SUPER RETAIL GROUP LIMITED (SUL)
INTERIM REPORT

FOR THE 26 WEEK PERIOD ENDED 27 DECEMBER 2014

SECTION A

APPENDIX 4D
INTERIM REPORT

SUPER RETAIL GROUP LIMITED (SUL)

ABN 81 108 676 204

Statistical Results

Current Reporting Period:	From 29 June to 27 December 2014
Previous Reporting Period:	From 30 June to 28 December 2013

Results for Announcement to the Market

		Amount $m
Revenue from ordinary activities	Up 5.7% to	1,158.7
Profit from ordinary activities after tax attributable to members	Down 45.5% to	33.6
Net profit for the period attributable to members	Down 45.5% to	33.6

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

Dividends – Ordinary Shares

	Amount per security	**Franked amount per security**
2014 Final dividend declared 20 August 2014 (paid 2 October 2014)	21.5¢	21.5¢
2015 Interim dividend declared 18 February 2015 (payable 2 April 2015)	18.5¢	18.5¢
Record date for determining entitlements to the interim dividend	2 March 2015	

The Company has a Dividend Reinvestment Plan.

Net Tangible Assets per Security

	December 2014 $	**June 2014 $**
Net tangible assets per security	0.16	0.14

Financial Information

The Appendix 4D should be read in conjunction with the Interim Financial Report for the 26 weeks ending 27 December 2014 as set out on pages 3 to 22.

Foreign Entities

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

SECTION A

APPENDIX 4D
INTERIM REPORT (CONTINUED)

Information on Audit or Review

The Interim Financial Report is based on accounts which have been subject to review.

Control gained or lost over entities during the period

(a) Names of entities where control was gained in the period

Entity	Place of Incorporation	Date of Control
Infinite Retail Pty Ltd[1]	Australia	14 July 2014
Fixed Price Car Service Australia Pty Ltd[2]	Australia	24 December 2014

[1] An additional 2 shares were acquired on 14 July 2014, resulting in the ownership interest in Infinite Retail Pty Ltd (formerly known as VBM Retail Pty Ltd) increasing to 50.05%. The entity changed from being an associate to a controlled entity.

[2] The Group acquired a 51% shareholding in Fixed Price Car Service Australia Pty Ltd. Refer to note 19 of the consolidated financial statements, Business Combinations.

(b) Names of entities where control was lost in the period

No entities were disposed of due to loss of control during the period.

SECTION B

SUPER RETAIL GROUP LIMITED
INTERIM FINANCIAL REPORT
FOR THE 26 WEEKS ENDED 27 DECEMBER 2014

Contents

DIRECTORS' REPORT

The Directors of Super Retail Group Limited submit herewith the Interim Financial Report for the 26 week period ended 27 December 2014.

DIRECTORS

The names of the Directors of the Company during or since the end of the period are:
R J Wright
P A Birtles
R A Rowe
R J Skippen
S A M Pitkin
R A Murray

FINANCIAL AND OPERATIONAL REVIEW

The reported total comprehensive income for the period attributable to Owners of Super Retail Group was $33.6 million (2013: $61.6 million). The total comprehensive income for the period attributable to Owners of Super Retail Group Limited adjusted for business restructuring costs was $58.1 million, a decline of 5.7% on the comparative period.

An analysis of the interim period's financial performance is:-

	Reported profit for the period	**Leisure division restructure**	**Profit before business restructuring costs**
Financial Performance	**$m**	**$m**	**$m**
Profit/(loss) before tax	55.4	(26.9)	82.3
Income tax (expense)/benefit	(22.3)	2.4	(24.7)
Profit/(loss) for the period	**33.1**	**(24.5)**	**57.6**
Loss attributable to non-controlling interests	0.5	-	0.5
Profit/(loss) after tax attributable to Owners of Super Retail Group Limited	**33.6**	**(24.5)**	**58.1**

Leisure Division Restructure

During the interim period Super Retail Group Limited conducted a strategic review of both the Ray's Outdoors and FCO Fishing Camping Outdoors (FCO) businesses.

The Group will be exiting the FCO business and has provided $19.2 million associated with the closure of FCO in New Zealand. This provision comprises of $6.1 million for inventories, $5.7 million for property, plant and equipment, $7.4 million for onerous leases.

