Results for the 53 weeks to 2nd July 2016

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Super Retail Group

Contents

Super Retail Group

Group Highlights

- Total group sales up by 8.2%
- Segment EBITDA up by 6.4%
- Normalised NPAT of $108.6 million up 2.2%

2015/16 results are for 53 weeks, pcp results are for 52 weeks

Sales LFL	15/16 (2)	14/15	13/14	12/13
Auto	4.4%	2.2%	2.4%	5.0%
Leisure	4.4%	-0.6%	-0.8%	2.9%
Sports(1)	6.3%	6.6%	2.6%	8.0%

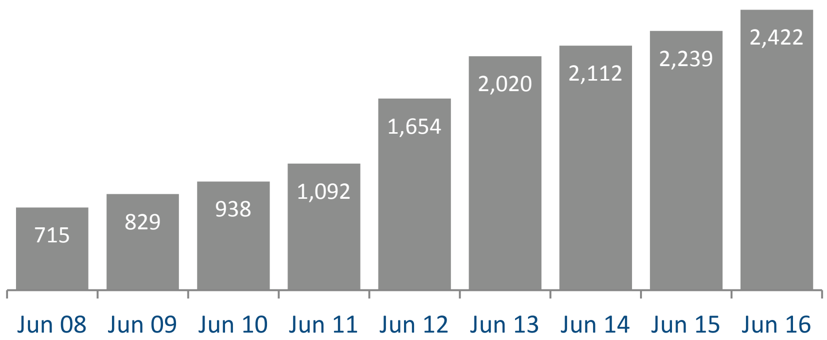
(1) Rebel and Amart only
(2) Like for Like 52 week basis

- Net Profit After Tax attributable to owners of $62.8 million
- Auto segment sales up by 8.0%, EBIT up by 9.0% to $104.6 million
- Sports segment sales up by 9.0%, EBIT up by 18.6% to $77.8 million
- Leisure segment sales up by 7.1% but investment in competitive pricing, inventory clearance and higher product costs resulting in EBIT decline of 42.4% to $18.6 million
- Restructuring and impairment costs of $45.8 million after tax associated with transformation of Rays and Infinite Retail businesses
- Operating cash flows of $159.2 million up by circa $15 million on a like for like basis
- $81.3 million cash invested in future growth in new stores and refurbishments
- Final Dividend of 21.5 cents, full year dividend of 41.5 cents, an increase of 3.8%

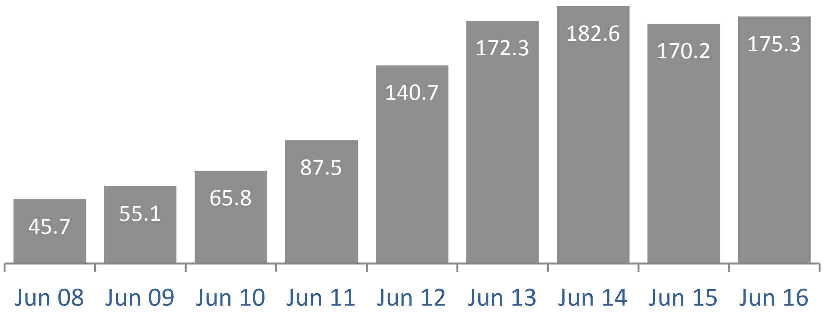
Performance Trends

Super Retail Group

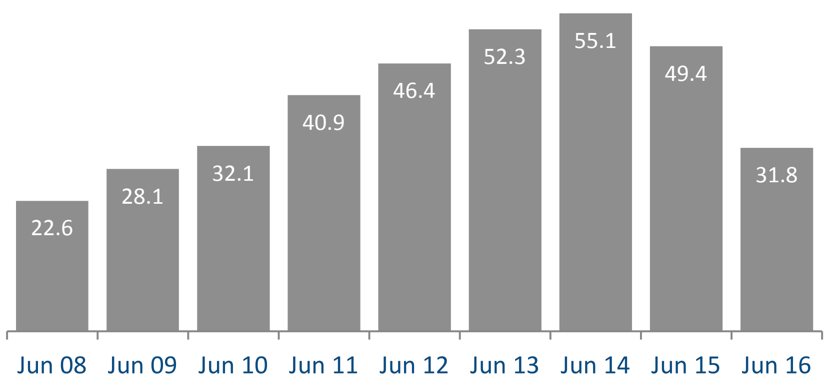
Reported Sales ($m)



