction of our integrated DC network which was designed to support our multi-channel retail capabilities. The DCs service the Group's brands and are strategically located in Brisbane, Sydney, Melbourne, Perth and Auckland, ensuring a reduction in product delivery times for both stores and customers. All of our DCs are designed as 'multi-user' facilities, which deliver significant transport and labour savings compared to single user facilities.

Currently, our Sports Retailing division uses third party logistics providers. In 2015/2016 we will focus on integrating our Sports Retailing product range into the Group's DC network. This transition will be made easier through our recent application of SAP software across the Sports Retailing division, bringing the division's processes and facilities in-line with the remainder of the Group.

The increased Sports Retailing division's volume will also enhance the productivity of the DC network.

In 2015/2016, we plan to bed down the newly constructed DCs and optimise the new capability that has been introduced as part of the network construction.

Additional capabilities such as voice picking, primary freight (supplier to DC), automated sortation and enhanced flow path methods have been rolled out across our DC network over the last two years. We plan to explore further opportunities to maximise these new capabilities in all our DCs. Our refreshed physical infrastructure and new systems enhance our ongoing investment in safety, capacity and capability, will result in lower overall supply chain costs and will support planned growth over the next ten years.

Another key focus area in 2014/2015 was the development of enhanced online and B2B transport and fulfillment capabilities, designed to support both our online and commercial channels. We trialed a number of different options during the year to determine the most appropriate fulfillment method for each brand's product profile and customer requirements. This process is ongoing and we expect to deliver a decision for each brand in early 2015/2016.

During 2014/2015, work continued on implementing an enhanced inventory forecasting and replenishment system for the Group. Roll-out of the new system was completed in the Auto Retailing division in November 2014, building on the system that was implemented in the Leisure Retailing division in 2012/2013.

Optimum inventory levels and a supporting forecasting and replenishment system are an adjacent enabler for the new DC and freight network, helping us achieve our speed to market and stock turn objectives.





CHINA

SINGAPORE



SUPER RETAIL GROUP
DISTRIBUTION CENTRE



SHIPPING



ROAD FREIGHT



RAIL FREIGHT

CUSTOMER LOYALTY PROGRAMS

The right message, the right place, the right time.

Combined with our cultural realignment towards customer centricity, our growing Customer Relationship Management (CRM) capability is a key strategic platform for the Group and will provide us with a sustained competitive advantage in the future.

Five years ago, we invested in a group-wide CRM solution and since that time we have made significant developments to improve the platform and our CRM model.

Of particular note are our bespoke loyalty programs within our Supercheap Auto and Ray's Outdoors businesses. Supercheap Auto Club Plus is the only loyalty program in Australia/New Zealand offering a Best Price Rewards (BPR) model which sees us crediting the difference in price if a club member buys an item and it subsequently goes on sales within 14 days of purchase. Since the introduction of the program, we have honoured this promise by issuing over \$100 million credits to more than 750,000 Supercheap Auto Club Plus customers.

To thank and incentivise customers who have joined the Ray's Rewards loyalty program, we offer a 10 percent rebate on all non-promotional sales. Since the introduction of Ray's Rewards, we have issued over \$10 million in rewards value to over 500,000 loyal Ray's Outdoors customers.

Other significant milestones within our CRM program include:

- Integration of our Sports loyalty programs, Rebel Active and Team Amart Sports within the broader group platform
- Consolidation of our customer interaction centres to a single location at our Brisbane Support Office
- Multiple point of sale and website integrations to facilitate an improved customer experience
- Consolidation of our member data to a single customer view to ensure consistency across all sales channels; and
- Integration of third party email/SMS platforms to leverage best in class solutions to constantly improve communications with our customers.

Between Supercheap Auto Club Plus, Rebel Active, Club BCF, Team Amart Sports and Ray's Rewards, our loyalty programs now account for over 35 percent of total sales across the Group, with loyalty member purchases in some brands accounting for more than 50 percent of sales.

As we progress on our CRM journey, the focus of our group CRM capability will be centred around three broad, yet interwoven themes:

1. Provide customer value exchange and relevance
2. Data capture, analysis and insight; and
3. Automation, efficiency and execution.

The primary focus of our ongoing CRM strategy is to provide our customers with engaging and relevant information which they find meaningful and valuable in relation to a new range, product or promotional offer.

To achieve our CRM goals, it is paramount we have the right systems in place to capture and analyse customer data and in-turn, respond and act upon the insights the data provides.

By automating our customer communication campaigns and continuing to explore marketing efficiencies, while still ensuring a seamless customer experience, we are well placed to deliver the right message, in the right place, at the right time to our customers.



The primary focus of our ongoing CRM strategy is to provide our customers with engaging and relevant information which they find meaningful and valuable in relation to a new range, product or promotional offer.

Technology has dramatically changed the way people are spending their leisure time. From Australia and New Zealand to emerging markets like China, digital technology offers a vast information resource, a means of social networking and a way of sharing experiences with others that greatly enriches people's leisure experiences and love affair with the great outdoors. This offers Super Retail Group a prime opportunity to better connect with both our traditional customer segments, but also a growing generation of upwardly mobile individuals, as digital becomes increasingly integrated into people's everyday lives.

Our vision at Super Retail Group is clear – we provide solutions and engaging experiences that enable our customers to make the most of their leisure time. That does not change whether it is via digital platforms or in-store.

Increasingly, there is little divide between our in-store and digital presence in terms of how customers interact with our brands, with these two worlds becoming more closely intertwined. Digital interactions influence store visits and are an increasingly important part of the actual store experience. This reality informs the cornerstone of our brand experience which ensures connectivity between our store design, web presence, social engagement and digital interactivity. We place great emphasis on ensuring when customers interact with our brands, there is interconnectivity and consistency across all platforms.

Whether our customers are seeking solutions and services in a physical store, online, or a combination of both, we need to ensure our customer offering melds seamlessly into one integrated experience.

As part of this, we are also integrating the customer experience across each stage of customer engagement:

- **Problem solving:** Our aim is that all our interactions with customers start with a solution first approach, instead of a product first approach. As customers research options and solutions for making the most of their leisure time, we want to be there to assist and educate with our expertise and experience. This informs not only how we engage on social media, but also how we interact with customers when they are in our stores. Our ultimate aim is to maintain strong, dynamic connectivity with our customers throughout the entirety of their leisure time, and not solely at the purchase stage.
- **Frictionless delivery:** When our customers make a purchase, ordering and fulfillment of the product has to be painless. We need to offer customers the best options to meet their needs, whether it's fast delivery, in-store purchasing or click-and-collect, and be able to execute these solutions seamlessly. This relies on the provision of efficient support infrastructure across the Group's supply, logistics, technology, and information services.

- **Maintain engagement:** Our engagement with customers is driven by relationships and not transactions. Our strategic work on data management, combined with the Group's shift towards enhanced collaboration across our organisation, will increasingly inform more efficient and effective engagement across an expanding set of customer segments. This engagement will be underpinned by data management, information sharing and agile execution.

To meet the demands of this evolving digital future, our Information Services (IS) team is currently undergoing a major transformation program. As a first step, the team is realigning to a new structure based on the widely-used Plan, Build, Sustain model. The new structure allows the team to focus on specific roles, and increases capacity for the introduction of new innovations and capabilities to meet the changing needs of the business. By putting business engagement at the centre of our IS planning, our new operating model will enable the Group to be increasingly agile and adaptive in order to stay ahead of our customers' needs and requirements.

Digital solutions will be a key enabler of our shift towards greater customer centricity and collaboration. A critical component of this journey will be the ability to deliver improved user experience and increase our responsiveness to user demands. To this end, we are strengthening our capability in UX design and Agile development.

Our approach to digital at Super Retail Group is underpinned by a set of clearly defined principles.

Our physical and online offering shares a symbiotic relationship, with each platform supporting the other. This in turn provides our customers with a stronger experience, better solutions and a more engaging service.

Bricks and mortar is still a keystone of the retail experience and this is being driven in part by the growth of ecommerce and online. For some, being able to 'touch and feel' products before making a decision is an important part of their shopping experience. Others simply want a quick and easy process online. We need to be wherever our customers are, and this will continue to be the case while the human factor and interface remains important to our customers.



A photograph of an office workstation. Three computer monitors are visible. The left monitor shows a web application with various data fields and buttons. The middle monitor is blank. The right monitor displays a document with a table. A person's hand is visible on the left side of the desk, resting near a keyboard. A black mouse is on a mousepad in the foreground. A black printer or scanner is on the right side of the desk. A small table with data is visible on the right monitor.

OUR PEOPLE

OUR TEAM

The passion and dedication we see in our people every day is what makes our team our most powerful differentiator. From a workforce of 6,000 in 2011, our team has nearly doubled in size over the last four years, totaling just under 12,000 at the end of 2014/2015.

We have experienced considerable growth over the last few years and we attribute a significant share of this success to our people. We are proud to know our team is engaged, enjoys coming to work, and goes over and above to provide exceptional service. This attitude is present in every corner of our business – whether it's working in a customer facing retail role, or in a support role at one of our offices or Distribution Centres – we all share a sense of pride in knowing we're inspiring our customers to live their passions.

Super Retail Group is currently undergoing a realignment to ensure our business is best placed for future growth and that we have the right people practices, culture, and leadership in place to deliver on our strategy. From a people perspective, we are supporting this realignment in a number of ways. We have identified three areas where we will focus to achieve our strategic ambitions:

Customer Centricity

We support our team members to ensure every decision we make has the customer in mind – our customers are our key priority. We will continue to hire team members who are passionate, knowledgeable and authentic and who aim to create an engaging, customer centric shopping experience for all. Our training and recognition initiatives will ensure team members are empowered to make decisions and are recognised for providing solution focused services to our customers.

Collaboration

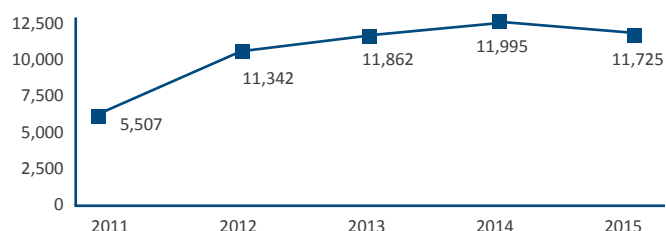
We provide support to ensure our culture is defined by true collaboration, where different areas of the business work together to deliver the Group's strategic objectives. Our people practices will provide a focus on early engagement with stakeholders and ensure any communication barriers between business areas are removed. Our leaders will continue to be supported and encouraged to live our Group values and demonstrate role model behaviour which aligns to our values and strategic direction.

Change Leadership

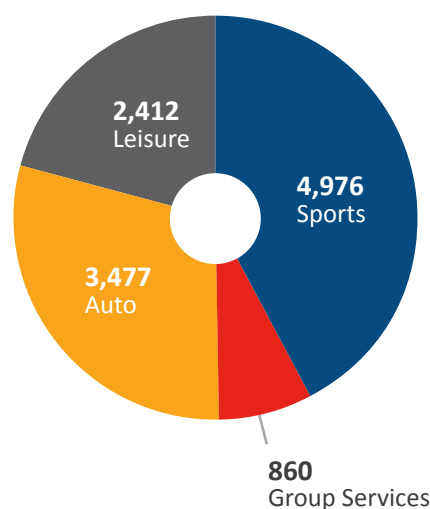
We continue to provide training and support to develop our leaders, so they are empowered to drive change through improved engagement, ownership and communication. We have developed change tools and resources to ensure our team members remain agile and responsive to business and customer needs, and continue to embed change as part of our everyday language.

As at 30 June 2015, 11,725 team members were employed by Super Retail Group.

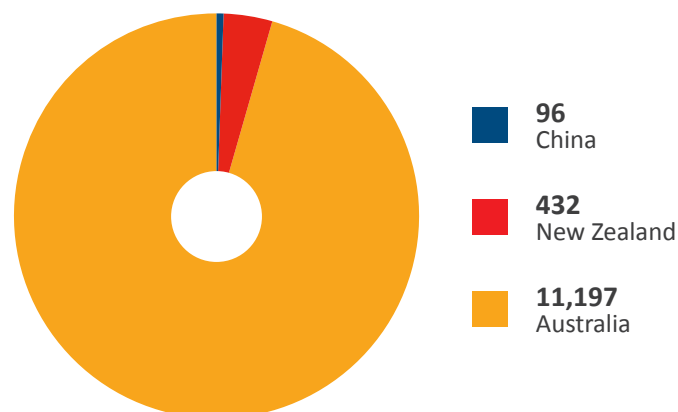
Total Team Members Year On Year



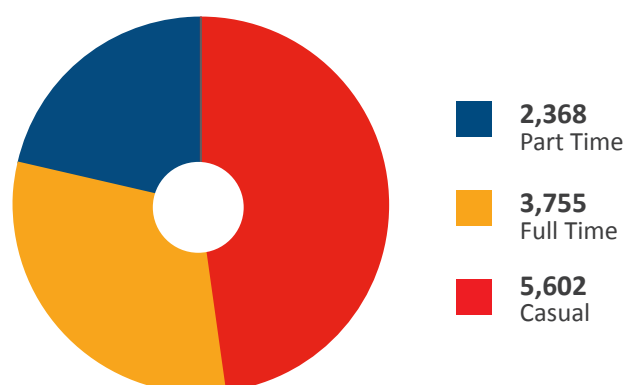
Total Team Members By Division



Total Team Members By Region



Total Team Members By Employment Status





OUR VALUES

We are committed to developing a culture that engages and inspires our team members to share their passion, which underpins our success as a customer-centric retail organisation.

Our culture is shaped by a set of five values that help to define who we are, and guide us in the way we behave. We commit to living these values every day.



PASSION

Passion

We create an environment in which we share our passion for what we do, and our contributions and successes are recognised.

This means we:

- Show enthusiasm and take pride in all that we do
- Recognise others' contribution and celebrate success
- Strive to exceed our customers' expectations
- Are results oriented and care intensely about our company's success; and
- Embrace and drive the change necessary to be successful.



OPENNESS

Openness

We are committed to open and constructive communication.

This means we:

- Share information and collaborate for better solutions
- Listen openly and respect others' opinions
- Have the hard conversations and offer constructive solutions
- Explain expectations and confirm understanding; and
- Value the skills, strengths and perspectives of our diverse team.