The strategic review of Ray's Outdoors has determined to reposition Ray's Outdoors from a broad camping and outdoor offering to 'an Australian adventure for all' retail offering built around a wide range of quality outdoor products at constant fair value. Five stores have been identified as requiring closure or relocation and inventory lines have been identified to be exited under the new strategic direction resulting in a provision of $7.7 million. This provision comprises of $3.9 million for inventories, $1.0 million for property, plant and equipment, $2.8 million for onerous leases.

Revenue Analysis

Sales for the period were $1,158.7 million (2013: $1,096.5 million), an increase of 5.7%.

The Auto Division had sales of $431.5 million which represented an increase of 4.0% over the prior comparative figure, the Leisure Division had sales of $302.1 million which represented an decrease of 1.6% over the prior comparative figure and the Sports Division had sales of $421.5 million which represented an increase of 13.9% over the prior comparative figure.

Included in the Sports Division was the fully consolidated results for Infinite Retail Pty Ltd which became a controlled entity on 14 July 2014.

DIRECTORS' REPORT (CONTINUED)

FINANCIAL AND OPERATIONAL REVIEW (CONTINUED)

Store Movements

	Stores 28/6/2014	Opened/Acquired	Closed	Stores 27/12/2014
Supercheap Auto	291	6	-	297
BCF	114	3	-	117
Ray's Outdoors	57	-	-	57
FCO New Zealand	13	-	-	13
Rebel	92	-	(1)	91
Rebel Fit	1	-	-	1
Amart Sports	51	3	(1)	53
Workout World	22	1	-	23
Group	**641**	**13**	**(2)**	**652**

Auto Retailing

Sales increased by 4.0% to $431.5 million.

Like for like sales growth was 2.1%, building on like for like growth of 2.3% in the prior comparative period. During the 26 week period, the division opened 6 new stores and refurbished 13 others, resulting in 297 stores trading at the end of December 2014.

EBITDA grew by 1.7% to $55.4 million, with the EBITDA margin decreasing by 0.3% points.

Gross margins increased by 0.1% points over the prior comparative period as the division benefited from its continued focus on product range management, private brand development and sourcing initiatives to offset the impact of the weaker Australian dollar.

Operating costs as a percentage of sales, increased by 0.4% points reflecting higher property and team costs partly offset by continued savings in marketing and administration.

Leisure Retailing

Sales decreased by 1.6% to $302.1 million, with like for like sales declining by 5.1%.

Three new BCF stores were opened during the 26 week period bringing total stores across the division to 187 at the end of December 2014. The like for like sales trend improved during the half, being negative 8.0% for the first 16 weeks and then negative 2.3% for the final ten weeks of the half, as the impact of new store cannibalisation diminished.

EBITDA before business restructuring costs fell by 6.8% to $29.0 million with EBITDA margin decreasing by 0.5% points.

Gross margin increased by 1.1% points reflecting a strong focus on promotional margin management in the lead up to Christmas, particularly in the BCF business.

Operating costs, as a percentage of sales, were 1.6% points higher than the prior comparative period driven by a decline in operating leverage as a consequence of the negative like for like sales growth.

Sports Retailing

Sales increased by 13.9% to $421.5 million.

Like for like sales increased by 6.1% over the 26 week period with particularly strong growth towards the end of the half.

Three Amart Sports stores were opened and one Workout World ex-franchise store was acquired. One Rebel and one Amart Sports store were closed. The division had 168 stores trading by the period end.

EBITDA grew by 4.6% to $48.3 million with EDITDA margin lower by 1.0% points.

Gross margin at 45.1% was 1.2% points below the prior comparative period with 0.5% points arising from the investment in driving like for like sales to such a strong outcome in the Rebel and Amart Sports businesses and 0.7% points resulting from the lower margin Infinite Retail business which has been consolidated into the division's results for the first time.

Operating costs as a percentage of sales were slightly below the prior comparative period.

DIRECTORS' REPORT (CONTINUED)
FINANCIAL AND OPERATIONAL REVIEW (CONTINUED)

Group and Unallocated

Group costs at $9.0 million were $2.4 million higher than the prior comparative period. The increase was driven by costs associated with increases in corporate costs, unutilised distribution centre space, the review of the Ray's Outdoors and FCO businesses and an external review of the Group's change management approach.