Reported Total Segment EBIT ($m)

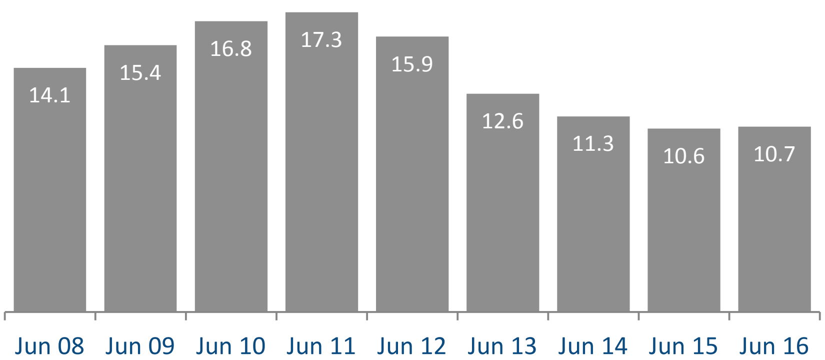


Reported EPS (c)



- Historical EPS adjusted to take into account the bonus element in the 2011 entitlement offer
- Jun 15 continuing operations only; Jun 14 not adjusted for discontinued operations

Reported Post Tax ROC (%)

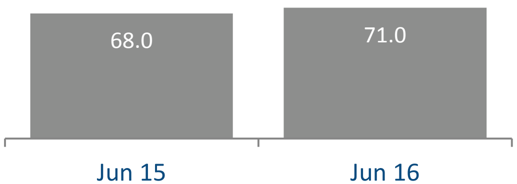


- Post Tax ROC adjustment due to capital calculation reclassification
- Jun 15 continuing operations only; Jun 14 not adjusted for discontinued operations

Performance Trends

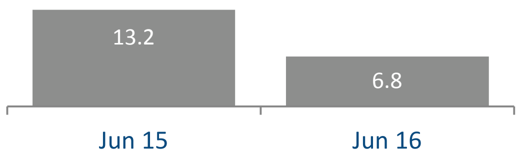
Team

Team Engagement

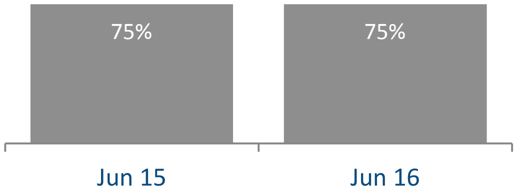


Safety

Lost Time Injury Frequency Rate

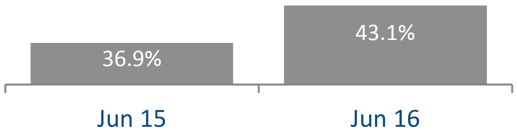


Team Retention



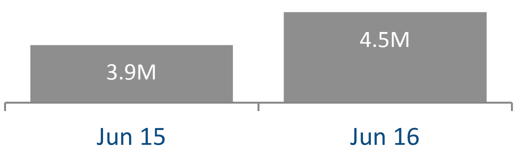
Customer

Average Net Promoter Score

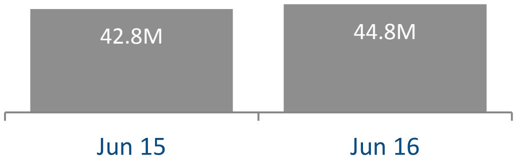


- Average of NPS scores of each Division

Active Club Members



Customer Transactions



Group Results

- Total Sales growth above market in all Divisions through a combination of new stores and solid like for like growth
- Group segment EBITDA increase driven by strong growth in Auto and Sports dampened by Leisure division and Group digital costs
- Normalised NPAT impacted by increased depreciation and amortisation costs due to the Group's investment in multi channel and continued store investment
- Ray's Outdoors and Infinite Retail business restructuring costs of $45.8m after tax are not included in normalised NPAT
- Operating cash flow circa $15m higher than PCP on a LFL basis after adjusting for week 53 net payments
- Full year dividend of 41.5 cents, representing payout ratio of 65% of underlying net profit after tax