INTEGRITY

Integrity

We act with honesty and we deliver on our commitments.

This means we:

- Maintain confidentiality
- Always give 100 percent
- Accept responsibility for our actions
- Maintain the highest ethical standards; and
- Respect each other and work together.



CARE

Care

We value our team, our customers, our trade partners and the communities in which we operate.

This means we:

- Ensure our business is safe for everyone
- Are supportive of each other and treat everyone fairly
- Consider the impacts of our actions
- Foster personal growth; and
- Demonstrate trust in and empowerment of the team.



DISCIPLINE

Discipline

We commit to the plan, resource effectively and follow the agreed processes and standards.

This means we:

- Act on opportunities and take calculated risks
- Make decisions based on facts and experience
- Focus on the agreed priorities
- Monitor progress, learn from our mistakes and take action; and
- Focus on value and practical solutions.

LEARNING AND ORGANISATIONAL DEVELOPMENT

We are committed to developing our team members and focus on both succession planning and personal growth, so they can enjoy a long and successful career with us. Our team members are encouraged and supported to seek learning opportunities through their own personal experience, through exposure to others, and through formal and informal education and training. This approach is known as the 70:20:10 principle of learning.

Our training programs are designed to support individual progress through learning and development pathways and our team is encouraged to make the most of internal learning opportunities available to them, including: retail training, management training, leadership development programs, post graduate and personal development programs.

Super Retail Group works in partnership with an external Registered Training Organisation which allows us to offer a range of qualifications aligned to our internal development needs. Our overarching focus is to provide our team members with the opportunity to have a career in retail while gaining a nationally recognised qualification.

We empower our team members to define their own pathways to success – working with their manager to identify how well they are performing, how they can improve, and what skills they need to achieve that success. Performance and career development reviews are available to all full-time and part-time team members.

Our Managers play an important role in our team members' careers and are given the necessary tools to develop high performing individuals and teams, including: being able to provide development opportunities for team members that are relevant for their role, ensuring their team is working effectively together to achieve both individual and team goals, leading their team through change and managing individual and team performance throughout the year.

Information and resources are also provided on enhancing our team's management and leadership skills, and the ability to transfer their own knowledge and skills to others through formal coaching or mentoring programs.

This year we launched 'Campus', an interactive learning portal where team members can complete their training online, track their progress and be reminded of new learning opportunities that have been added to their development plan. Team members can learn in their own time, at their own pace and in a variety of different ways.

A number of our organisational initiatives are focused on team member development, including: success profile capabilities, talent and succession, recognition, change leadership, collaboration, customer service and sales, and manager and leader development programs. These

initiatives provide a strong foundation for future growth, ensuring we deliver on our strategic objectives and position Super Retail Group as a great place to work.

High Potential Programs

We offer a number of development programs to managers and high performing team members to support the further development of their careers, including:

- Turbo Boost – a largely self-paced program combining best practice knowledge with practical hands on application. It is aimed at assisting our new Managers to build the skills and knowledge necessary for success
- Ignite – a leadership development program aimed at accelerating the development of high performing Area Managers and Management Specialists who have the potential to be the future leaders of our organisation and demonstrate the passion and drive for a long term career in the retail industry; and
- Future Leaders and Manager Excellence (Flame) – a leadership development program aimed at accelerating the development of high performing Department Managers or Retail Operations Managers who have the potential to be the future executive leaders of our organisation. Its ultimate goal is to strengthen our internal leadership pipeline and increase its diversity, flexibility and power by growing our emerging leaders who actively demonstrate the values, behaviours and capabilities required to drive the business forward.

These programs are designed in-house using a blended learning approach including classroom sessions, self-directed learning, experiential learning, on the job learning, coaching and mentoring.



This year we launched an interactive learning portal where team members can complete their training online, track their progress and be reminded of new learning opportunities.

COMMUNICATION AND ENGAGEMENT

We aim to promote a dialogue with our team members at every level throughout the Group and have a variety of methods to share information, seek feedback and encourage collaboration among our team. In order for us to continue to grow and remain competitive, it's essential we enhance our performance where possible. Our large and diverse team is a powerful source of knowledge and insight, which we can harness to drive growth and innovation.

We communicate and engage with our team members in a number of ways, including surveys, team intranet, store bulletins and face to face meetings. Our Group Managing Director and CEO also hosts town hall meetings on a quarterly basis at our Support Offices to promote open communication and visibility of our strategy and successes across the Group. These meetings provide an opportunity for all team members to learn more about the Group's programs and initiatives, while acting as a channel for team members to ask questions, share ideas and communicate directly with the Group's leadership team.

We are committed to ensuring our team members feel valued at work and know their feedback is heard and contributes to our collective success. Our team member engagement survey provides a forum for team members to help shape our workplace. The survey yields valuable data that helps us understand how our team members feel about working at Super Retail Group, what makes them continue working with us and what motivates them to go the extra mile. At 68 percent, our 2014 team member engagement score saw us exceed the Australia/New Zealand retail average by 12 percent and appear within the 'High Performance/Best Employer' range for the second consecutive survey.

The feedback provided by our team helps us make a real difference for our people, culture, communications and training. Looking ahead, we will continue to review our practices and targets and aim to be recognised as one of Australasia's best employers and an employer of choice.



ATTRACTION AND RETENTION

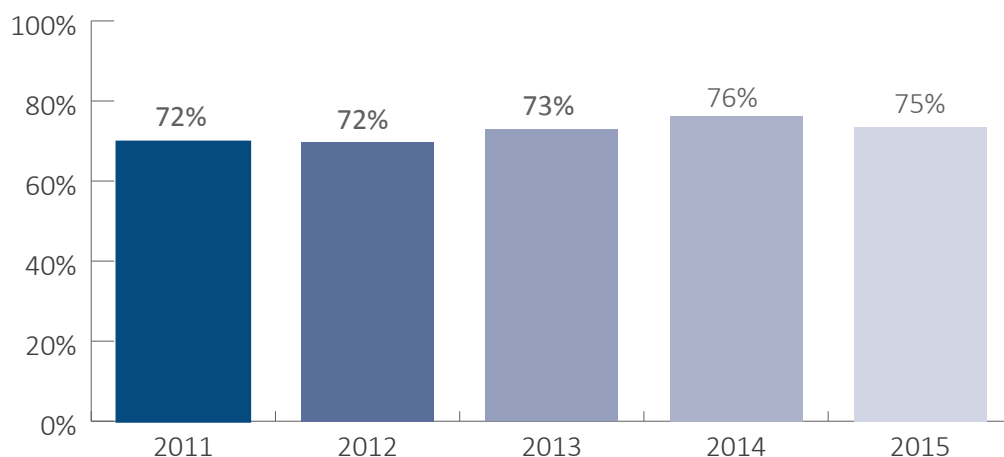
Through our talent acquisition strategy, our internal recruitment team uses diverse sourcing techniques and best practice methodologies to attract and retain top talent. To maintain our competitive advantage, it's vital we have the right candidates in the right roles, who best match our team and culture. Once onboard, our team members participate in our comprehensive induction program, 'My First 180 Days,' to ensure they have a clear understanding of their role and are supported throughout their early months with the Group.

To recognise the effort and dedication our team members demonstrate at work, in November 2014 we launched our team member benefits program, 'Perks'. This popular initiative allows team members to take advantage of exciting offers and exclusive deals from our Perks partners, who span entertainment, travel,

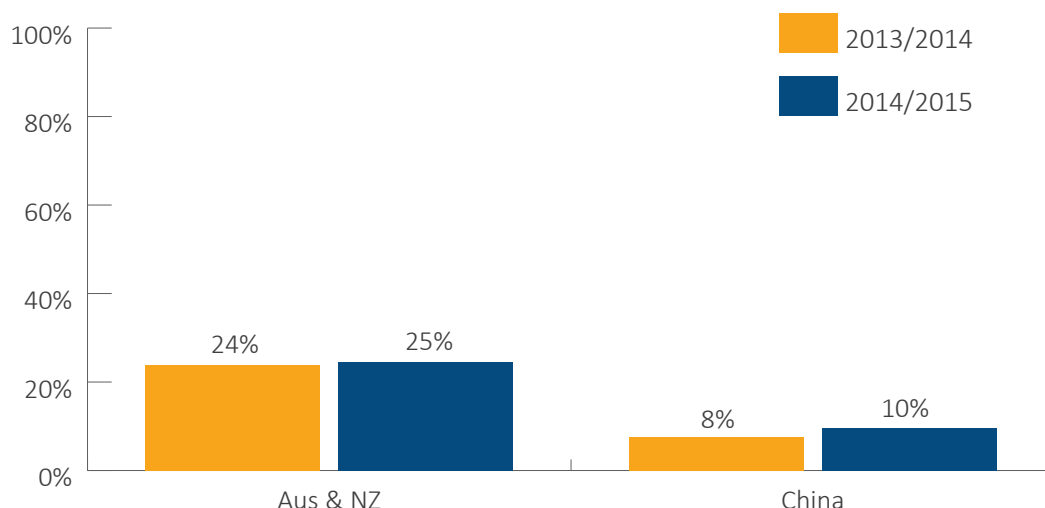
health and financial service categories. Along with several informal recognition initiatives, our group-wide team member of the month program is a peer voted scheme that acknowledges and rewards team members who live our Group values and provide exceptional customer service.

This year, our group annualised retention rate, including both permanent and casual team members, totalled 75 percent. We benchmark ourselves against the industry to ensure we continue to deliver a rewarding experience to our team. The industry leading retention of our team is facilitated by our efforts to foster an engaging culture and career opportunities that ensure professional growth and ongoing development.

Team Member Retention Rate



Total Turnover Rate



DIVERSITY

We recognise our talented and diverse workforce is a key competitive advantage. Our business performance is a reflection of the quality and skill of our people and behaviours that are aligned to our Group Values. We are firmly committed to developing policies, and ways of working that support diversity. We strive to ensure strong business growth and performance whilst providing an environment that makes the Super Retail Group a great place to work.

Central to achieving this goal is an inclusive work environment and culture that allows team members to contribute their full potential, through recognising and supporting their diverse strengths and needs. We want to be known as a diversity-conscious employer recognising, valuing and utilising the unique talents and contributions of all individuals.

The Group has developed a diversity policy that links directly to the Group's corporate vision and strategies. The objectives of the policy are:

- To be recognised as a great place to work and a preferred employer in the specialty retail sector
- To enhance the engagement and retention of our team members
- For our workforce to be representative of our customer base
- To recognise, value and engage the diverse skills, cultural values and backgrounds of our team members
- To enhance the opportunities for team members to participate and contribute to the Group
- To proactively prevent and eliminate harassment and unlawful discrimination in the workplace
- To ensure workplace structures, conditions, systems and procedures foster diversity and flexibility and allow team members to manage work and personal life
- To promote awareness of the value of diversity in the workplace
- To provide gender pay equity across the Group
- To provide suitable employment opportunities for disabled and disadvantaged team members; and
- To actively communicate our commitment to diversity.

The Group's diversity policy is based on the following principles:

- The behaviours and actions of all team members will be in line with the Group values
- Group and team member decisions will not have discriminatory consequences
- Workplace structures and conditions will enable all team members to contribute to their full potential at work while taking into account personal commitments
- Decisions affecting team members will take into account their individual needs and differences
- All communication will recognise our diverse workforce and use inclusive language; and
- Decisions affecting team members will be based on facts and consultation.

These diversity principles aim to facilitate improved business outcomes and the achievement of our goals through embracing team members' differences. At Super Retail Group, we strive to value these differences and utilise them to build better business practices. Our desire is for our retail stores, Support Offices and Distribution Centres to be reflective of the communities in which we operate.

Gender Diversity

We are proud that our culture and inclusive policies have created a workforce in which women represent 45 percent of the workforce at 30 June 2015.

Due to the Group's retail sectors of operation having a predominately male customer base, many of our competitors employ a significant majority of males.

At Super Retail Group, 20 percent of our Board, 28 percent of senior management positions, and 32 percent of middle and senior management positions are held by women as at 30 June 2015. This compares to 30 June 2015 whereby 17 percent of our Board, 24 percent of senior management, and 28 percent of middle and senior management were held by women.

The Group has set targets for 40 percent of women in Board and senior management positions by 30 June 2019.

To achieve its targets, we have identified three focus areas:

1. Recruitment practices

The Group is reviewing its recruitment practices to ensure they are supportive of fostering and encouraging diversity and inclusion.

2. High potential development programs

The Group is reviewing its learning and development programs to ensure they are designed to foster the development of female future leaders.

3. Flexible working practices

The Group is investigating, implementing and reviewing opportunities to increase the flexibility of its work practices to encourage its team members, both male and female, to take opportunities to advance their careers while balancing personal commitments.

Additional diversity initiatives implemented:

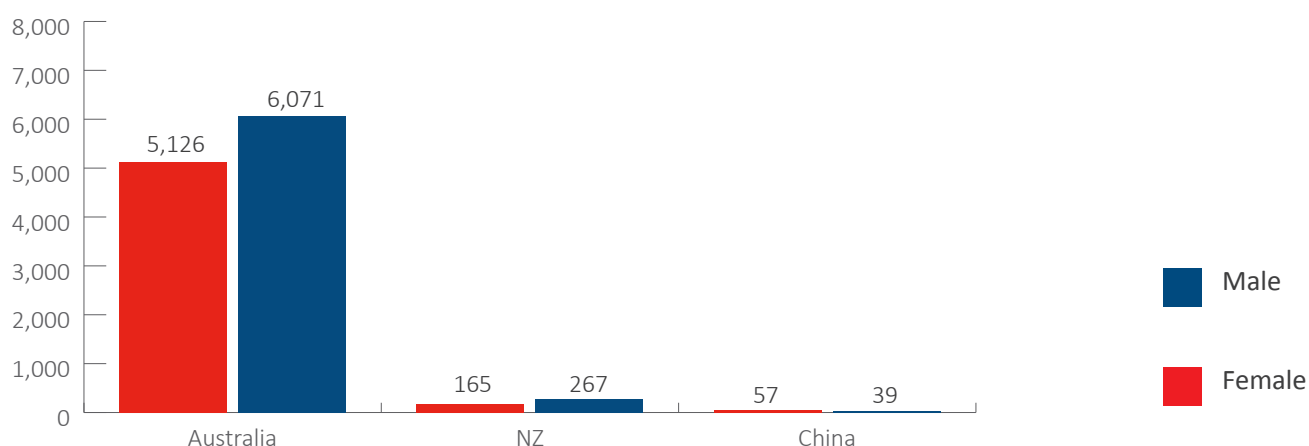
In addition to the three primary focus areas, the Group has implemented a number of further initiatives to foster workplace diversity. These include:

- Paid maternity leave
- Parental leave information packs, gifts and keeping in touch program
- Graduated return to work from maternity leave
- Appointment of women into senior non-traditional roles – e.g. General Manager Retail Operations, General Manager IS Transformation, General Manager IS Strategy and Solutions, Retail Operations Manager, Distribution Centre Manager, Regional Manager; and
- Domestic and family violence support and leave accessibility.