The Group completed the acquisition of 51% of the Fixed Price Car Service business, an online car servicing booking portal, in December 2014.

Cash Flow and Net Debt

Operating cash flow pre store investment and business acquisition costs at $148.9 million was $23.2 million lower than the prior comparative period. Inventory levels continue to be too high across the Group, particularly in the Leisure and Sports divisions and it is expected that levels will reduce in the second half of the financial year.

Closing net debt of $337.2 million was $43.8 million higher than at the end of December 2013, reflecting the increased investment in inventory. The Group invested a further $25.8 million in new and refurbished stores during the half and $21.5 million in general capital expenditure projects, mainly associated with multi-channel business capability development.

Net debt is comfortably within the Group's facility limits and all associated banking covenants have been achieved. During the period the Group modified its core debt facility by increasing the facility to $635.0 million and extending tenor on improved terms.

The Group Strategy and Material Business Risks remain consistent with those disclosed in the 2014 Annual Report.

DIVIDENDS

On 18 February 2015, the Directors declared a dividend of 18.5 cents fully franked. The dividend will be paid on 2 April 2015.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report and consolidated interim financial statements. Amounts rounded are rounded off to the nearest hundred thousand dollars.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is included at page 7 of this report.

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

On behalf of the Directors:

R J Wright
Chairman

P A Birtles
Group Managing Director and Chief Executive Officer

Brisbane
18 February 2015

Auditor's Independence Declaration

As lead auditor for the review of Super Retail Group Limited for the half-year ended 27 December 2014, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

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

K Challenor

Kim Challenor
Partner
PricewaterhouseCoopers

Brisbane
18 February 2015

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CONSOLIDATED COMPREHENSIVE INCOME STATEMENT
For the 26 weeks ended 27 December 2014

	Notes	27 December 2014 $m	28 December 2013 $m
Revenue from continuing operations	4	**1,158.7**	1,096.5
Other income	5	**1.0**	1.1
Total revenues and other income		**1,159.7**	1,097.6
Expenses			
Cost of sales of goods		**657.9**	610.4
Other expenses from ordinary activities:			
- selling and distribution		**149.9**	138.4
- marketing		**50.3**	52.0
- occupancy		**101.6**	84.3
- administration		**132.8**	111.2
Net finance costs		**11.8**	13.1
Share of net loss of associates accounted for using the equity method		**-**	0.2
Total expenses		**1,104.3**	1,009.6
Profit before income tax		**55.4**	88.0
Income tax expense	7	**(22.3)**	(26.4)
Profit for the period		**33.1**	61.6
Profit for the period is attributable to:			
Owners of Super Retail Group Limited		**33.6**	61.6
Non-controlling interests		**(0.5)**	-
		33.1	61.6
Other comprehensive income			
Items that may be reclassified to profit or loss			
Changes in the fair value of cash flow hedges		**5.6**	(1.3)
Exchange differences on translation of foreign operations		**1.8**	4.5
Other comprehensive income for the period, net of tax		**7.4**	3.2
Total comprehensive income for the period		**40.5**	64.8
Total comprehensive income for the period is attributable to:			
Owners of Super Retail Group Limited		**41.0**	64.8
Non-controlling interests		**(0.5)**	-
		40.5	64.8
Earnings per share for profit attributable to the ordinary equity holders of the company		**Cents**	Cents
Basic earnings per share		**17.0**	31.3
Diluted earnings per share		**16.9**	31.1