	2015/16 $m	Change on PCP
Total Sales	2,422.2	8.2%
Total Segment EBITDA	245.7	6.4%
Total Segment EBIT	175.3	3.0%
Normalised NPAT	108.6	2.2%
Other items not included in Normalised NPAT	(45.8)	-
Profit attributable to owners – continued operations	62.8	(22.6%)
Operating Cash Flow	159.2	($22.8m)
Net External Debt	400.2	$21.3m
Dividend	41.5c	1.5c

Segment Results

	2015/16		2014/15	
	Sales $m	Segment EBIT $m	Sales $m	Segment EBIT $m
Auto Segment	922.8	104.6	854.3	96.0
Leisure Segment	581.9	18.6	543.2	32.3
Sports Segment	910.2	77.8	835.0	65.6
Group & Unallocated	7.3	(25.7)	6.2	(23.7)
Total Segment Result	2,422.2	175.3	2,238.7	170.2

Segment Results are net of non-controlling interests (EBIT only) and excludes the business restructuring costs for Ray's Outdoors and Infinite Retail. Refer the segment notes below.

Auto Retailing

- Strong like for like sales growth of 4.4% across all key metrics – driven by transactions and units. Second half sales growth stronger than first half
- Like for like sales growth was achieved in all business units with particular strong growth in Auto Maintenance
- Strong sales growth in Digital channel with a 84% increase on pcp
- EBITDA margin driven by gross margin improvements and operating cost control. Gross margin driven by product range and promotions management and sourcing initiatives to offset weaker Australian dollar
- Depreciation and amortisation costs higher in second half reflecting accelerated depreciation of assets in refurbishment stores
- Eight new stores, one store closure, 46 stores refurbished including 12 super stores – 307 stores at year end

	2015/16 $m	Change on PCP
Sales	922.8	8.0%
LFL Sales growth		4.4%
Segment EBITDA	133.2	11.6%
EBITDA margin %	14.4%	0.4%
Segment EBIT	104.6	9.0%
Segment EBIT margin %	11.3%	0.1%

Leisure Retailing

- Strong like for like sales growth of 4.4% with BCF at 5.5% and Ray's Outdoors/Rays at 1.3%
- BCF performance improving significantly in the 2nd half as revised pricing and promotional strategies implemented
- BCF sales growth driven by strong transaction and units per transaction increases despite challenging demand conditions in Queensland
- Traditional Ray's Outdoors stores delivering negative LFL sales growth outside of clearance activity. Three converted Rays trial stores collectively delivering target LFL uplift
- Ray's Outdoors contributing circa $7 million EBIT loss
- Depreciation and amortisation costs higher in second half reflecting accelerated depreciation of assets in refurbishment stores
- Four BCF stores opened, one closure and Ray's Outdoors/Rays net nil change. BCF 120 and Ray's Outdoors/Rays at 53 stores at year end

	2015/16 $m	Change on PCP
Sales	581.9	7.1%
LFL Sales growth		4.4%
Segment EBITDA	37.5	(23.2%)
EBITDA margin %	6.4%	(2.6%)
Segment EBIT	18.6	(42.4%)
Segment EBIT margin %	3.2%	(2.7%)

Segment results excludes restructuring costs – refer segment note in Annual Report

Leisure Performance Plan Update

BCF

	1st half	2nd half
LFL Sales growth	3.1%	8.2%
Gross margin vs pcp	-3.6%	-1.2%
EBITDA vs pcp	-$6.2m	+$0.6m
EBITDA margin vs pcp	-3.5%	-0.9%

- Strong improvement in 2nd half performance driven by revised pricing and promotions strategy
- Further opportunities being actioned including customer service levels, store refurbishments, range extensions and targeted marketing
- Rays repositioning presents further opportunities for BCF to extend its customer base

