APPENDIX 4E
PRELIMINARY FINAL REPORT

SUPER RETAIL GROUP LIMITED (SUL)

ABN 81 108 676 204

Statistical Results

Current Reporting Period:	From 1 July 2012 to 29 June 2013 (52 weeks)
Previous Reporting Period:	From 3 July 2011 to 30 June 2012 (52 weeks)

Results for Announcement to the Market

	Statutory Results $m	Comparison to 2012 Statutory Results $m			
Revenue from ordinary activities	2,020.0	Up	22.1%	to	$2,020.0
Profit from ordinary activities after tax attributable to members	102.7	Up	23.0%	to	$102.7
Net profit for the period attributable to members	102.7	Up	23.0%	to	$102.7

Dividends

	Amount Per Share	Franked Amount Per Share
Interim dividend – Current Period	17.0¢	17.0¢
Final dividend – Current Period Declared 20 August 2013 (payable 2 October 2013)	21.0¢	21.0¢

Record date for determining entitlements to the final dividend	30 August 2013

Brief explanation of figures reported above to enable the figures to be understood

Refer press release

Audit

This report is based on accounts which have been audited. The audit report, which was unqualified, is included within the Company's Financial Report which accompanies this Appendix 4E.

Details of Annual General Meeting

Place Kedron Wavell Services Club, Long Tan Room, 375 Hamilton Road, Chermside South, Queensland

Date Wednesday, 23 October 2013

Time 11.30 am

Approximate date the annual report will be available: 23 September 2013

SUPER RETAIL GROUP LIMITED (SUL)

Annual Report 2013

Contents

THE ANNUAL GENERAL MEETING

The Annual General Meeting of the Shareholders of Super Retail Group Limited will be held at Kedron Wavell Services Club, Long Tan Room, 375 Hamilton Road, Chermside South, Queensland on Wednesday, 23 October 2013 at 11.30 am.

Company Information

NAME OF ENTITY

SUPER RETAIL GROUP LIMITED

ABN OR EQUIVALENT COMPANY REFERENCE

ABN 81 108 676 204

REGISTERED OFFICE

751 Gympie Road
LAWNTON QLD 4501
Telephone (07) 3482 7900
Facsimile (07) 3205 8522

SHARE REGISTRY

Link Market Services
Level 12, 680 George Street
SYDNEY NSW 2000

BANKERS

Australia and New Zealand Banking Group Limited
Commonwealth Bank of Australia
HSBC
National Australia Bank

AUDITORS

PricewaterhouseCoopers

SOLICITORS

Mallesons Stephen Jaques

STOCK EXCHANGE LISTING

Super Retail Group Limited shares are quoted on the Australian Securities Exchange

WEBSITE ADDRESS

www.superretailgroup.com

Chairman and Managing Director's Report

Fellow Shareholders,

Operating and Financial Performance

We are pleased to be able to report on a further year of growth and achievement for our company. In a generally flat retail environment, the Group's focus on retailing products that our customers predominantly use as part of a leisure experience has served us well. We believe that our customers will continue to spend on their passions deferring expenditure in other areas.

The key drivers of performance continue to be merchandise renewal and presentation, private brand development, engaging marketing, sourcing and supply chain execution and the passion of our team members.

Each of the Group's larger businesses; Supercheap Auto, BCF Boating Camping Fishing, Rebel and Amart Sports performed well, opening new stores, delivering strong like for like sales growth and generating improved profit.

We have completed a review of the Ray's Outdoors, FCO Fishing Camping Outdoors and Goldcross Cycles businesses and a number of business improvement initiatives have commenced to grow their sales and profit. Early results are encouraging. Associated non-recurring restructuring costs of $16.2 million have been recognised.

Last year, the Group commenced a program of initiatives to develop the capabilities that our businesses will require to successfully operate as integrated multi-channel retailers. During the year, the Group invested circa $53.9 million in capital expenditure and $4.1 million in operating expenses on these programs.

Progress to date is on track with notable achievements during the year including the launch of the Supercheap Auto loyalty program in Australia, the implementation of integrated real time information systems across the Group's functions, the development of an integrated freight solution for internet and trade customers and the foundation for the integration of the Sports businesses onto the Group's Information Technology systems. Traffic to the Group's websites increased by 50% compared to the previous year as our customers increasingly research potential purchases before visiting stores.

A full review of the Group's performance and plans is included in the Operating and Financial Review set out on pages 12 to 17 of this annual report. In summary, Group sales grew by 22% to $2.02 billion and Group earnings after tax grew by 23% to $102.7 million while net debt was $329.3 million at 29 June 2013 being $11.7 million lower than the prior period.

The Directors have declared a fully franked final dividend of 21.0 cents per share, resulting in full year dividends of 38.0 cents per share, an increase of 18.8% over the prior year. The current policy of distributing 55% to 65% of underlying net profit after tax in the form of dividends will enable the Group to balance investment in growth opportunities and building group capability, gradually paying down debt and increasing dividends to shareholders.

Sustainability

The Group has continued its support of a number of charitable organisations during the year. At the Group level, the focus is on raising funds for children's healthcare charities while at a business level, support is provided to organisations in areas related to the activities serviced by the business' products, for example safe driving at Supercheap Auto and Coastguard at BCF Boating Camping Fishing.