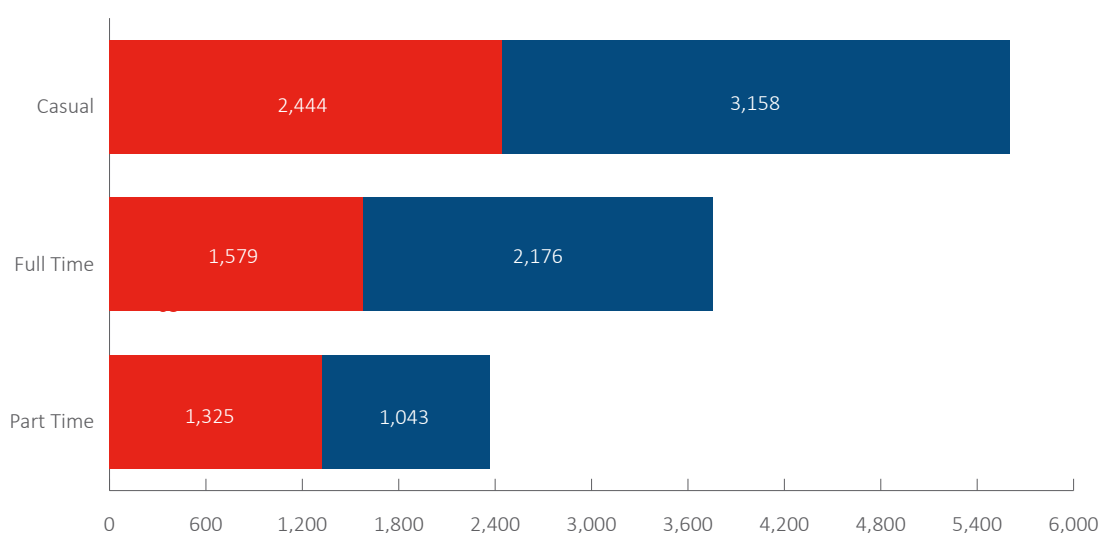
Workplace Gender Equality Report

A report lodged with the Workplace Gender Equality Agency (WGEA) for the 2014/2015 reporting period included our workplace profile and demonstrated our commitment to complying with the new notification and access requirements of the Workplace Gender Equality Act 2012 (Act). We are dedicated to meeting our WGEA reporting requirements on an annual basis and to promoting and improving gender equality in the workplace.

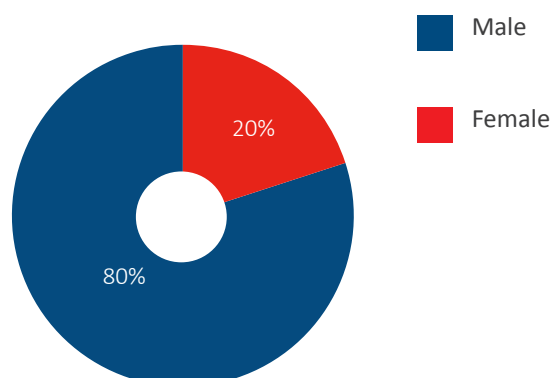
Total Workforce By Region and Gender



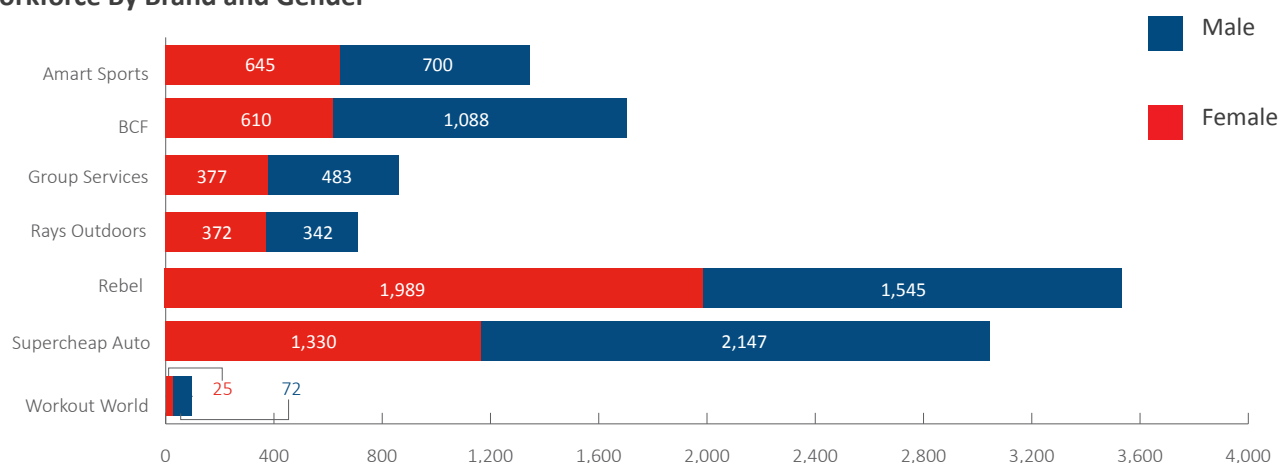
Total Workforce By Employment Type, Employment Contract and Gender



Board Composition By Gender and Age Group



Total Workforce By Brand and Gender



Employment Conditions

Each team member has an agreement regarding their terms and conditions of employment with Super Retail Group. Team members are either bound by our Super Retail Group Enterprise Agreement (EA), or by individual salaried contracts. Our current EA was successfully renegotiated in July 2015 and will expire in July 2018.

A total of 79.6 percent of our team members fall under the Super Retail Group Enterprise Agreement. Team members not covered by the Agreement are employed on individual contracts of employment. These contracts detail the terms and conditions of the team member's employment and are individually negotiated at point of hire.

SAFETY, INJURY MANAGEMENT & WELLBEING

Safety is taken seriously within our business as we strive to build upon our safety culture – where every team member actively makes safety a priority, every day. The principles of safety, wellbeing and injury management are embedded in the way that we do business.

Our Group value of CARE clearly defines our commitment to safety and the expectations placed on each of us. Our safety philosophy, ‘all injuries are preventable’ is supported by the six guiding principles of ‘Our Shared Safety Promise’, which defines our practical commitment to safety. Safety is a key performance measure across our business and our team members are expected to actively follow the Group’s six guiding principles of our shared safety promise. This shared and highly visible declaration is designed to strengthen our safety culture and improve our overall safety performance.

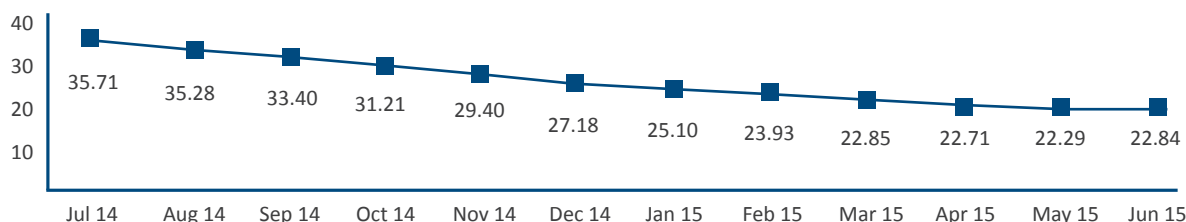
To ensure our workplace is safe and healthy for our team members, customers and contractors, our group safety and wellbeing strategic plan and safety management system reflects a proactive risk and behaviour-based approach. Our work, health and safety policy also supports this commitment. We provide a range of health and wellbeing activities and initiatives designed to educate our team and assist them

in living safe and healthy lives. We have developed the ‘My Wellbeing’ framework which focuses on delivering information, promotions, offers, tools and tips to support team members in achieving a healthy and active lifestyle.

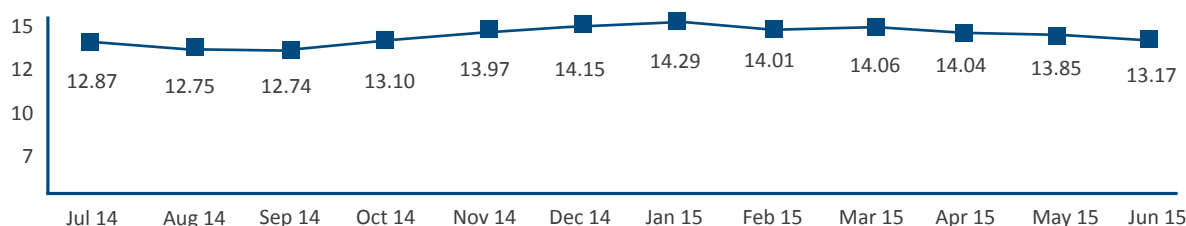
In 2014/2015 the Group’s Lost Time Injury Frequency Rate (LTIFR) was 13.17 per million hours worked, compared to 12.14 for the previous year. Throughout the year we have driven a whole of business focus on safety leadership. This included actively working towards meeting standardised safety positive performance indicators and targets, and increasing team member safety awareness and education through frequent and relevant communications. As a result of these programs, we have seen a 30 percent decrease in the number of lost time injuries in the second half of the year compared to the first half of 2014/2015.

At 22.84, the Group’s Lost Time Severity Rate (LTSR) is lower than the 2013/2014 rate of 38.7. There were no work related fatalities and occupational diseases recorded during the reporting period. In the year ahead, we will continue our process improvement efforts with a view to reducing musculoskeletal injuries. Our commitment to driving cultural change through safety leadership activities remains a key area of focus.

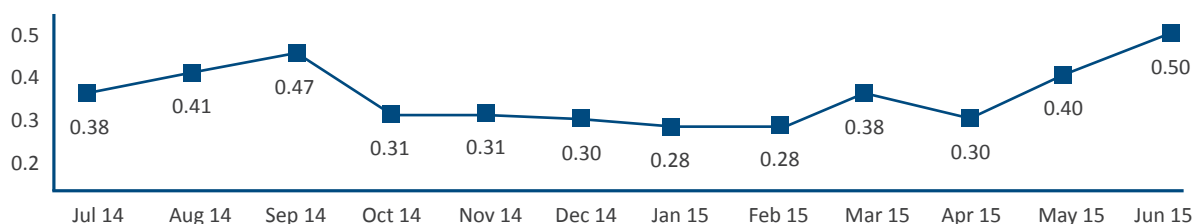
Group 12 Month Rolling Average LTSR



Group 12 Month Rolling Average LTIFR



Group Average Sick Days Per Team Member Per Month







OUR BUSINESSES





AMART SPORTS

Amart Sports proudly provides Australians with the biggest sports brands at the best value. Our purpose is to provide solutions and engaging experiences that enable our customers to make the most of their leisure time, while supporting their community and taking their game to the next level.

For our family customer, sport helps the family connect both at home and in the community. They play sport for fun and it's an important part of life for them all – and likewise, so are the brands they wear.

Football continues to go from strength to strength in Amart Sports, with events such as Football World Cup and the Asian Cup keeping soccer front of mind throughout the year from both a supporter wear and a participation perspective.

Since creating standalone merchandise and marketing teams for the Amart Sports brand, we have seen more relevant ranges presented in store and online to our customers, supported by more tailored marketing campaigns.

Amart Sports is all about big sports brands at great value and our stores proudly display ranges from the biggest global sporting brands such as Nike, Adidas, Puma, Asics and more. Where Rebel leads the market in providing the latest brand innovations, Amart Sports gives our customers affordable options so they can wear the biggest brands with pride, and offers unique multi-buy programs with everyday value.

We are famous for our footwear where our promotions shout 'unbeatable deals', our tables offer everyday options on the biggest brands to suit every budget and our footwear wall is home to the latest technical running shoes.

Our hard goods ranges are complemented by a stable of private brands which provide our customers unbeatable quality and value. From surf and dive with our Raw brand through to fitness accessories with Celsius, and Flight and Nitro in our cycling category, our private brands represent good quality value for money products.

Across the Amart Sports network, 36 stores feature a Goldcross Cycles store-in-store concept, which allows us to tailor a bike specifically to a customer's needs, build and fit bikes before they leave the store and service bikes after they have been purchased. We are one of the largest bicycle retailers in Australia and sell more than 40,000 bikes per year.

Our focus on our different customer segments allows both Rebel and Amart Sports to leverage key events in the market, such as the start of a new sporting season which maximises our reach to our customers.

Customer centricity has become a key focus for the business and has changed the way we operate. Amart Sports has an increased focus on digital marketing and conversations with our customers on social media.

Community remains at the core of the Amart Sports business. Our Community Kickbacks program is an exclusive program that allows Team Amart members to pass rewards back to their club or school. We know our future sports stars are playing in local grounds in our very own communities, and we want to give them the best sporting chance with 5 percent of all member purchases going back to their club or school in Amart Sports rebates. There are now nearly 900,000 Team Amart members and almost 2,000 clubs participating in the Community Kickbacks program.

This year, we continued our national store roll out, with six new stores in New South Wales, Victoria and Queensland, taking our total to 56 stores. We also refitted two existing stores and closed two underperforming stores.

Victoria continues to go from strength to strength and gives us confidence that we can continue to exist in marketplaces where there is already a Rebel store, as we cater to an entirely different customer.









BOATING ■ CAMPING ■ FISHING

With 117 stores, BCF Boating Camping Fishing is the largest outdoor retailer in Australia. This year the brand saw the opening of three new stores, further strengthening the presence of the BCF brand across Queensland and northern New South Wales.