RAYS

- Ray's Outdoors closures completed in Tasmania, Western Australia and South Australia
- Closures in Queensland, New South Wales and Victoria due to complete late September
- Total of 21 stores to close, 11 stores to BCF, 5 stores to Amart Sports and one store to Supercheap Auto
- Of the total of 17 new format Rays stores, 15 will be trading in new format by December 2016. Remaining 2 stores subject to lease agreements
- New format stores profit delivery to date in accordance with business case
- Strong Net Promoter Score results – good response from customers visiting the stores

Sports Retailing

- Total Sales growth in Rebel and Amart Sports driven by total transaction growth of 3.2% and average transaction value growth of 3.3%
- Strong LFL growth across all major categories with particularly strong performance in footwear and apparel
- Strong sales growth in Digital channel with a 61% increase on pcp
- Rebel and Amart Sports EBITDA margin increase has been driven by gross margin improvements and operating cost control
- Infinite Retail ownership increased from 50.05% to 95% in early November 2015 and is now fully integrated into the Rebel operations – all loss making contracts fully provided
- Workout World was transformed into Rebel Fit during the period.
- During the period, three Rebel and five Amart Sports stores opened. Three Rebel and one Amart Sports store closed. 161 Rebel and Amart Sports stores at year end

	2015/16 $m	Change on PCP
Rebel, Amart Sports and Workout World		
Sales	882.4	9.5%
LFL Sales growth(1)		6.3%
EBITDA	105.2	18.7%
EBITDA margin %	11.9%	0.9%
EBIT	83.4	20.7%
EBIT margin %	9.5%	0.9%
Infinite Retail		
EBIT(2)	(5.6)	(2.1)m
Sports Segment EBIT	77.8	18.6%

(1) Rebel and Amart Sports Only
(2) Infinite Retail EBIT net of non-controlling interests

Group & Unallocated

- Group and Unallocated includes:
  - Corporate costs not allocated to segments
  - Commercial Operations
    - Super Retail Commercial
    - Oceania Bicycles
  - Digital Businesses
    - Fixed Price Car Service
    - Youcamp
    - Auzzie Outdoors
- Costs not allocated include corporate activities, un-utilised distribution centre space and investment in building the Group's digital capability
- Excess storage costs reducing over time reflecting business growth and lease expiries
- Investment in the Group's digital initiatives have been expensed rather than capitalised due to the early development phases of the projects/investments and the uncertain return

	2015/16 $m	Change on PCP
Sales	7.3	17.7%
		$m
EBITDA	(25.3)	(2.3)
EBIT	(25.7)	(2.0)
Comprising:		
Corporate costs	(6.9)	(1.4)
Unutilised storage	(8.0)	4.4
Digital	(8.2)	(3.7)
Other Group costs	(2.6)	(1.3)

Group Cash Flow

- Operating cash flow (pre store set up investment) is circa $26m higher than PCP on a LFL basis (excluding week 53 net payments)
- Strong underlying operating cash flow performance has funded investment in new stores and operational capital expenditures
- New and refurbished store investment of $81.3m is fully funded out of operating cash flows. Store refurbishment returns continue to support the larger refurbishment programs in Auto and Sports
- Investment in new and refurbished store capex is split: $25.6m in Auto, $16.2m in Leisure and $14.3m in Sports
- Other capital expenditure is lower due to completion of the new distribution centres
- Investment in building digital capability has been expensed rather than capitalised
- Debt position has increased slightly due to timing of the financial close as noted earlier

	2015/16 $m	2014/15 $m
Operating cash flow (pre store set up investment)	184.4	196.2
Store set up investment	(25.2)	(14.2)
Operating cash flow	159.2	182.0
Stores	(56.1)	(38.8)
Other Capex	(23.8)	(33.1)
Business acquisition	0.0	0.0
Investing Cash flow	(79.9)	(71.9)
Dividends & interest	(100.3)	(100.5)
Ext Debt (repay)/proceeds	23.3	(20.6)
Financing Cash flow	(77.0)	(121.1)
Net Cash flow	**2.3**	**(11.0)**