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

CONSOLIDATED BALANCE SHEET
As at 27 December 2014

	Notes	27 December 2014 $m	28 June 2014 $m
ASSETS			
Current assets			
Cash and cash equivalents	8	**71.1**	24.2
Trade and other receivables	9	**47.7**	41.1
Derivative financial instruments		**5.7**	-
Inventories	10	**578.8**	490.1
Total current assets		**703.3**	555.4
Non-current assets			
Trade and other receivables	9	**-**	3.7
Investments accounted for using the equity method		**-**	4.7
Property, plant and equipment	11	**212.4**	197.6
Intangible assets	12	**808.7**	813.4
Total non-current assets		**1,021.1**	1,019.4
Total assets		**1,724.4**	1,574.8
LIABILITIES			
Current liabilities			
Trade and other payables	13	**408.6**	278.4
Interest-bearing liabilities	14	**3.4**	2.7
Current tax liabilities	15	**9.7**	1.1
Derivative financial instruments		**4.0**	6.3
Provisions	16	**37.4**	29.2
Total current liabilities		**463.1**	317.7
Non-current liabilities			
Trade and other payables	13	**29.0**	27.0
Interest-bearing liabilities	14	**404.9**	404.1
Deferred tax liabilities		**46.4**	52.6
Provisions	16	**20.6**	13.0
Total non-current liabilities		**500.9**	496.7
Total liabilities		**964.0**	814.4
NET ASSETS		**760.4**	760.4
EQUITY			
Contributed equity	17	**542.3**	542.3
Reserves		**15.9**	7.7
Retained earnings		**201.7**	210.4
Capital and reserves attributable to owners of Super Retail Group Limited		**759.9**	760.4
Non-controlling interests		**0.5**	-
TOTAL EQUITY		**760.4**	760.4

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the 26 weeks ended 27 December 2014

	Contributed Equity $m	Reserves $m	Retained Earnings $m	Total $m	Non-Controlling Interests $m	Total Equity $m
Balance at 29 June 2013	542.3	9.5	179.7	731.5	-	731.5
Profit for the period	-	-	61.6	61.6	-	61.6
Other comprehensive income for the period	-	3.2	-	3.2	-	3.2
Total comprehensive income for the period	-	3.2	61.6	64.8	-	64.8
Transactions with owners in their capacity as owners						
Dividends provided for or paid	-	-	(41.3)	(41.3)	-	(41.3)
Employee performance rights	-	0.5	-	0.5	-	0.5
Acquisition of non-controlling interests	-	-	-	-	-	-
	-	0.5	(41.3)	(40.8)	-	(40.8)
Balance at 28 December 2013	542.3	13.2	200.0	755.5	-	755.5
Balance at 28 June 2014	**542.3**	**7.7**	**210.4**	**760.4**	**-**	**760.4**
Profit for the period	**-**	**-**	**33.6**	**33.6**	**(0.5)**	**33.1**
Other comprehensive income for the period	**-**	**7.4**	**-**	**7.4**	**-**	**7.4**
Total comprehensive income for the period	**-**	**7.4**	**33.6**	**41.0**	**(0.5)**	**40.5**
Transactions with owners in their capacity as owners						
Dividends provided for or paid	**-**	**-**	**(42.3)**	**(42.3)**	**-**	**(42.3)**
Employee performance rights	**-**	**0.8**	**-**	**0.8**	**-**	**0.8**
Acquisition of non-controlling interests	**-**	**-**	**-**	**-**	**1.0**	**1.0**
	-	**0.8**	**(42.3)**	**(41.5)**	**1.0**	**(40.5)**
Balance at 27 December 2014	**542.3**	**15.9**	**201.7**	**759.9**	**0.5**	**760.4**

The above consolidated statement of changes in equity must be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS
For the 26 weeks ended 27 December 2014

	Notes	27 December 2014 $m	28 December 2013 $m
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**1,280.6**	1,200.7
Payments to suppliers and employees (inclusive of goods and services tax)		**(1,010.5)**	(921.2)
Rental payments:			
- external		**(101.7)**	(91.0)
- related parties		**(5.4)**	(5.4)
Income taxes paid		**(22.3)**	(26.3)
Net cash inflow from operating activities		**140.7**	156.8
Cash flows from investing activities			
Payments for property, plant and equipment and software		**(39.1)**	(61.2)
Payments for business acquired (net of cash acquired)		**(1.5)**	(4.2)
Net cash (outflow) from investing activities		**(40.6)**	(65.4)
Cash flows from financing activities			
Proceeds from borrowings		**401.9**	443.0
Repayment of borrowings		**(399.5)**	(438.3)
Finance lease payments		**(1.2)**	(1.6)
Net interest paid		**(12.2)**	(13.1)
Dividend paid to Company's shareholders		**(42.3)**	(41.3)
Net cash (outflow) from financing activities		**(53.3)**	(51.3)
Net increase in cash and cash equivalents		**46.8**	40.1
Cash and cash equivalents at the beginning of the period		**24.2**	22.3
Effects of exchange rate changes on cash and cash equivalents		**0.1**	0.3
Cash and cash equivalents at the end of the interim period	8	**71.1**	62.7

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the 26 weeks ended 27 December 2014

1. Reporting entity

Super Retail Group Limited (the Company) is a company domiciled in Australia. The address of the Company's registered office and principal place of business is 751 Gympie Road, Lawnton, Queensland.