Key Customer Initiatives

As part of our journey to continue to better understand our customer, we have implemented the resonate customer feedback platform. Through analysing Net Promoter Score (NPS) and key drivers, we are able to better understand where our opportunities for improvement are. With more than 10,000 responses to our customer feedback survey on a monthly basis, we have been able to identify trends across our business and create strategies to address opportunities.

Key Range Initiatives

This year we extended the BCF range footprint to include a 'beach' category, which features a limited range of surfboards and stand up paddle boards. The category was well received over the summer period and identifies future opportunities within the beach category for BCF moving forward.

Club BCF

Around 65 percent of all BCF sales are attributable to members of our loyalty program. Club BCF now boasts more than 1.8 million members, and more than 30,000 of these valued customers joined us to take advantage of our member only events in store throughout the year.

Along with adding receipt free warranty capability to our Club BCF functionality, one of our key loyalty program initiatives this year saw the implementation of an e-voucher program which allows us to electronically load redeemable vouchers to member cards. Early results are very pleasing as customers are responding well to the promotional incentive.

Customer Segmentation and Targeted Communications

Working with Red Planet, a specialist loyalty division within Qantas, has allowed us to take customer data analysis to a new level. This work yielded significant results, not least of which was the emergence of new customer segments. We now have five segments rather than simply one. We used to call our customer Simon and we now have Chris, Simon, Martin, John and the Walkers.

As a result, we have increased relevancy of our communications and this year we further improved our electronic direct mail (EDM) communications response rate by 9 percent.

This ongoing data program is valuable in helping us to develop a far greater understanding of the behaviours and psyches of our customers, which we will use to underpin our CRM strategy and the broader business level strategy for the coming years.

BCF Concept Store

The completion of our first BCF concept store, at Virginia in Queensland, allowed us to bring some big ideas to life during the refurbishment of this site.

The external aspects of the building have been updated to draw more attention to the store. The building has been repainted a distinct shade of blue, a new version of the BCF logo and tagline is prominent and we have used appealing and simple imagery to showcase the great range of brands available in store. A new pylon style sign publishes local tide times along with information on featured products and the gas refill station has been updated with the addition of a branded gazebo. As the number one unit of sale, our gas refill stations are a great generator of foot traffic to the store.

Inside, the journey continues with updates to signage, merchandising and services.

Fewer aerial signs and more inspiring wall graphics have opened up the space visually. High-impact product signage includes relevant and useful information to help customers navigate to the product they need and assist in their decision making. Solution signage in specific areas supports customers with all the information they need about particular boating, camping or fishing activity, including advice on what products they will need, best places to go and QR coded links to our "how to" videos.

The concept store has fewer small displays and more prominent bulky displays to de-clutter the space, and provide a greater value message. Interactive displays allow customers to test spotlights, spin reels and explore rooftop tents. Four 'inspiration points' around the store provide a great opportunity for customers to interact and engage with products. These inspiration points cover a whole camp set up, 4WD touring, kayaks and marine electronics.

Apparel is being trialed in two locations instead of one – fishing apparel within the rods and reels area and camping apparel located near the tents and portable cookers.

Customers can now take advantage of a number of new services at the Virginia store, such as tent repairs, reel spooling, rod & reel repair, and the ability to book fishing charters and beach, camping and fishing permits.

As an additional service, customers are now able to purchase items that are out of stock or not stocked locally, using our new 'order online' kiosk. Meanwhile, our pro tackle counter provides a premium customer service experience for top end products.

As the team fine tunes the BCF concept store, a rollout plan will be released providing other stores with a similar update to the more open, customer oriented store format.

Integration Into Key Prime Time TV Shows

Partnering with the popular Channel Nine Cricket Show, BCF featured prominently in a 'Gone fishin'' segment hosted by Mark Taylor, which follows the cricketer great as he travels on fishing adventures with major celebrities. One highlight saw Mark Taylor and Brett Lee fishing for Kingfish and Taylor landing the fish of lifetime – a 101cm Kingfish which had Brett (a keen fisherman) green with envy. This iconic catch was discussed amongst the Channel 9 cricket commentary team for several weeks.

Over the Christmas period, BCF featured on a number of weather segments within Channel Nine's flagship morning program, The Today Show. Hosted by Steve Jacobs, these segments showcased all the best gear BCF had available over the summer period and featured some of the BCF team explaining the finer points of using soft plastics and setting up a tent.

Our approach to creating truly unique and exclusive content led us to partner with the All 4 Adventure team to create an exclusive club member series for BCFTV. The program featured a couple of the boys from BCF taking the trip of a lifetime to Arnhem Land in the Northern Territory.

Some close encounters with crocodiles, unstoppable fish, bush cooking, spearing mud crabs and the now famous 'bull bar Barra' session – where dozens of barramundi were landed from the safety of a bull bar (there were a few crocodiles in close proximity) – made for a very well received series.

Inventory, Store and Merchandising

During 2014/2015, our Leisure Retailing Division benefited from the new Distribution Centres network which facilitated increased efficiency of store deliveries through combining volumes and reducing costs per unit.

We have capitalised on the reduced transport unit costs delivered through improved contracts with our logistics service providers and the increased volumes that are now being processed through our transport network.

We have also commenced the use of transport software to increase the efficiency and fulfillment rate of our national transport network. This allows us to keep track of costs and our 'delivery in full and on time' rates internally and externally.

The consolidation and optimisation of these deliveries from our state of the art Distribution Centres to our stores has led to an increase in store efficiency and optimisation of costs.

Our Serial Shipping Container Code (SSCC) labeling has delivered efficiencies through enabling stores to streamline the receipting process by allowing pallets to be scanned in their entirety, as opposed each individual item.

Other new store efficiencies include the introduction of bio metric finger scanners so team members can log their work hours and shifts by fingerprint without having to manually log their hours.



Around 65 percent of all BCF sales are attributable to members of our loyalty program. Club BCF now boasts more than 1.8 million members, and more than 30,000 of these valued customers joined us to take advantage of our member only events in store throughout the year.







As 'the gateway to your next getaway', Ray's Outdoors offers families, young and old, everything they need to enjoy the outdoors, from the beach to the bush. A long standing leader in quality camping and outdoor apparel, Ray's Outdoors offers a vast range of gear from tents to watersports, plus footwear and apparel including technical performance gear.

Ray's Rewards

The Ray's Rewards loyalty program now has 1.3 million members, to whom almost \$5.5 million of credit was allocated this year. We know members who subscribe to our email communication spend 28 percent more with us than other customers – proving that engaged customers not only demonstrate greater loyalty, but are vital in underpinning a brand's performance. Our loyalty program continues to grow steadily and primarily by organic means, which augers well for a planned customer acquisition push in the coming year.

Online

This year, we have driven a 16 percent increase in the volume of web traffic compared to last year, and a 31 percent increase in web sales. Our advice, tips and how to information is now showcased in an online blog that has been steadily building traffic since its launch in October 2014. Prior to Christmas, we joined online juggernaut eBay with a limited hardgoods offer of just over 2,000 products and are now working towards widening the initial range.

Media Efficiency

We have made significant progress in driving media efficiency, trading more traditional media and catalogues for cost efficient digital mediums. In 2014/2015 we quadrupled our digital investment compared to the prior year and in the coming year, we forecast digital mediums will account for almost half of our advertising spend.

Store Network

Doors opened on our relocated Cairns store this year and in preparation for the forthcoming relaunch of the Ray's Outdoors brand, we closed four stores which rounded out our total network to 53 stores at year's end.

San Andreas – The Movie

Ray's Outdoors hit the Hollywood big screen, featuring in the Warner Bros. Pictures-Village Roadshow Pictures action blockbuster San Andreas, starring Dwayne 'The Rock' Johnson. We collaborated with the San Andreas set design team to create a true to life store, right down to the pricing on the shelves. Looking for something new and exciting to disrupt the way customers think about the heritage brand, the movie shook off Ray's Outdoors' perceived conservatism, prompting interest across Facebook. Our subsequent promotional campaign across Facebook and other owned media – including a loyalty program acquisition drive – leveraged our role in the film and drove customers old and new to engage with the Ray's Outdoors brand.

Social Media

During 2014/2015, we focused our Facebook efforts on maximising reach and maintaining an engaging conversation with Ray's Outdoors fans. Our social media program included a San Andreas competition and ticket giveaway, along with a robust program of engaging content that encouraged fans back to our website, driving traffic and 'closing the loop' on the customer relationship.

With almost 17 million Australians on social media, with over half engaging daily and over 20 percent checking Facebook five times a day, Ray's Outdoors has embraced this powerful platform and we are steadily increasing our engagement and cost effective advertising presence. Our San Andreas campaign, for example, reached more than 115,000 engaged fans of the brand, at a fraction of the cost of traditional media.

Private Label

The continued development of our private label program has been a key strategic initiative for the Ray's Outdoors business in the past year and will accelerate again in 2015/2016. The reinvigoration of our Boab brand as well as the continued development of the quality Outdoor Expedition range has seen our private brand mix exceed 20 percent for the year.

Trail

The implementation of our new trail running offer was underpinned by our private brand range, presenting high performance, technical apparel at an affordable price. We also introduced international performance brand Salomon to the Ray's Outdoors range, with its technical apparel and footwear offer adding international credibility to our brand.

Cancer Council

Ray's Outdoors support of Cancer Council has seen \$750,000 raised since inception of the partnership in 2011. The 'round up' program is currently being reviewed with a view to reinvigorating the offer for customers and team members alike in the coming year, to drive even greater engagement.



We believe the Ray's transformation will have a dramatic impact on positive customer experience and engagement with the brand and our stores.



REINVENTING RAY'S

The Opportunity

The Ray's business has a number of key assets, including a long history in the outdoor market, market scale in camping products, a good sized store network and a loyal customer base. Our aim was to align this with the continuing growth in the outdoor market, the increasing use of the outdoors as a source of adventure and experience, and capitalise on this opportunity for the Ray's business to position itself more strongly into the adventure space. The transformed Ray's aims to speak to the customer and engage in their passion for the outdoors; whether bushwalking, surfing, camping or 4x4, Ray's will seek to provide the right solution.

The Journey

As a first step, the entire store network has been reviewed and tailored to match the brand's customers' geographical spread, including the identification of opportunities where the network might expand in future.

All stock that was inconsistent with the future business or unproductive was successfully cleared over the last five months of the financial year.

Simultaneously the business examined every aspect of the Ray's business from:

- marketing methods to logo
- store design and layout to service standards
- training and knowledge to ticketing and signage
- product to customer solutions and activities; and
- pricing approach to promotional voice.

Ultimately, all parts of the business have been redesigned with the customer in mind. The next exciting step in the journey will be the opening of five pilot stores in the first half of 2015/2016, along with a redesigned website. We believe the Ray's transformation will have a dramatic impact on positive customer experience and engagement with the brand and our stores.





rebel

Rebel aspires to be Australia's most inspiring and innovative sports store and has over 90 stores around the country. Our highly motivated team encourages customers to embrace their sporting passion with great advice and innovative products from the world's best sports brands.

For our family customer, sport forms the cornerstone of their family life and plays a major role in their social calendar. It's an important part of their healthy lifestyle and the best gear helps give them a competitive edge.

For our female 20-something customer, a busy fitness schedule means she is on her way to reaching her health and fitness goals – and it's great to look good whilst reaching those goals. Our male 20-something customer has a work hard / play hard mentality and is super-competitive, whether in his social pursuits or a cross-fit workout.

In 2014/2015, several global events placed sport top-of-mind for our customers even more than usual. The Football World Cup in Brazil delivered strong supporter wear sales, and combined with Australia hosting and winning the Asian Soccer Cup, we saw an increased football boot season with new styles and colours popular with customers here in Australia. The Cricket World Cup hosted by Australia and New Zealand also saw strong supporter wear sales and while spectator numbers have been strong, our partnership with New South Wales and Victorian Cricket sees us play the role of 'participation partner' to drive grass roots participation in the sport. We also commenced a partnership with Tennis Australia, running the retail stores at the Grand Slam Australian Open event.

From a product perspective, we continue to partner with the best brands in the world through traditional retailer / brand relationships as well as exclusive partnerships. Under Armour, one of our exclusive brands has gone from strength to strength. We have been proud to launch their footwear into the Australian marketplace, on top of their successful apparel range, and rolling out store-in-store concepts into our top Rebel stores around the country. We have also made further inroads with our private brand strategy in developing our own

brands (particularly in the fitness accessory category) and this is something we will continue to grow as we look to present our customers with innovative, good value solutions to their fitness needs.

The tech category exploded in 2014/2015 with wearable devices, such as Fitbit, the hottest item on Christmas lists. In 2015/2016, we will reshape the entire tech category in our business and have a much more holistic conversation with our customers about what their health and fitness goals are. We will fully integrate the Workout World business into Rebel with store-in-store concepts supported by standalone stores.

While our traditional catalogue marketing still plays a part in our campaigns, we are increasingly interacting with our customers via our websites, email, social media and display channels. We want to bring sports and the products used to participate in them to life in our marketing and in our stores. With nearly two million Rebel Active members, over seven million digital views of our Football 2015 advertisement, 15 million online visits and 37 million visitors in our stores, we are keen to continue to engage with our customers and inspire them further.

Our loyalty members responded well to the launch of our new loyalty program, Rebel Active. This program provides great opportunities to engage with our customers through features such as member-only prices, VIP competitions and exclusive experiences. By leveraging our member data, we are able to better understand customer needs and wants, allowing us to be more personal and relevant. This data is also used to optimise our multi-channel marketing campaigns to deliver even greater success.

This year we refurbished six stores, and closed one store that was at the end of its lease period. We also rebranded one Rebel store to Amart Sports in line with the customer demographic in that store location and we closed five under-performing Workout World stores. In 2015/2016, we will be refitting three of our largest stores, Bondi, Chatswood and Miranda, into an exciting new concept that dials up the consumer experience through technology.









Supercheap Auto is a thriving retail business, specialising in automotive parts and accessories with 300 stores across Australia and New Zealand. We also stock a wide range of tools and accessories for the Do-It-Yourself home handyman as well as products for travel, touring, outdoors, garage and the shed. We continue to grow the Supercheap Auto business through many and varied activities – below are some of our key strategies along with a preview of some exciting new initiatives.