Group Balance Sheet

Super Retail Group

- Inventory performance has been sound accommodating an increased cost base from Australian dollar weakening and growth in private brand volumes
- SCA average $ inventory per store is consistent with June 2015
- Leisure average $ inventory per store has reduced by 6.2% assisted by clearance programs in Ray's Outdoors and BCF
- Core Sports stores (excluding Workout World and Infinite) $ inventory per store was 0.4% higher than June 2015 to support increase in sales and to ensure July transition to new season position
- Net debt increased compared to June 2015 due to timing of both purchases and of payment cycles as a result of the 53rd week impact of circa $38m
- Increase in PP&E and Computer Equipment primarily relates to ongoing capital expenditure in new and refurbished stores

	Jun 16 $m	Jun 15 $m
Inventory		
- Auto Retailing	188.7	183.3
- Leisure Retailing	145.8	153.8
- Sports Retailing	162.7	161.8
- Group & Unallocated	4.7	6.7
Total Inventory	501.9	505.6
Trade and other payables	(251.1)	(268.6)
Net inventory investment	250.8	237.0

Property, Plant and Equipment & Computer Software	315.2	311.2

Net External Debt	400.2	378.9

Returns & Capital Ratios

Super Retail Group

- All debt funding is compliant with financial covenants
- Fixed charge cover ratio based on reported EBITDAL is 1.69 which is above covenant
- Average net debt improvement is due to working capital improvements through the year
- Return on Capital remains below targeted level but above WACC
- Effective AUD/USD rate for the period was 0.76, down from 0.86 in pcp. The AUD/USD hedge rate for next 12 months circa 0.72
- Effective tax rate was 33.9% due to non recognised tax losses incurred in joint venture businesses or in overseas jurisdictions. This includes losses in Fixed Price Car Service, Youcamp, Auzzie Outdoors and Infinite Retail. The effective tax rate is expected to return to normalised levels approximating 30% in future years.

	2015/16	2014/15
Normalised EPS	55.1c	54.0c
Basic EPS from continuing operations	31.8c	41.2c
Fixed charge cover – normalised EBITDAL	1.93x	1.89x
Average Net Debt	$405m	$435m
	Jun 16	**Jun 15**
Net Debt : Capital – continuing operations		
- Headline	35.3%	33.1%
- Adjusted(1)	71.6%	68.4%
Reported Annualised Post Tax Return on Capital (ROC)(2)	10.7%	10.6%

(1) Adjusted capital includes leases capitalised into debt at 6x annual charge

(2) Based on Normalised Net Profit After Tax

Segment Note 2015/16

For the period ended 2 July 2016	Auto $m	Leisure $m	Sports $m	Total continuing operations $m	Inter-segment eliminations/ unallocated $m	Consolidated $m
Segment Revenue and Other Income						
External segment revenue	**922.8**	**581.9**	**910.2**	**2,414.9**	**7.9**	**2,422.8**
Inter segment sales	**-**	**-**	**-**	**-**	**(0.6)**	**(0.6)**
Other income	**-**	**-**	**0.9**	**0.9**	**0.7**	**1.6**
Total segment revenue and other income	**922.8**	**581.9**	**911.1**	**2,415.8**	**8.0**	**2,423.8**
Segment EBITDA[1]	**133.2**	**37.5**	**100.3**	**271.0**	**(25.3)**	**245.7**
Segment depreciation and amortisation[2]	**(28.6)**	**(18.9)**	**(22.5)**	**(70.0)**	**(0.4)**	**(70.4)**
Segment EBIT result	**104.6**	**18.6**	**77.8**	**201.0**	**(25.7)**	**175.3**
Net finance costs						**(19.4)**
Total segment NPBT						**155.9**
Segment income tax expense[3]						**(47.3)**
Normalised NPAT						**108.6**
Other items not included in the total segment NPAT[4]						**(45.8)**
Profit for the period attributable to:						
Owners of Super Retail Group Limited						**62.8**
Non-controlling interests						**(4.8)**
Profit for the period						**58.0**

(1) Adjusted for business restructuring costs of $43.3 million and the $20.0 million impairment charge for the Ray's Outdoors brand, refer to note 11 – Intangible assets.