The condensed consolidated interim financial report of the Company as at and for the period ended 27 December 2014 comprises: the Company and its subsidiaries (together referred to as the Group, and individually as Group entities).

The Group is a for-profit entity and is primarily involved in the retail industry. Principal activities of the Group consist of:

- retailing of auto parts and accessories, tools and equipment;
- retailing of boating, camping, outdoor equipment, fishing equipment and apparel; and
- retailing of sporting equipment, bicycles, bicycle accessories and apparel.

2. Basis of preparation of interim financial report

This condensed consolidated interim financial report for the 26 week period ended 27 December 2014 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standard *AASB 134: Interim Financial Reporting.*

The condensed consolidated interim financial report does not include full disclosures of the type normally included in an annual financial report. Accordingly, it is recommended that this interim financial report be read in conjunction with the annual financial report for the period ended 28 June 2014 and any public announcements made by Super Retail Group Limited and its controlled entities during the interim reporting period in accordance with continuous disclosure requirements arising under the *Corporations Act 2001.*

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period unless otherwise stated below.

New and amended standards adopted by the Group
The following new accounting standards and amendments to accounting standards became applicable in the current reporting period.

- *AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* amends *AASB 132 Financial Instruments: Presentation* to clarify some of the requirements for offsetting financial assets and financial liabilities in the balance sheet. The Group has applied the new rules effective 1 July 2014 and has assessed there are no significant impacts for the Group.

- *AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* amends chapters 1 and 3 of the IASB's Conceptual Framework for Financial Reporting into the AASB's Framework for the Preparation and Presentation of Financial Statements and removes Australian specific guidance on materiality from *AASB 1031 Materiality*. The Group has applied the new rules effective 1 July 2014 and has assessed there are no significant impacts for the Group.

- *AASB 2014-1 Amendments to Australian Accounting Standards Part A: Annual Improvements 2010-2012 and 2011-2013 cycles.* In June 2014 the AASB approved a number of amendments to Australian Accounting Standards as a result of the annual improvements project. The Group has applied the new rules effective 1 July 2014 and has assessed there are no significant impacts for the Group.

Certain new accounting standards and interpretations have been published that are not mandatory to the 31 December 2014 reporting period and have not been early adopted by the Group. This includes:

- *AASB 9 Financial Instruments* (AASB 9) which addresses the classification, measurement and de-recognition of financial assets and financial liabilities and new rules for hedge accounting. The new standard must be applied for financial years commencing on or after 1 January 2018. The Group has not yet assessed how its own hedging arrangement would be affected by the new rules, and it has not yet decided whether to adopt AASB 9 early. In order to apply the new hedging rules, the Group would have to adopt AASB 9 and the consequential amendments to *AASB 7 Financial Instruments: Disclosures* and *AASB 139 Financial Instruments: Recognition and Measurement* in their entirety.

- *IFRS 15 Revenue from Contracts with Customers* establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. Application of the standard is available for early adoption and is mandatory for annual reporting periods from 1 January 2017.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Segment information

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Group Managing Director and Chief Executive Officer that are used to make strategic decisions. This results in the following business segments:
Auto: retailing of auto parts and accessories, tools and equipment;
Leisure: retailing of boating, camping, outdoor equipment, fishing equipment and apparel; and
Sports: retailing of sporting equipment, bicycles, bicycle accessories and apparel.

(b) Segment information provided to the Group Managing Director and Chief Executive Officer

The segment information provided to the Group Managing Director and Chief Executive Officer for the reportable segments is set out below:

For the period ended 27 December 2014	Auto $m	Leisure $m	Sports $m	Total continuing operations $m	Inter-segment eliminations/ unallocated $m	Consolidated $m
Segment Revenue						
Sales to external customers	**431.5**	**302.1**	**421.5**	**1,155.1**	**5.1**	**1,160.2**
Inter segment sales	**-**	**-**	**-**	**-**	**(1.5)**	**(1.5)**
Other income	**0.2**	**-**	**0.2**	**0.4**	**0.6**	**1.0**
Total revenue and other income	**431.7**	**302.1**	**421.7**	**1,155.5**	**4.2**	**1,159.7**
EBITDA before business restructuring	**55.4**	**29.0**	**48.3**	**132.7**	**(8.7)**	**124.0**
Depreciation and amortisation expense before business restructuring	**(11.2)**	**(8.7)**	**(9.7)**	**(29.6)**	**(0.3)**	**(29.9)**
EBIT before business restructuring	**44.2**	**20.3**	**38.6**	**103.1**	**(9.0)**	**94.1**
Business restructuring costs[1]	**-**	**(26.9)**	**-**	**(26.9)**	**-**	**(26.9)**
Segment result (pre-finance costs)	**44.2**	**(6.6)**	**38.6**	**76.2**	**(9.0)**	**67.2**
Finance costs						**(11.8)**
Profit before income tax						**55.4**
Income tax expense						**(22.3)**
Profit for the period						**33.1**
Non-controlling interest losses						**0.5**
Profit attributable to owners						**33.6**

For the period ended 28 December 2013	Auto $m	Leisure $m	Sports $m	Total continuing operations $m	Inter-segment eliminations/ unallocated $m	Consolidated $m
Segment Revenue						
Sales to external customers	415.0	306.9	370.2	1,092.1	4.8	1,096.9
Inter segment sales	-	-	-	-	(0.4)	(0.4)
Other income	0.7	-	0.4	1.1	-	1.1
Total revenue and other income	415.7	306.9	370.6	1,093.2	4.4	1,097.6
EBITDA before business restructuring	54.5	31.1	46.2	131.8	(6.6)	125.2
Depreciation and amortisation expense before business restructuring	(9.6)	(6.7)	(7.8)	(24.1)	-	(24.1)
EBIT before business restructuring	44.9	24.4	38.4	107.7	(6.6)	101.1
Business restructuring costs[1]	-	-	-	-	-	-
Segment result (pre-finance costs)	44.9	24.4	38.4	107.7	(6.6)	101.1
Finance costs						(13.1)
Profit before income tax						88.0
Income tax expense						(26.4)
Profit for the period						61.6
Non-controlling interest losses						-
Profit attributable to owners						61.6

[1] *Refer note 24 Business restructuring*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	27 December 2014 $m	28 December 2013 $m

4. Revenue

	27 December 2014 $m	28 December 2013 $m
From continuing operations:		
Sale of goods	**1,158.7**	1,096.5

5. Other income

	27 December 2014 $m	28 December 2013 $m
Insurance claims	**0.2**	0.6
Sundry income	**0.2**	0.5
Fair value gain on gain of control in investee	**0.6**	-
	1.0	1.1

6. Expenses

Profit before income tax includes the following specific gains and expenses:

	27 December 2014 $m	28 December 2013 $m
Expenses		
Net loss on disposal of property, plant and equipment	**0.3**	0.2
Depreciation		
Plant and equipment	**17.9**	14.3
Motor vehicles	**-**	0.1
Computer systems	**4.2**	4.3
Total depreciation	**22.1**	18.7
Amortisation		
Computer software	**7.7**	5.4
Brand name	**0.1**	-
Total amortisation	**7.8**	5.4
Finance costs		
Interest and finance charges	**12.0**	13.3
Interest revenue	**(0.2)**	(0.2)
Net finance costs	**11.8**	13.1
Employee benefits expense		
Superannuation expense	**15.3**	13.5
Salaries and wages	**199.5**	181.3
Total employee benefits expense	**214.8**	194.8
Rental expense relating to operating leases		
Lease expenses	**99.6**	88.9
Equipment hire	**5.3**	5.4
Total rental expense relating to operating leases	**104.9**	94.3
Foreign exchange gains and losses		
Net foreign exchange loss	**0.5**	1.3

7. Income tax

	27 December 2014 $m	28 December 2013 $m
Income tax expense		
Current tax	**28.7**	27.0
Deferred tax	**(6.7)**	(0.1)
Adjustments to tax expense of prior periods	**0.3**	(0.5)
	22.3	26.4
Deferred income tax (revenue) included in income tax expense comprises:		
(Increase) in deferred tax assets	**(10.9)**	(1.4)
Increase in deferred tax liabilities	**4.2**	1.3
	(6.7)	(0.1)