Future Store Program and New Stores

Our vision for the *Store of the Future* program was to build an engaging and integrated customer experience that provides solutions and real reasons to shop in store, and support our customers to get the most out of their shopping experience and leisure time.

Now, with over 60 stores in the fleet our initial forecasts for the concept have been exceeded and we are very confident to further accelerate the refurbishment program in 2015/2016. Our current 'stores of the future' are significantly out-indexing the network growth, with sales delivery out of these sites three times higher than the average business performance. During the coming year we plan to open or refurbish another 80 stores into the Store of the Future format, further supporting sales growth.

Our store of the future locations offer an enhanced environment and extended services for our customers, including:

- Updated external signage and finishes
- Revised store layout which sorts and groups products by usage occasion or project
- Improved store navigation signage, aisle markers and internal signage with an updated colour palette
- Customer solutions tablets, kiosks which provide in-store access to vast product and 'how to' information
- Product feature displays including informational touch-screens and TVs

- Free wireless internet access for customers combined with QR codes to provide in-store access to extended product and usage information
- Engaging displays incorporating fun and theatre
- Vehicle diagnostics service which provides fault code reading, reset and analysis, allowing customers to be more involved in their vehicle's care and maintenance
- Paint mixing service offering;
- Home delivery of bulky and heavy products
- Designated *Click & Collect* pick up point for online purchases; and
- Increased frequency of stock deliveries which supporting improved in-stock position.

In addition to the physical environment, these stores feature improved customer engagement opportunities as a result of our investment in team member development programs, a solutions focused service model and technology such as customer call buttons linked to team member walkie talkies for more responsive service.

During 2014/2015, we opened ten new stores and celebrated a landmark with the opening of our 300th store at Holden Hill in South Australia. The coming year will see us deliver one of our largest store opening programs with 10-15 new stores currently scheduled, as well as piloting our next generation of store to upgrade our Store of the Future format. We recognise our customers' expectations are evolving more and more rapidly, and we are dedicated to understanding and pre-empting their needs and interests, so we can continue to deliver solutions, services and products to surprise and delight them.

With this view, in 2015/2016 we will be introducing our new generation store to the network, which will allow us to evaluate and capture learnings before making running changes to our ongoing refurbishment program.

Multi-Channel Capability

Supercheap Auto has continued to deliver very strong online sales growth this year. We now have both core and extended ranges available for sale online in Australia and New Zealand, offering our customers well over 1,100,000 items. We have focused on improving content this year and will continue to focus on this in 2015/2016 to improve customer experience. In 2014/2015, we have seen extensive growth of our *Click & Collect* offer, which enables customers to order online and pick up from their local store. We are also seeing a trend in customers who buy additional items when in store to collect their orders and as a result, we are rewarding our teams for achieving store sales as well as online sales moving forward. This supports our decision to continue building a strong physical store network in parallel to growing our online business. We strongly believe we must continue to improve and develop our multi-channel capability, allowing our customers to shop their way.

The coming year will see significant growth of sales through traditional and digital channels, including online marketplaces such as eBay, Trade Me and similar aggregators. Supercheap Auto has taken an industry leadership position in connecting with our customers digitally, to provide information and convenience solutions and empowering them to shop their way.

Brands and New Products

Driving quality known and private brands is a very important element in growing our business and building integrity and trust with our customers. We continue to launch thousands of new and innovative products each year faster than our competitors and we firmly believe that new products are the lifeblood of our business. We continue to build partnerships with leading organisations and in 2015/2016, we will be introducing a number of exclusive and first tier brands to further strengthen our range and product offering. These extensions are in direct response to the desires and demands of the customer which we have been identifying through quantitative research for more than a decade. These insights help us to understand the needs and expectations of our Auto aftermarket customers and inform our ongoing growth strategy by truly understanding our customer.

Fitment Program

We have seen substantial growth of our fitment program again this year, driven by customer demand for basic items to be fitted for them at the time of purchase. The program continues to be strongly supported by our customers, with hundreds of thousands of fitments completed over 2014/2015. Our friendly team loves to go above and beyond and this service is another great way for our team members to engage, surprise and delight our valued customers. The popularity of our fitment program is evident through the number of customers taking advantage of the service, along with their positive feedback. In 2015/2016, we will increase the number of fitment solutions available, ensuring we are meeting our customers' growing expectations as well as meeting the needs of a technologically driven automotive evolution.

Personalised Connections and Customer Loyalty Program

Following the success of our Club Plus loyalty program, we have seen significant positive customer connections being formed. Our club members are loyal, visiting our stores more often, spending more and serving as true advocates for the Supercheap Auto brand. At the beginning of the year we set what we believed would be a challenging target of 1,350,000 Club Plus members by year's end. The response to our loyalty program has exceeded all expectations and it is pleasing to say we underestimated the initial target again for the third year in a row. Our customers are telling us they love the program and it is certainly delivering very sustainable positive growth

for our business. Club Plus is designed to reward Supercheap Auto customers for their loyalty and one of the core benefits enjoyed by members is a 'Price Promise,' which provides a credit to the member's card when items they purchase go on sale at a better price. This is in addition to other exclusive advantages, such as special events, member only offers and receipt free warranty.

The program provides a true understanding of and connection to individual customer needs. It allows us to send targeted solutions, services and offers to members at a significantly reduced cost through leveraging our digital channels. We continue to capitalise on the investment in our customer relationship management systems, enabling us to connect more personally, predict trends and reduce our reliance on mass media as we see this medium continue to decline rapidly year on year. We are investing in future proof marketing mediums that will enable us to connect with our customers in a more meaningful way, reducing our reliance on traditional mass media as we move towards more focused, personalised online and social connections. This presents an opportunity for significant savings, while increasing relevance and extending customer reach.



Our CRM investments are allowing us to connect more personally by understanding behavioral activities and needs. Our focus on digital and social media, along with our Club Plus loyalty program, has allowed us to form very positive connections with our customers, resulting in continued growth above the industry benchmark. Our club members are very loyal; visiting our stores far more than traditional shoppers, spending more each visit while also being true advocates for our business.







Super Retail Commercial (SRC) is the trading arm of Super Retail Group and is focused on developing new business opportunities across a variety of non-retail channels that deliver incremental sales for the Group and our brands. Leveraging off our high profile retail brands, sourcing and supply chain capabilities, SRC is dedicated to building long term commercial relationships with a range of businesses throughout Australia, New Zealand and Asia Pacific.

We pride ourselves on delivering value via innovative and creative business solutions through strong partnerships that are supported by our experienced team who are passionate about providing excellent customer service and building strong relationships with our business partners.

In 2014/2015, SRC focused on developing business and capability within four important sales channels, as listed below.

Rewards and Incentives

Our rewards and incentives arm, Supergifts, is a web-based business that allows commercial customers to purchase gift cards from all of the Group's retail brands. The Supergifts business continued to enjoy strong growth by expanding our existing rewards program partnerships and by bringing in new loyalty customers. The addition of digital gift cards into the Supergifts business in the coming year will add another dimension to the business and enable us to provide low cost and immediate fulfillment in the B2B channels. This additional capability, coupled with our high level of customer service should see us continue to grow this dynamic channel.

Insurance

Our successful product replacement program continues to grow, and was further extended this year by incorporating a number of new insurance companies into the scheme, including both Youi and QBE. Leveraging the Group's retail store network, we supply gift cards and products to replace insurance claimants' domestic content claims. In 2015/2016, we plan to further expand our insurance program by partnering with

new insurance and loss adjustment companies. An upcoming initiative will see us leverage our new digital capability to issue digital store cards to insurance customers as a speedy and efficient way of settling their claims.

Wholesale and Export

In 2014 we secured an agreement with BP Australia (BP) to supply its metropolitan based petrol and convenience stores with a range of automotive and fishing products. This year we have strengthened our distribution within the BP store network by expanding our network of Supercheap Auto and BCF store-in-store concepts. During 2014/2015, we also developed a new trading arrangement with Puma Energy to supply their stores with a range of fishing and leisure products. In 2015/2016, we will continue to extend our distribution with both BP and Puma and develop new partnerships with other key convenience operators.

Gift Card Retail Network

In 2014/2015, we assumed management of the Group's gift card distribution into other large format retailers such as Coles and Woolworths who sell our branded gift cards within their stores. These retailers offer customers convenient and easy access to our gift cards in places where they regularly shop and look for gifting products. In 2014/2015 we worked to enhance the Group's collaboration with our gift card distributor and focused on building direct relationships with our retail partners. This important sales channel has experienced strong growth and is expected to deliver further growth in the coming years. In 2015/2016, we will be looking to support the Group's gift card retail partners as they embark on a variety of new initiatives including improved card displays, shopping mall kiosks and digital giftcards.



We pride ourselves on delivering innovative and creative business solutions through strong partnerships that are supported by our experienced team.







OUR COMMUNITY AND ENVIRONMENT



SUPER RETAIL GROUP IN THE COMMUNITY

Super Retail Group is committed to benefitting the communities in which we operate by supporting charity organisations, providing responsiveness in times of community crisis such as fires, floods, earthquakes and actively participating in improving community wellbeing. Our decisions about how we can best support communities are based on our capacity to strengthen a community and the alignment to our core purpose and values.

Community Services Leave and Workplace Giving

To support and encourage team members to partake in civic activities of benefit to the community, we provide various forms of leave including community services leave, blood donor leave, emergency services leave and natural disaster leave. The Group is also part of Club Red, a nationwide Australian Red Cross initiative to drive blood donations for the one in three Australians that will need blood or blood products in their lifetime.

Community and Sponsorship Partnerships

Our cash contributions through community partnerships and sponsorships in 2014/2015 was \$0.7 million. In addition, discounts and store credits were provided to our community groups and customers at store level.


Responsible Marketing

Our marketing strategy is based on honest and truthful communication with our stakeholders. When marketing our products, we ensure compliance with the laws and regulations that govern responsible marketing in Australia and New Zealand. Our strategy includes:

- Dedicated compliance team monitoring our product claims across our merchandise, services and marketing materials
- Mandatory training to team members in marketing, merchandising and retail departments
- Development of policies, processes and guidelines to provide guidance on product responsibility and marketing practices
- Proactively monitoring of our social media platforms
- Developing and implementing customer relationship management (CRM) strategies across all our brands to build customer satisfaction, loyalty, and advocacy; and
- Customer Interaction Centre (CIC) as a central point for customer enquiries. The CIC is open seven days a week, 364 days a year and customers are able to interact with our CIC team via email and telephone.

There were no instances of fines or warnings where non-compliance with regulations or voluntary codes concerning marketing communications was identified; furthermore, no banned products were sold at our stores during the reporting period.

Moving forward, we will continue to focus on developing strategies to manage our environmental footprint through efficient resource use, developing innovative and ethically manufactured products and educating our team members and trade partners to make sustainable choices.



1 BLOOD DONATION CAN SAVE UP TO

3 lives

THIS YEAR OUR DONATION
COUNT INCREASED BY

+59%

WITH OUR TEAM MAKING

227

WHOLE BLOOD OR PLASMA
DONATIONS THIS YEAR.

SUSTAINABILITY AT SUPER RETAIL GROUP

Sustainability is strongly linked to our business strategy. We are dedicated to achieving profitable and sustainable growth in a manner consistent with our Group values and our commitment to social and environmental initiatives for the benefit of our team, customers, trade partners, and the communities in which we operate.

From a social perspective, our focus is to engage and inspire our team members and customers, develop our team and ensure we provide a safe workplace for all.

From an environmental perspective, we continue to optimise our supply chain, review our resource usage and packaging design, and develop innovative and relevant solutions to minimise our environmental impact while reducing costs.

This review outlines areas in which our operations play a significant role in influencing environmental, social and economic conditions and provides an overview of our strategy and performance in those areas.

Our Stakeholders and Material Issues

Our approach to sustainability is shaped by the views of our stakeholders. We define stakeholders as any group that may potentially be impacted by our operations or have an interest in what we do.

Key stakeholders include our team members, customers, shareholders, regulators, trade partners and the local communities in which we operate.

We engage with our stakeholders in various ways, including team member and customer satisfaction surveys, online, intranet communications, internal bulletins, media releases, team member dialogues, formal and informal meetings, our Customer Interaction Centre (CIC) and social media.

In terms of industry participation, our Group Managing Director and Chief Executive Officer was elected Chair of the Retail Council (former Australian National Retailers Association) in 2014/2015.

Our Company Secretary and Chief Legal & Property Officer is a Board member of the Large Format Retail Association (LFRA). The LFRA is regarded as the national peak body representing the interests of large format retailers, investors, owners, developers and service suppliers in Australia.

Materiality

The basis for determining material issues was through analysis of our business goals and regulatory risks, shareholder feedback, consultation with experts in the field of sustainability reporting, discussions with industry associations and a peer review to assess best practice in the retail industry. The identification of aspects and the prioritisation of the material issues led to the identification of the top five material issues:

1. Environmental footprint
2. Ethical supply chain management

3. Product material stewardship
4. Resource consumption and efficiency measures; and
5. Community impacts and contributions.

In 2015/2016, we will continue to strengthen our materiality assessment by adopting a more systematic approach to capturing and addressing stakeholder concerns.

Adding Economic Value

We are committed to making a positive impact on the economy through our business operations. We believe the development of a healthy economy supports and sustains the community and the environment over the long-term.

Our business performance underpins our sustainability strategy. For information on our business performance, please refer to the Super Retail Group Annual Report 2015, available on our corporate website: www.superretailgroup.com

Minimising Our Environmental Impact

We believe that care towards the environment requires a joint effort. Our focus is to work with our trade partners, customers and team members to reduce the impact of our products and activities.