(2) Adjusted for NCI depreciation of $0.9 million and $14.9 million provision for depreciation relating to business restructuring.

(3) Excludes $17.5 million relating to the tax effect of business restructuring costs with a value of $63.3 million.

(4) Includes $63.3 million of business restructuring costs (including $20.0 million impairment) and the associated income tax benefit of $17.5 million.

Segment Note 2014/15

For the period ended 27 June 2015	Auto $m	Leisure $m	Sports $m	Total continuing operations $m	Inter-segment eliminations/ unallocated $m	Consolidated $m
Segment Revenue and Other Income						
External segment revenue	854.3	543.2	835.0	2,232.5	8.2	2,240.7
Inter segment sales	-	-	-	-	(2.0)	(2.0)
Other income	0.7	-	0.9	1.6	0.9	2.5
Total segment revenue and other income	855.0	543.2	835.9	2,234.1	7.1	2,241.2
Segment EBITDA[(1)]	119.4	48.8	85.8	254.0	(23.0)	231.0
Segment depreciation and amortisation[(2)]	(23.4)	(16.5)	(20.2)	(60.1)	(0.7)	(60.8)
Segment EBIT result	96.0	32.3	65.6	193.9	(23.7)	170.2
Net finance costs[(3)]						(21.6)
Total segment NPBT						148.6
Segment income tax expense[(4)]						(42.3)
Normalised NPAT						106.3
Other items not included in the total segment NPAT[(5)]						(9.0)
Loss from discontinuing operations						(16.2)
Profit for the period attributable to:						
Owners of Super Retail Group Limited						81.1
Non-controlling interests						(4.2)
Profit for the period						76.9

[(1)]Adjusted for business restructuring costs for continuing operations and discontinuing operations.

[(2)]Adjusted for expenses pertaining to discontinued operations of $5.9 million and business restructuring costs for continuing operations of $0.4m.

[(3)]Adjusted for non-controlling interest (NCI) interest of $0.3 million).

[(4)]Segment income tax expense of $42.3 million excludes $3.8 million relating to the tax effect of business restructuring costs with a value of $12.8 million, refer to (i) below.

[(5)]Includes $12.8 million of business restructuring costs, the related income tax effect of $3.8 million.

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Super Retail Group

2016/17 Trading Update

Auto Retailing

- LFL sales growth in the first 7 weeks of 2016/17 circa 3.5%
- SCA store development: plan to open 15 new stores and close one store, 50 refurbishments, extensions and relocations

Leisure Retailing

- LFL sales growth in the first 7 weeks of 2016/17 circa 10.0%
- 1st quarter Ray's Outdoors clearance will boost its LFL sales growth but dampen BCF's LFL sales growth
- Ray's Outdoors clearance activity and store closures are on track
- Store development plan to open 14 BCF stores (3 new sites and 11 conversions for Ray's Outdoors sites)

Sports Retailing

- LFL sales growth in the first 7 weeks of 2016/17 circa 4.0%
- Store development: plan to open two new Rebel stores and 12 Amart Sports stores (including 5 conversion of Ray's Outdoors sites)

Group

- Group Unallocated costs to be circa $21m, including Corporate $8m, unutilised distribution centre storage $5m, Digital $5m, and Other $2m
- Planned capital expenditure of circa $115m to support the larger store development program, Rays transformation and investment in information systems

Contents

Super Retail Group

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%

OUR FINANCIAL TARGETS

- To deliver compound annual growth in EPS of greater than 15%
- To grow return on capital to greater than 15%