8. Cash and cash equivalents

	27 December 2014 $m	28 June 2014 $m
Cash at bank and in hand	**71.1**	24.2

9. Trade and other receivables

	27 December 2014 $m	28 June 2014 $m
Current		
Trade receivables	**17.0**	28.2
Provision for impairment of receivables	**(0.5)**	(0.5)
	16.5	27.7
Other receivables	**13.5**	6.8
Prepayments	**17.7**	6.6
Total current receivables	**47.7**	41.1
Non-current		
Trade receivables due from related parties – associate	**-**	3.7
Total non-current receivables	**-**	3.7

10. Inventories

	27 December 2014 $m	28 June 2014 $m
Finished goods, at lower of cost or net realisable value	**578.8**	490.1

11. Property, plant and equipment

	27 December 2014 $m	28 June 2014 $m
Plant and equipment, at cost	**331.9**	306.8
Less accumulated depreciation	**(146.4)**	(133.9)
Net plant and equipment	**185.5**	172.9
Motor vehicles, at cost	**0.4**	0.5
Less accumulated depreciation	**(0.3)**	(0.4)
Net motor vehicles	**0.1**	0.1
Computer systems, at cost	**82.2**	76.8
Less accumulated depreciation	**(55.4)**	(52.2)
Net computer equipment	**26.8**	24.6
Total net property, plant and equipment	**212.4**	197.6

12. Intangible assets

	27 December 2014 $m	28 June 2014 $m
Goodwill at cost	**449.4**	443.5
Less accumulated impairment charge	**(2.1)**	(2.1)
Net goodwill	**447.3**	441.4
Computer software at cost	**145.2**	149.4
Less accumulated amortisation	**(50.8)**	(44.5)
Net computer software	**94.4**	104.9
Brand names at cost	**267.5**	267.5
Less accumulated amortisation	**(0.8)**	(0.7)
Net brand names	**266.7**	266.8
Supplier agreement at cost	**0.4**	0.4
Less accumulated amortisation	**(0.1)**	(0.1)
Net supplier agreement	**0.3**	0.3
Total net intangible assets	**808.7**	813.4

13. Trade and other payables

	27 December 2014 $m	28 June 2014 $m
Current		
Trade payables	**289.5**	204.8
Other payables	**112.7**	70.3
Straight line lease adjustment	**6.4**	3.3
Total current trade and other payables	**408.6**	278.4
Non-current		
Straight line lease adjustment	**29.0**	27.0
Total non-current trade and other payables	**29.0**	27.0

14. Interest-bearing liabilities

	27 December 2014 $m	28 June 2014 $m
Current		
Finance leases - secured	**2.2**	2.7
Bank debt funding facility - unsecured	**1.2**	-
Total current interest-bearing liabilities	**3.4**	**2.7**
Non-current		
Finance lease - secured	**1.7**	2.4
Bank debt funding facility - unsecured	**405.2**	403.5
Less net borrowing costs capitalised - unsecured	**(2.0)**	(1.8)
Total non-current interest-bearing liabilities	**404.9**	404.1

15. Current tax liabilities

	27 December 2014 $m	28 June 2014 $m
Income tax payable	**9.7**	1.1

16. Provisions

	27 December 2014 $m	28 June 2014 $m
Current		
Employee benefits	**30.5**	25.9
Make good provision	**1.9**	1.1
Surplus leases	**3.5**	1.3
Put option provision	**0.5**	0.5
Other provisions	**1.0**	0.4
Total current provisions	**37.4**	29.2
Non-current		
Employee benefits	**7.7**	7.0
Make good provision	**6.5**	6.0
Surplus leases	**6.4**	-
Total non-current provisions	**20.6**	13.0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Contributed equity

	27 December 2014 $m	28 June 2014 $m
(a) Share Capital		
Ordinary shares fully paid (197,030,571 ordinary shares as at 27 December 2014)	**542.3**	542.3

(b) Movement in ordinary share capital	Number of Shares	Issue Price	$m
Opening Balance 1 July 2012	196,152,971		541.8
Shares issued under share option	150,000	3.23	0.5
Shares issued under performance rights	169,841	-	-
Balance 29 June 2013	196,472,812		542.3
Shares issued under performance rights	258,808	-	-
Balance 28 June 2014	196,731,620		542.3
Shares issued under performance rights	298,951	-	-
Closing balance 27 December 2014	197,030,571		542.3