As a retailer, our main environmental impacts are related to packaging, energy and raw materials consumption and waste production. We are committed to minimising our environmental impacts by:

- Maintaining an environmental management system which is regularly reviewed and improved to minimise pollution
- Identifying and ensuring compliance with applicable legal and other requirements to which the Group subscribes, such as the Australian Packaging Covenant (APC) and the National Greenhouse and Energy Reporting (NGER)
- Identifying environmental risks associated with our operations and setting targets to reduce risks in line with best practice and in a sustainable manner, from a cost and process perspective
- Using resources such as energy, water, raw materials, packaging and consumables as efficiently as practical in all areas of our business
- Continually improving waste management and recycling strategies
- Regularly communicating our expectations to team members as to how they should conduct business in accordance with our Environmental Policy
- Encouraging our trade partners to conduct business in accordance with our Ethical Sourcing Policy; and
- Where appropriate, publishing our policies, processes and achievements to our stakeholders.

These commitments are documented in our Environmental Policy at www.superretailgroup.com

Environmental Management System

Our Environmental Management System (EMS) was developed in 2011 to better manage our environmental impacts and drive initiatives including the reduction of waste, packaging and energy consumption. Our EMS Committee includes representatives from all departments and meets quarterly to monitor progress against our goals and discuss ways to improve our environmental practices.

Australian Packaging Covenant

Super Retail Group has been a signatory of the APC since 2008. The APC is an agreement between government, industry and community groups to find and fund solutions to address packaging sustainability issues. It aims to encourage businesses to design more sustainable packaging, increase recycling rates and reduce packaging litter.

The Group consults and collaborates with the APC on a regular basis to ensure our commitments, as set out in our Action Plan, are on track. In 2014/2015, we were pleased to have been recognised by the APC as a high performing signatory for the third consecutive year.

During the year, we contributed to a study funded by the APC to explore the business case for packaging sustainability. The study examined successful projects from 11 signatory companies and was presented at the APC High Performers Strategic Engagement Workshop in December 2014. Our effective engagement with trade partners to optimise and recycle packaging was highlighted in the study, which is available in the APC website: www.packagingcovenant.org.au

Our APC Action Plan and Annual reports are available in our corporate website: www.superretailgroup.com

Further initiatives undertaken during the year to enhance our focus on product stewardship included:

- Launch of online sustainability training for all team members on waste, energy and water reduction
- Partnership with GreenMoney - a unique online rewards program where households in selected areas of Victoria and New South Wales earn rewards for recycling and living green. The more green actions they take, the more discounts and rewards they earn. Points can then be redeemed for discount vouchers at local and national businesses. Four Rebel stores and two Supercheap Auto stores are currently part of the program
- Packaging optimisation program - this program involves reducing air space and changing packing methods to reduce the amount of packaging material required. Since 2010, we have reduced a significant amount of packaging that could potentially become waste. The Group also saved on shipping costs by optimising carton sizes on tertiary packaging
- Recycling logo - we use the recycling logo on our packaging and catalogues to encourage waste recycling

- Regular articles on waste and environmental topics feature on our internal communications channels to increase awareness amongst our team members
- Development of policies, procedures and guidelines to ensure adherence to the Sustainable Packaging Guidelines; and
- Engaging with our waste management provider on a regular basis to identify issues and review and improve our waste management practices. Two independent audits were performed during the year to understand the waste streams generated at our BCF and Supercheap Auto stores during refurbishment activities. The results of the audits were presented to the EMS committee and opportunities for improvement were incorporated into the processes and procedures of each brand. We will continue to monitor store activities in the next financial year to track their performance and identify further improvement opportunities.

Trade Partner Engagement

Our International Operations Packaging (IOP) team in China works closely with our trade partners to ensure that packaging meets our environmental specifications. Our environmental specifications include the following core objectives:

- Design – packaging optimised to achieve resource efficiency and reduced environmental impact without compromising product quality and safety
- Recycling – efficient collection and recycling of packaging; and
- Product stewardship – a demonstrated commitment to product stewardship by our supply chain.

As part of the sourcing process, our IOP team regularly liaises with factories and undertakes packaging assessments for all new products. Our packaging team in Brisbane proactively reviews existing packaging at our Distribution Centres and makes recommendations for packaging optimisation.

During the year:

- Our packaging optimisation program achieved 25 percent pallet utilisation improvement (+7 percent compared to 2013/2014) and 9 percent container utilisation improvement (+2 percent compared to 2013/2014);
- Our IOP team commenced a plastics reduction program which aims to reduce the amount of plastics used to package our products. We estimate a total of 12,763 kilograms of plastic material will be saved annually.

Quantity of Products Reviewed	Plastic Saving by type (kg)			
	Weight Saved (kg)	PP	PE	PVC
95	12,763	96	7,813	4,854

*PP – Polypropylene, PE – Polyethylene, PVC – Polyvinyl chloride

Our Trade Partner Recognition Program rewards continuous improvement from our trade partners by formally recognising superior performance.

Waste Reduction

Our goal is to continuously increase our recycling rates across the Group. We aim to achieve this by raising awareness amongst team members, identifying new waste streams for recycling, performing informal waste reviews and liaising with our waste provider to identify opportunities for improvement. We continue to promote waste minimisation internally and provide progress updates to the Board on a monthly basis.

Total waste generated on-site increased by 2 percent in Australia and 12 percent in New Zealand. The increase was mainly due to new sites in Australia and the closure of FCO stores in New Zealand.

Whilst our overall total waste in Australia increased in 2014/2015, generation of waste per site remained consistent with 2013/2014 figures.

In the next reporting period, we expect to see a reduction in the total waste generated in New Zealand, corresponding with the reduction in total store numbers and reduced store activity.

Under our Australian Packaging Covenant Action Plan, we achieved our goal for 2014/2015 to recycle at least 53 percent of our total waste in Australia. We look forward to developing strategies to improve our recycling rates in 2015/2016.

THE ENVIRONMENTAL BENEFITS FROM OUR RECYCLING EFFORTS IN 2014/2015 EQUIVALENT TO:



616
CARS PERMANENTLY
REMOVED FROM ROADS



3,185
ANNUAL ELECTRICITY
REQUIREMENTS
(HOUSEHOLDS)

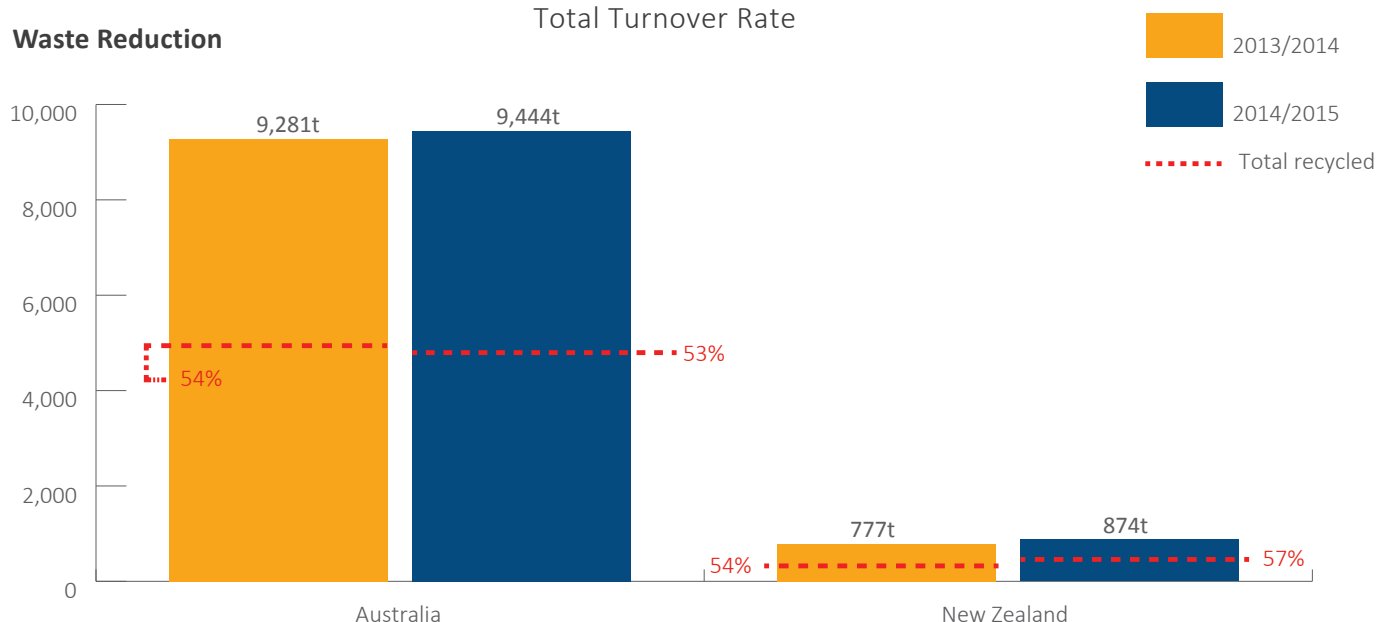


1,100
ANNUAL WATER USAGE
(PEOPLE)

*Factors used: Cars removed - each car removed is equivalent to 5.1 tonnes of CO₂ per year. Electricity savings - annual household electricity requirements is equal to 600 kwh/year. Water savings - each person's annual usage is equivalent to 256.25 liters of water per day.

Waste Reduction

Total Turnover Rate



Product Recycling and Reuse

We continue to explore opportunities to improve resource recovery. Some of our current initiatives include:

- Supercheap Auto's oil and battery recycling initiative – we encourage the collection of used batteries and oil in stores which are then sent to recycling facilities to reduce waste
- Clothes hangers reuse – hangers used in our leisure and sports stores are returned to our trade partners for reuse
- Cartridge recycling – used print cartridges are collected and returned to our trade partner for recycling. We also use recycled cartridges in our photocopiers
- Pallet reuse – the Group has a partnership with two local trade partners, which enables stores to return their pallets to our Distribution Centres for reuse. Damaged pallets are recycled in our Distribution Centres by our waste provider
- E-waste – used and obsolete technology equipment is collected by our trade partner and disposed in accordance with international standards; and
- Endeavour Foundation partnership – Supercheap Auto continues to range cleaning cloths supplied by the Endeavour Foundation. Those products are made of repurposed clothes and provide job opportunities for people with disabilities.

Paper Reduction and Recycling

Our catalogues are printed in recycled paper and our use of customer targeting software, as well as a greater emphasis on email marketing, has enabled us to reduce catalogue distribution quantities with little or no loss in effectiveness.

In terms of packaging, all paper and cardboard used to package our products imported from China is made from 100 percent recycled paper.

Plastic Bag Reduction

To encourage customers to reduce their environmental impact, our BCF business has ceased the use of plastic bags in store. Customers have the option to purchase a reusable shopping bag, use their own shopping bag or no bag.

Supercheap Auto, Ray's Outdoors, Rebel, Amart Sports and Workout World stores still use plastic bags (in the Australian States where no plastic bag ban legislation is applicable); however our team members are encouraged to reduce bag usage by asking customers if they actually need a plastic bag to carry small items.

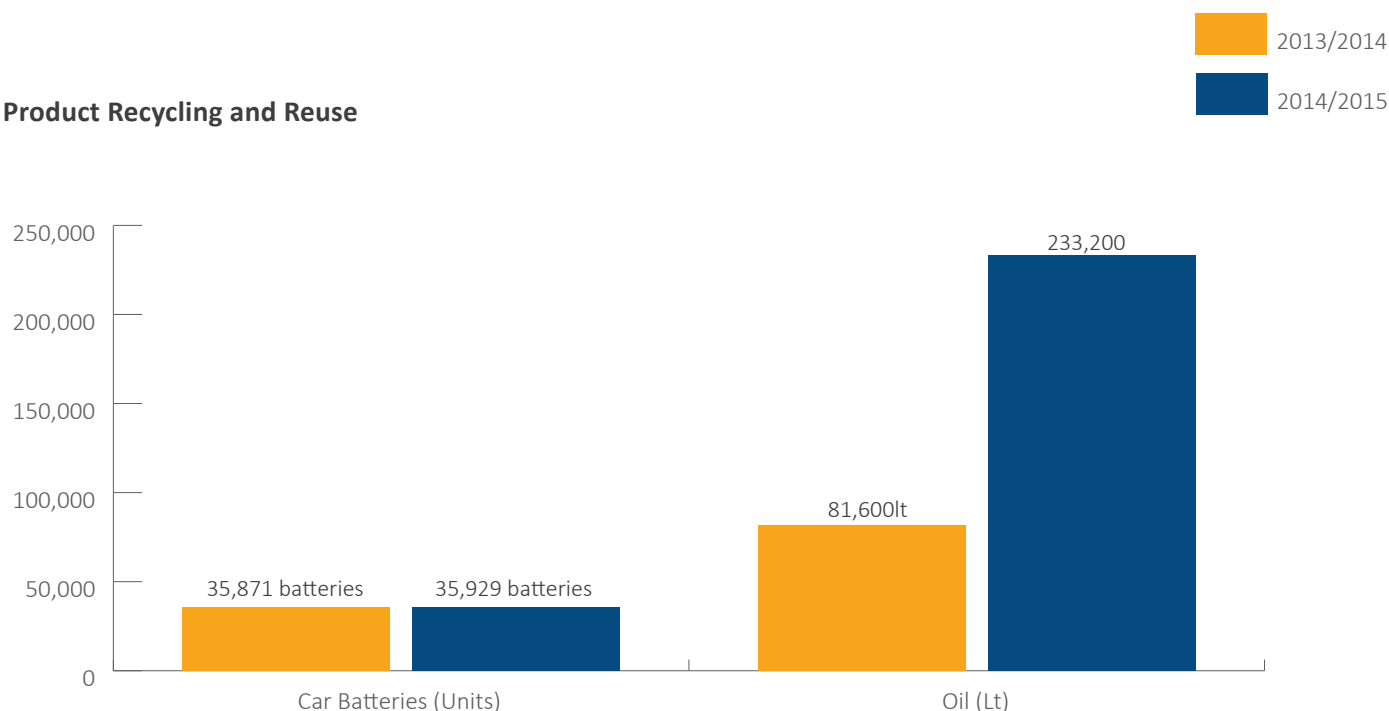
Electronic Pay Slip System

The electronic pay slip system allows our team members to receive pay slips via email or by logging into our payroll system. Weekly paper pay slips are no longer issued by the Group, thus reducing our paper use.

Electronic Data Interchange (EDI)

We have moved from a paper-based exchange of business documentation to an electronic exchange to achieve further paper and cost reductions. Additional benefits include faster, more efficient and more accurate procurement, improved overall supply chain visibility and efficiency and collaborative business processes with trade partners. We currently have over 300 trade partners on EDI.