OUR VALUES

- Passion
- Openness
- Integrity
- Care
- Discipline

Strategic Pillars

	TODAY	5 YEAR PLAN
Solutions that engage and inspire our customers	Market leading retail brands in all our categories (apart from outdoor adventure)	Group wide focus on driving customer endorsement through team and customer engagement
	Strong portfolio of existing stores in the right location for our target customers	Opening circa 150 new stores over the next 5 years
	In store experience that benchmarks strongly against best in class for our categories	Continual focus on improving customer experience through the store refurbishment program – circa 80 stores per annum
	First to market access to the best products through our strong partnerships with our trade partners and our sourcing and supply chain capabilities	Continual focus on developing our trade partner partnerships
	Market leading digital engagement with our retail brands – conversion currently below par	Developing ecommerce customer experience and fulfilment capabilities
	Extension of our offer into physical services to provide customer solutions	Increasing range of services provided in store and out of store through partnering with 3rd party providers
	Early exploration of digital business models extending service offering	Continued development of digital businesses and in developing interactive digital communities based around leisure passions

Strategic Pillars

Super Retail Group

Customer Understanding and Insight

TODAY	5 YEAR PLAN
Deep understanding of our target customers across all categories	Growing active membership and lifetime value
Large active membership of loyalty programs: Auto – 1.2 million active Leisure – 1.5 million active Sports – 1.8 million active	Strengthening in-house capabilities to generate insights to improve the customer experience and maximise customer lifetime value
Basic in-house customer analytics capability	

Leading Private and Exclusive Brands

TODAY	5 YEAR PLAN
Strong portfolio of private brands: Auto circa 42% of sales Leisure circa 36% of sales Sports circa 14% of sales	Strong portfolio of differentiated private brands: Auto circa 50% of sales Leisure circa 40% of sales Sports circa 25% of sales
Exclusive access to selected international brands	Secure additional exclusive international brands

Strategic Pillars

	TODAY	5 YEAR PLAN
Agile and Efficient Supply Chain	Distribution centre and freight network to support business plans are built and operational	$20m cost savings driven through productivity, freight efficiencies and sports integration
	Best of breed warehouse management and forecasting and replenishment systems	Further $55m to $80m net inventory reduction delivered from existing capabilities and new allocations management systems
	Some Sports logistics managed by 3PL	Multi channel fulfilment capability that meets customer expectations

	TODAY	5 YEAR PLAN
Engaged and Capable Team	Strong corporate culture built around core values and vision	Evolving culture to support changing business model and team member expectations - customer centricity, collaboration and agility
	High levels of team member engagement and retention	Enhanced leadership and capability development
	Improving performance across safety and diversity	Sustained engagement and retention with improved safety and diversity

Strategic Pillars

	TODAY	5 YEAR PLAN
Strong, Sustainable and Efficient Foundations	Strong cost control disciplines across the Group	$10m group wide procurement and productivity savings program
	Strong performance framework and IT infrastructure that supports traditional product and physical channel business model	Developing performance management framework to support evolving business model
		IT Transformation: • Establish 3rd party managed data centre • Implementation of a new digital platform, middleware, business analytics and allocations systems • Enhanced cyber security management
	Compliant sustainability and ethical souring practices	Enhanced sustainability and ethical sourcing governance

Delivering our Financial Targets

5 Year Target	Store Numbers	LFL Growth	EBIT Margin	Pre Tax ROC % *
Auto	**350**	**>3% PA**	**12%**	**> 50%**
Leisure	**220**	**>3% PA**	**11%**	**> 30%**
Sports	**230**	**>4% PA**	**11%**	**> 30%**

* excludes acquired goodwill and brand names

Opportunities

- Growing store numbers to over 800
- Delivering LFL growth of 3% to 4%
- Eliminate Group transformation costs
- Deliver $20m saving in supply chain costs
- Grow private brand to hit divisional targets
- Developing digital businesses to over 15% of sales
- Reposition Rays
- Amart Sports scale and profitability in new markets
- Complete Workout World integration into Rebel
- Group costs efficiencies targeting $10m
- Achieve $75m to $100m working capital savings
- Range management and sourcing initiatives
- Effective change management

Challenges

- Increased investment in digital and technology
- Investment in in-store customer experience
- Lower domestic growth
- Consumer confidence
- Weakening Australian dollar
- Competitive intensity

Compared to 2014/15 base