18. Dividends

	27 December 2014 $m	28 December 2013 $m
Ordinary Shares		
Dividends provided for or paid during the interim period	**42.3**	41.3
Dividends not recognised at the end of the interim period		
Subsequent to the end of the interim period, the Directors have recommended the payment of an interim dividend of 18.5 cents (2013: 18.5 cents) per ordinary share fully franked based on tax paid at 30%. The aggregate amount of the interim dividend expected to be paid on 2 April 2015 (2013: 3 April 2014), out of retained profits at 27 December 2014, but not recognised as a liability at the end of the interim period is	**36.5**	36.4

19. Business combinations

On 24 December 2014, a 51% shareholding in Fixed Price Car Service Australia Pty Ltd was acquired for a cash consideration $1.5 million. The net asset acquired consisted mainly of intellectual property.

On 22 November 2013, intellectual property, inventory and store assets of fitness equipment retailer, Workout World were acquired for a cash consideration $4.2 million.

20. Events occurring after reporting date

No matters or circumstances have arisen since 27 December 2014 that have significantly affected or may significantly affect the Group's operations or state of affairs in future financial years.

21. Contingencies

	27 December 2014 $m	28 December 2013 $m
Guarantees		
Guarantees issued by the bankers of Super Retail Group Limited in support of various rental arrangements for certain retail outlets and guarantees issued by Super Retail Group Limited to the bankers of its subsidiary (2013: associate):	**5.7**	6.1

22. Commitments

Commitments payable for the acquisition of plant and equipment and computer software, contracted for at the reporting date but not recognised as liabilities payable, total $10.3 million as at 27 December 2014 (28 June 2014: $5.9 million).

23. Related party transactions

During the interim period ended 27 December 2014, Super Retail Group Limited transacted with R A Rowe and D Hall, related parties of the Group, for the provision of commercial property leases. All transactions with related parties are at arm's length and are based on normal commercial terms and conditions.

24. Business restructuring

During the interim period ended 27 December 2014, Super Retail Group Limited conducted a strategic review of both the Ray's Outdoors and FCO Fishing Camping Outdoors (FCO) businesses.

The Group will be exiting the FCO business and has provided $19.2 million associated with the closure of FCO in New Zealand. This provision comprises of $6.1 million for inventories, $5.7 million for property, plant and equipment, $7.4 million for onerous leases.

The strategic review of Ray's Outdoors has determined to reposition Ray's Outdoors from a broad camping and outdoor offering to 'an Australian adventure for all' retail offering built around a wide range of quality outdoor products at constant fair value. Five stores have been identified as requiring closure or relocation and inventory lines have been identified to be exited under the new strategic direction resulting in a provision of $7.7 million. This provision comprises of $3.9 million for inventories, $1.0 million for property, plant and equipment, $2.8 million for onerous leases.

The carrying value of the Ray's Outdoors brand name has been reviewed in conjunction with the strategic review. The recoverable amount of the Ray's Outdoors brand name exceeds its carrying value by $13.4 million based on a pre-tax discount rate of 14% and a terminal growth rate of 3%. The recoverable amount is sensitive to future sales growth which relies on the execution of the repositioning strategy. The current business plan assumes an average sales growth over the next five years of 4.7%. If the average sales growth for this period is 3.8% the recoverable amount would equal its carrying value.

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Super Retail Group Limited, in the Directors' opinion:

(a) the consolidated interim financial statements and notes set out on pages 3 to 19, are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of Group's financial position as at 27 December 2014 and of its performance, for the period ended on that date;

  (ii) complying with Accounting Standard *AASB 134 Interim Financial Reporting*, the *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that Super Retail Group Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors:

R J Wright
Chairman

P A Birtles
Group Managing Director and Chief Executive Officer

Brisbane
18 February 2015

Independent auditor's review report to the members of Super Retail Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Super Retail Group Limited (the Company), which comprises the consolidated balance sheet as at 27 December 2014, the consolidated comprehensive income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Super Retail Group Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 27 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Super Retail Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

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Conclusion

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

1. giving a true and fair view of the consolidated entity's financial position as at 27 December 2014 and of its performance for the half-year ended on that date;

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

K Challenor

Kim Challenor
Partner

Brisbane
18 February 2015