Product Recycling and Reuse

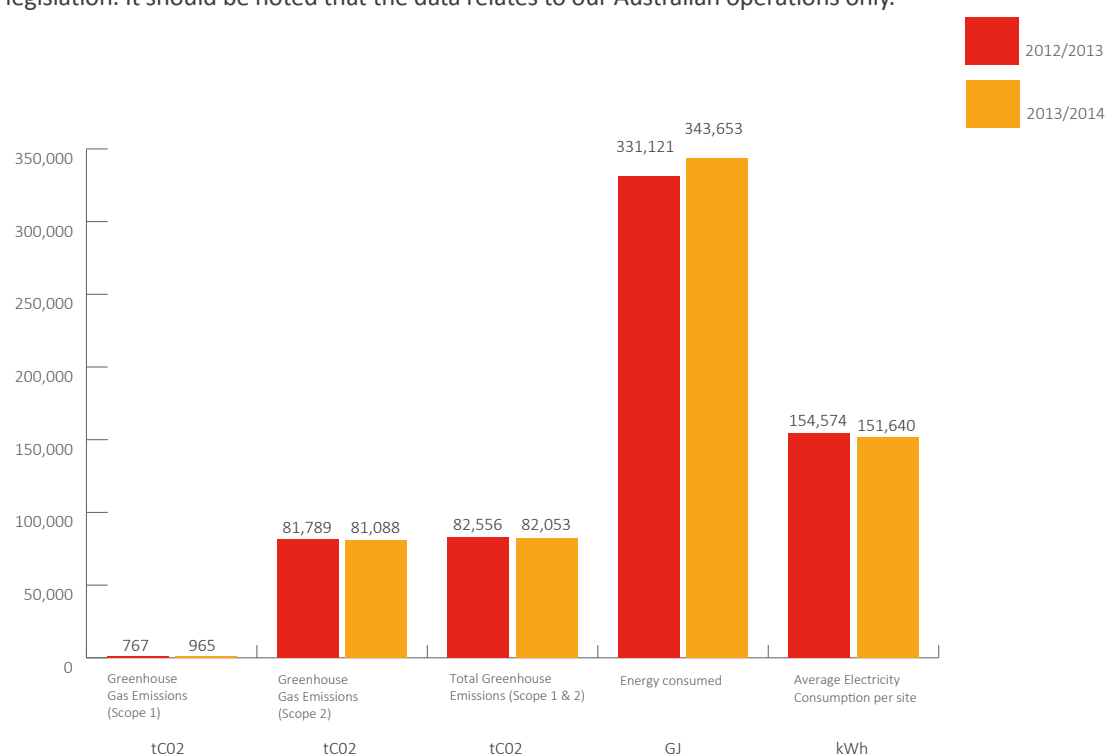


Energy and Greenhouse Emissions

The key factors that inform our climate change strategy include:

- Australia's commitment to reducing greenhouse gas emissions under the Kyoto Protocol
- Regulatory changes to carbon legislation
- Voluntary agreements to reduce packaging and waste
- Variable temperatures affecting climate seasons and sales
- More extreme weather events affecting communities and physical assets
- Opportunities to reduce operational costs related to waste, packaging and electricity consumption; and
- Creating sustainable value to the Group.

The table below outlines the Group's greenhouse gas emissions for 2013/2014 and provides a comparison with the previous year. Energy and emissions data is collected and calculated as part of the mandatory carbon reporting governed by Australian Commonwealth legislation. It should be noted that the data relates to our Australian operations only.



Notes:

1. Scope 1 – Fuels; Scope 2 – Electricity and natural gas.
2. Emissions have been calculated by compiling the total kilowatt usage for each facility, obtained from electricity billing records. Where data was incomplete we have apportioned the billing records so they reflect usage of 365 days (or less if the facility has not operated for the full year). Where the data was not available, we have estimated the usage based on previous usage or similar facility.
3. Data relates to 2012/2013 and 2013/2014. Our report for 2014/2015 will be submitted to the Clean Energy Regulator in October 2015 and reported in 2015/2016.

The Group's total emissions increased by 3 percent compared to the previous reporting period. This increase was mainly due to increased electricity consumption at new stores, our new Distribution Centre in New South Wales and the contribution of the Workout World business (stores and Support Office), which was factored into reporting for the first time after being acquired in late 2013.

Our Scope 1 emissions (fuel emissions) relate to corporate cars maintained by the Group. While there was a 26 percent increase in Scope 1 emissions during the year due to the increased

number of vehicles maintained by the Group as a result of the Workout World acquisition, these emissions represent 1 percent of our total emissions.

Our primary operational greenhouse gas emissions are from Scope 2 emissions, which is the electricity used in our Australian retail stores, Support Offices and Distribution Centres (578 sites during 2013/2014 and 604 sites during 2014/2015), representing 99 percent of total emissions.

Whilst overall electricity consumption increased, like-for-like (LFL) comparison to the previous reporting period (average per site basis), revealed that our electricity consumption reduced by 2 percent.

During the year, we worked with our external service partners to develop a long-term, integrated electricity management strategy. This strategy will provide a whole of business approach from accurate verifiable data to reporting mechanisms and identification of poorly performing sites within each of our brands. The strategy will ensure electricity usage is controlled, operating systems are optimised, and reliability and maintenance are addressed.

A proactive approach to energy efficiency will allow for an improved response to rising electricity costs, particularly given our significant exposure to electricity prices for our stores, offices and Distribution Centres.

We are committed to further reducing our electricity usage and implemented a number of initiatives across the Group, including:

- Organisational culture initiatives - educating team members on how to reduce power usage
- Team member engagement – seeking feedback from team members on how to further improve energy efficiency
- Structural initiatives – changing building specifications, such as lighting upgrades and heat reflective roof paint
- Installation of energy saving devices and control equipment, such as ‘smart’ thermostats and light sensors; and
- Procedural initiatives – optimising the hours of operation of equipment, e.g. air conditioning, lighting and illuminated signage through timers and PE cells.

For the first time, the Group reported to the global Carbon Disclosure Project (CDP) to ensure transparency and the better management of climate change in our business operations. The report discloses our greenhouse gas emissions and climate change data and includes our carbon emissions in Australia and New Zealand (where possible) during 2014/2015.

By disclosing through the CDP, we aim to improve the management of our carbon footprint, manage the risks and opportunities from climate change and identify areas for emissions and cost reductions.

Carbon Disclosure Project

An international, not-for-profit organisation that provides the only global system for companies and cities to measure, disclose, manage and share vital environmental information.

The CDP works with market forces to motivate companies to disclose their impacts on the environment and natural resources and take action to reduce them.

Our CDP Report is available at www.superretailgroup.com

Environmental Compliance

Super Retail Group has an Environmental Management System (EMS) in place to manage environmental matters and ensure compliance with environmental regulations.

As a retailer and brand owner, we have the responsibility to reduce the environmental impacts of our consumer packaging and are a signatory of the Australian Packaging Covenant (APC). While participation in the APC is voluntary, brand owners who choose not to become signatories or who fail to comply with the Covenant requirements are regulated under the National Environmental Protection (used Packaging Materials) Measure (NEPM) in each of the States and Territories in which the company sells its products.

We are also subject to the National Greenhouse and Energy Reporting ACT (NGER Act) and have developed systems processes for the collection, calculation and storage of the data required for reporting to ensure compliance.

Our next report outlining the Group’s greenhouses gas emissions and energy use will be submitted to the Clean Energy Regulator in October 2015 to satisfy our obligations under the NGER Act. The results will be included in our next Corporate Review.

The Group has not received any fines or non-monetary sanctions for non-compliance with environmental laws and regulations during the reporting period.

Product Transport and Supply Chain

The Group sources products from various parts of the world through our global supply chain. In the last 12 months, our mix of import/domestic supply and the overall structure of our supply chain remained consistent. At an overall level, the Group purchased goods costing around \$250 million from overseas suppliers, predominantly based in China. The remaining \$1 billion of purchases were sourced from domestic suppliers.

We have an auditing program in place to monitor the manufacturing and labour practices of overseas suppliers to ensure adherence with the Group’s environmental and ethical standards.

Our products are sent to Distribution Centres, stores and customers by our trade partners using road, air and sea transport. Our ability to reduce carbon emissions is driven by:

- Increased packing and packaging design efficiencies to maximise the utilisation of container space and consequently reduce the number of containers and trucks required
- Consolidated store loads across our various retail brands to reduce the number of truck trips taken; and
- Optimised Distribution Centre networks to reduce the distance between our stores and customers, thereby reducing the kilometres travelled.

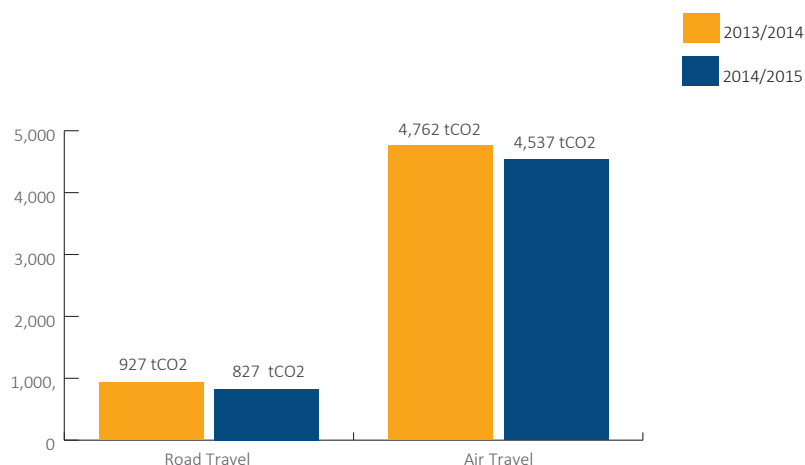
We made good progress in each of these areas in 2014/2015. Some of the initiatives undertaken included:

- Reviewing the packaging for over 300 overseas suppliers, with 90 percent of these being amended to improve packaging utilisation. As a result of this review, pallet space utilisation for these products has improved by 25 percent, with container space utilisation improving by 9 percent.
- Optimising our network design by strategically locating our Distribution Centres in high demand regions in Australia and New Zealand. During the last 12 months, we completed the construction of our new Distribution Centre network. This involved the construction of new facilities in Sydney and Brisbane, incorporating such features as water tanks to conserve water consumption and modern designs to improve the efficiency of lighting. The Group was able to close two older, less energy-efficient facilities in Brisbane as part of the re-designed network. The new Distribution Centres are set-up as multi-user facilities, with a number of retail brands being housed in a single facility
- From a transport perspective, the new Distribution Centre network resulted in significant reductions in both truck trips and total kilometres travelled due to their increased proximity to the store network and the ability to consolidate loads across multiple retail brands. In the last 12 months, we achieved a reduction of more than 2.5 million kilometres in truck travel, as well as reducing the number of truck trips by over 1,500; and
- Working with transport trade partners to increase the use of modern, fuel efficient vehicles, and to explore the use of more sustainable fuels.

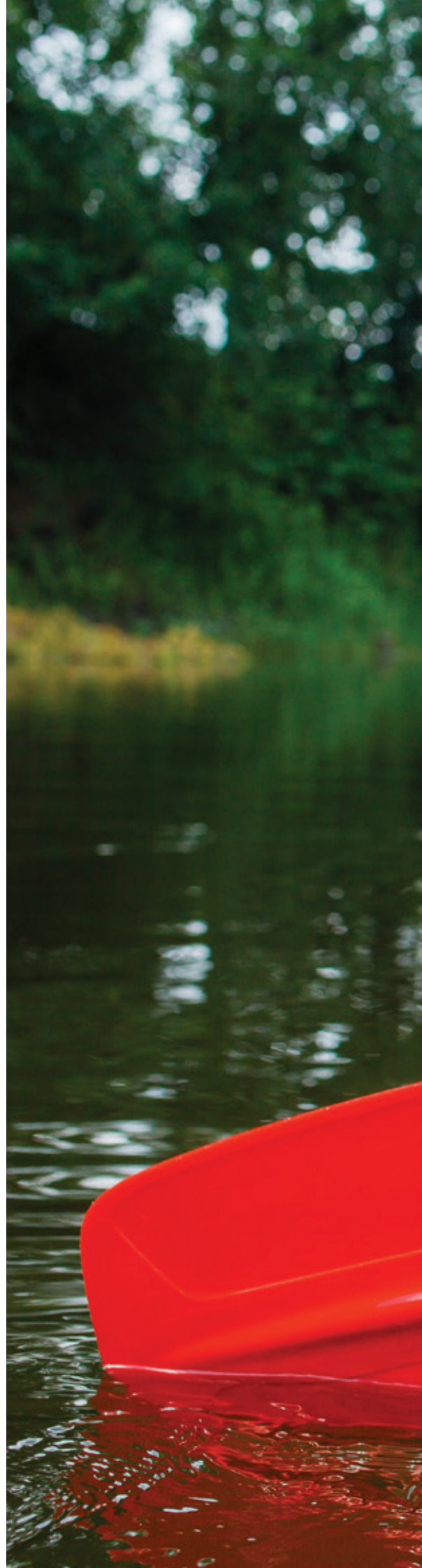
Business Travel

Some team members are required to travel as part of their role. The main environmental impact associated with business travel is carbon emissions as a result of burning fossil fuels.

For the first time, our carbon emissions data associated with business travel was obtained from our external service partners to help the Group better understand and monitor carbon emissions. This information is outlined in the following table and will be used as a baseline for future reporting.



Data relates to domestic and international travel.



CASE STUDY:

Reducing our carbon footprint through efficient building design

Our team worked closely with highly skilled professionals to develop our new Distribution Centre and Support Office facilities in Brendale (Queensland). The two leased buildings are located in one site and were completed last year. They have been designed to our specifications using smart design technologies to make them more efficient, in line with our commitment to reduce resource waste.

The Site

1. Water control design:

- All storm water is passed through a series of traps to remove waste: the first trap removes large waste cvv (gross pollutant trap) and the second trap removes the fine waste (bio retention trap)
- Fire systems water retention in place to hold water on site and have it disposed in a controlled manner; and
- Rain water-tanks used for toilets (to a 'safe minimum level') before main supply is activated.

2. Power saving design:

- Car Park lighting is on PE Cell activation and timer controlled to avoid unnecessary resource usage.

Distribution Centre

1. Temperature control design:

- Pneumatic controlled louvers on south and west walls regulate the heat load and minimise exposure from the sun
- Roller doors have perforated panels to allow natural air flow
- Cladding and roof insulation to reduce heat
- Industrial fans to reduce the requirement for multiple fans in all areas; and
- Nightly venting of DC to expel hot air and improve comfort levels.

2. Power saving design:

- Lighting control overrides/ turns off lighting if inadvertently left on
- DC lighting is tri-stage control lighting to reduce consumption when natural light level sufficient
- All warehouse forklift equipment use Century 'smart charging'. Benefits include:
 - Reduces charging time and need for deep cycle charging
 - Removes the need to add second set of batteries
 - Reduces waste with not having to dispose used batteries; and
 - Extends life of the forklift battery.

Support Office

1. Temperature control design:

- Tinted windows to reduce heat
- Vertical louvers installed to reduce direct sunlight; and
- Air conditioning temperature control system to ensure that efficient temperature settings are maintained.

2. Power saving design:

- Energy efficient T5 fluorescent lighting installed in all areas
- Light switches can be operated individually (by department) or as a group (master control switch), avoiding unnecessary resource usage.

Respecting Human Rights

Super Retail Group is committed to adhering to and respecting human rights standards, including health and safety, freedom of association, anti-discrimination, freedom from child labour and forced labour across our operations globally.

The majority of our private brand products are currently sourced from Asia and we continue to strengthen our processes to anticipate and mitigate potential issues and risks. This includes incorporating factors, such as a country's regulatory strength, production quality, social compliance and human rights issues into our evaluation process.

We also require our direct trade partners to sign our General Business Agreement and comply with our Ethical Sourcing Policy, which outlines our expectations for social and environmental standards.

Ethical Sourcing

Our comprehensive and effective compliance framework underpins the Group's competitive sourcing arrangements and the strategic development of leading private and exclusive brands.

Super Retail Group has continued to develop compliance frameworks that govern the sourcing of product from overseas, including our Ethical Sourcing Policy and General Business Agreement, which address criteria including packaging, environmental and employee welfare requirements. Our compliance framework also involves engaging with our trade partners to raise awareness of our expectations together with a system of audits and reviews to monitor compliance.

Audits are performed by independent third party auditors and our own internal auditing team in China, as well as referencing the audits of accredited auditors completed for other companies with comparable policy standards.

We monitor for compliance with a range of criteria set out in our policy, including product performance and safety; labour practices, including health and safety, compensation and working hours; and human rights criteria, including child labour and discrimination.

Where there is non-compliance or a failure to meet audit requirements, we work with our trade partners to enhance their capabilities, which may involve the implementation of a corrective action plan.

There were no incidences of critical non-compliance for product performance, labour practices and human rights identified by our audits during 2014/2015.

Product Responsibility

Ensuring products we sell are safe, fit for purpose and meet quality and regulatory standards is fundamental to our compliance strategy. To achieve this we:

- Work closely with our trade partners and testing agencies to ensure that our quality and compliance requirements are met
- Have dedicated compliance teams in China and Australia to monitor our product range for safety, quality and labeling compliance
- Develop our own quality assessment team in China to support the specialist independent auditors periodically engaged by the Group to ensure that our compliance requirements are met
- Perform product compliance checks at factory level, before products are shipped; and at our Distribution Centres in Australia and New Zealand
- Informal audits at store level
- Investigate customers' complaints and any product related incidents; and
- Deliver annual product compliance training to our Merchandising and Retail teams.

During 2014/2015 there were no incidents of non-compliance with health and safety, labeling, information or any other regulations related to our private brand products and services resulting in fines, penalties or formal warnings. All communications from regulators related to health and safety, labeling and information of our products and services have been investigated and addressed.



We monitor for compliance with a range of criteria set out in our policy, including product performance and safety; labour practices; and human rights criteria.



CASE STUDY:

Achieving Compliance Through Collaboration

We engage with our trade partners in a number of ways to ensure compliance with our Ethical Sourcing goals and framework.

Last year, our International Operations team in China developed a program to assist our trade partners to address the health and safety conditions of their factory workers.

Under the program, our team visits selected trade partners and provide awareness sessions for management and workers on the importance the Group places on Corporate Social Responsibility (CSR), our CSR strategy, business requirements and policies. The team aims to raise awareness of how CSR can improve their business practices and their bottom line. As part of these sessions the team also provides protective and safety gear, such as welding gloves, ear muffs and welding goggles.

The provision of safety and protective gear helps us build a stronger relationship with our trade partners and enables them to meet our compliance requirements without incurring additional costs to their business. Other benefits include reducing the risk of work-related injuries and building our trade partners' capabilities to work with other international retailers. This proactive approach helps promote best practice as well as allowing us to be part of our trade partners' journey to make a positive change.

The program has been well received by the 31 trade partners that have participated in the program since May 2014.

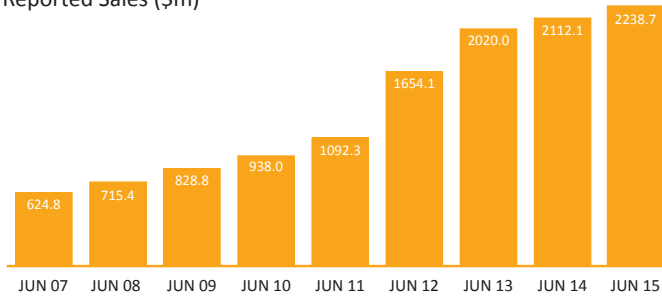


APPENDIX

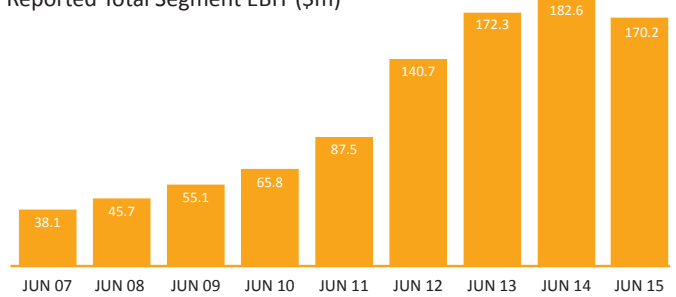


PERFORMANCE TREND GRAPHS

Reported Sales (\$m)

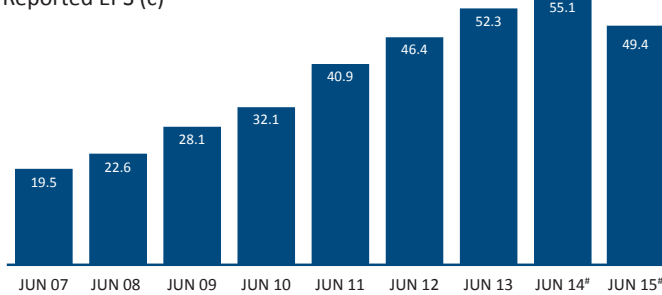


Reported Total Segment EBIT (\$m)*



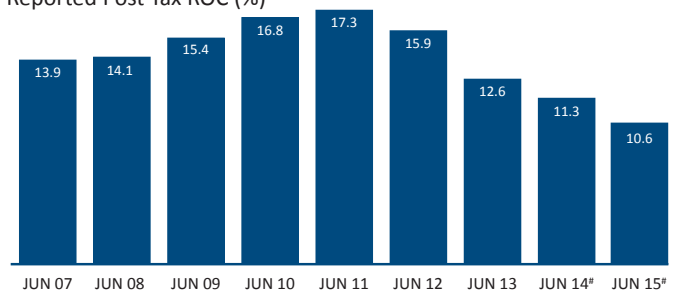
* excludes goodwill impairment charge in 2010

Reported EPS (c)*



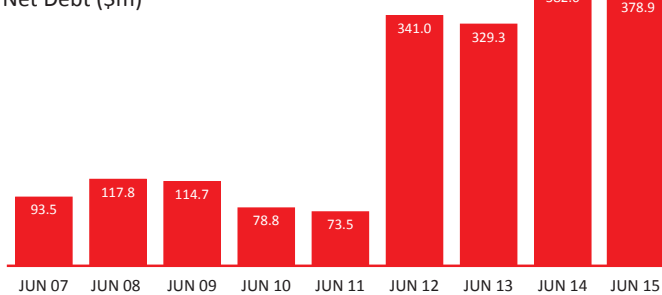
* historical EPS adjusted to take into account the bonus element in 2011 entitlement offer.
June 2015 continuing operations only; June 2014 not adjusted for discontinued operations.

Reported Post Tax ROC (%)*

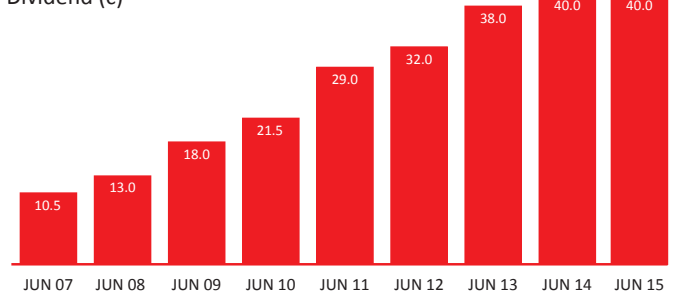


* return calculation adjusted for goodwill impairment, acquisition costs and restructuring provisions.
June 2015 continuing operations only; June 2014 not adjusted for discontinued operations.

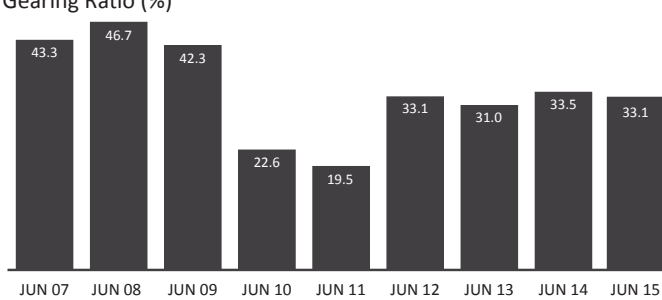
Net Debt (\$m)



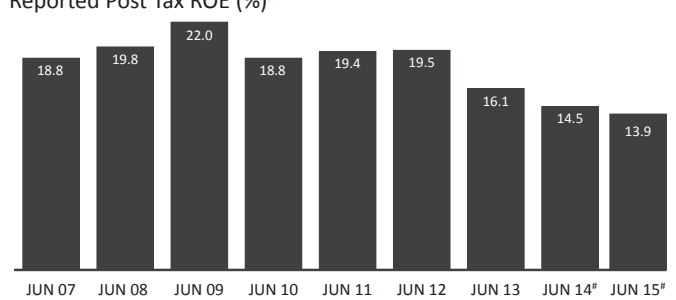
Dividend (c)



Gearing Ratio (%)

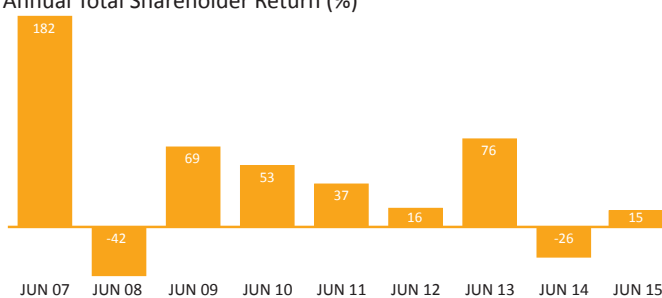


Reported Post Tax ROE (%)*

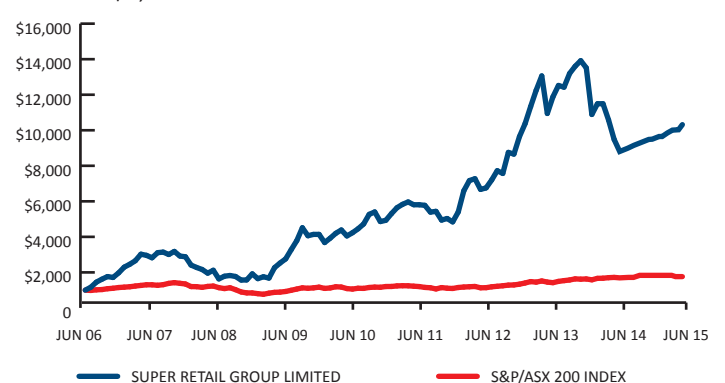


* return calculation adjusted for goodwill impairment, acquisition costs and restructuring provisions.
June 2015 continuing operations only; June 2014 not adjusted for discontinued operations.

Annual Total Shareholder Return (%)



Value of \$1,000 invested on 30 June 2006



FINANCIAL SUMMARY

INCOME STATEMENT	2015 \$m	2014 \$m
Revenue from continuing operations	2,238.7	2,090.1
Cost of sales of goods	(1,273.3)	(1,156.4)
Operating expenses	(833.8)	(771.3)
Profit before income tax	131.6	162.4
Profit attributable to Members of Super Retail Group Limited	81.1	108.4

BALANCE SHEET	2015 \$m	2014 \$m
Current assets	557.7	555.4
Non-current assets	1,025.4	1,019.4
Total assets	1,583.1	1,574.8
Current liabilities	323.5	317.7
Non-current liabilities	494.3	496.7
Total liabilities	817.8	814.4
Net assets	765.3	760.4
Equity		
Contributed equity	542.3	542.3
Reserves	13.2	7.7
Retained profits	212.8	210.4
Non-controlling interests	(3.0)	-
Total equity	765.3	760.4

CASH FLOW STATEMENT	2015 \$m	2014 \$m
Net cash (outflow) inflow from operating activities	182.0	167.2
Net cash (outflow) from investing activities	(71.9)	(118.7)
Net cash inflow (outflow) from financing activities	(121.1)	(46.9)
Net increase (decrease) in cash and cash equivalents	(11.0)	1.6
Cash and cash equivalents at end of year	13.1	24.2



AMART
SPORTS



Ray's
outdoors SINCE 1958

rebel

SUPERCHEAP
AUTO

SRC
Super Retail Commercial