The Group has also maintained its focus on a number of environmental initiatives including reducing packaging and power consumption and increasing recycling. The Group was recently recognised by the Australian Packaging Covenant in their 2013 annual report ratings for being the highest achiever in the retail industry.

Since the establishment of its international sourcing operations in China in 2006, the Group has been committed to ethical sourcing. The Group undertakes audits of all factories manufacturing products for the Group to ensure compliance with the Group's ethical sourcing policy, a copy of which is set out on the Group's website. The audits cover a number of factors including workplace health and safety and employment and payroll practices.

Further information on the Group's sustainability initiatives will be included in the Group's Corporate Review which will be published on the Group's website.

Team Members

There are now close to 12,000 team members employed by the Group in over 600 locations across three countries. Retention rates have continued to improve and were at 72.7% at June 2013, an increase of 1.2 percentage points over the prior year.

Particularly encouraging was the improvement in team member engagement which was measured at 66% during the year compared to 60% in the prior year and compared to a retail industry average of around 55%. It was especially pleasing that team members of the Rebel and Amart Sports businesses recorded an engagement score of 60%, which was a dramatic improvement on the score of 43% in a survey conducted for the previous owners of the businesses some 18 months previously.

The Group is reviewing the measures that it uses to assess safety performance and to ensure these are consistent with industry best practice. A number of initiatives are underway to improve safety performance which was below industry averages during the year, in particular, focusing on the safe handling of stock in the retail environment.

The results and performance of the Group are testament to the passion and commitment of our team members and we would like to thank all of them for their contribution during the year.

Board

During the year the size of the board was increased with the appointment of Rob Murray. The board was fortunate to be able to gain access to Mr Murray's extensive experience. His presence on the board will add a strong complementary skill set to the existing board.

Looking Forward

The year ahead will be another year of growth and development as we maintain our focus on growing our existing businesses and building our multi-channel capabilities.

We will be investing in opening new stores and refurbishing existing stores in all of our businesses, with around 25 stores opening across the Group. Although retail conditions are forecast to remain patchy, we expect to continue to deliver solid like for like sales growth across our businesses and to maintain or grow operating margins while generating working capital improvement.

We will complete the development of two new distribution centres at Brendale in Queensland and Erskine Park in New South Wales.

We will continue to enhance our information technology platform with the development of our customer relationship marketing system, the further rollout of the JDA forecasting and replenishment system and the completion of the Group wide SAP integration amongst the major projects for the year.

We will relaunch a number of our loyalty programs and increasingly use data analytics to develop targeted marketing campaigns. We will also continue to develop our fledging Auto Trade Direct and Super Retail Commercial businesses.

We have a full agenda but our team are excited by the challenge and committed to maintaining the strong performance of the Group. We look forward to reporting on our progress in the year ahead.

R J Wright
Chairman

P A Birtles
Managing Director and Chief Executive Officer

CORPORATE GOVERNANCE STATEMENT

Introduction

The following statement sets out the corporate governance framework, policies and practices adopted by the Board of Super Retail Group Limited (the Company). These practices, unless otherwise stated, were in place over the past financial year and are current as of the signing of this report

The Board of the Company is committed to ensuring its policies and practices in the critical area of corporate governance are of the highest standards. The framework is designed to assist the Board and management effect the ethical conduct of the Company's business in a manner to protect and enhance shareholder interests and in a manner consistent with the Company's responsibility to all stakeholders.

The Board has adopted a corporate governance framework that is consistent with the ASX Corporate Governance Council's Principles and Recommendations with 2010 Amendments (2nd Edition) (ASX Principles) and the Corporations Act 2001 (Cth).

The Company regularly reviews developments in corporate governance to ensure its policies and Charters remain consistent with the Board's objectives, current laws and best practice. The policies and Charters referred to in this statement are available from the Corporate Governance page in the Investor Centre section of the Company's website (www.superretailgroup.com/investors-and-media/corporate-governance/).

This statement is formatted with specific reference to the ASX Principles.

Principle 1: Lay solid foundations for management and oversight

The Board of Directors

The Board of Directors, working with senior management, is responsible to shareholders for the overall management of the Company's business and affairs. The Directors' overriding objective is to increase shareholder value within an appropriate framework which protects the rights and interests of company shareholders and ensures the Group is properly managed.

The responsibilities of the Board include:

- contributing to and if considered appropriate approving the Company's goals and strategic direction and monitor implementation of those goals and strategies;
- monitoring financial performance, including adopting annual budgets and approving the Company's financial statements;
- approving and monitoring the progress of capital expenditure, capital management, acquisitions and divestures;
- ensuring that adequate systems of internal control and risk management exist and are appropriately monitored to mitigate material business risk;
- appointing and removing the Managing Director / Chief Executive Officer and Company Secretary, ratifying the appointment of the Chief Financial Officer and reviewing the performance of senior management;
- ensuring accountability to shareholders through effective shareholder communication and encouraging participation at general meetings; and
- establishing codes of conduct

The Board delegates responsibility for day-to-day management of the Company to the Managing Director.

The Board operates in accordance with the broad principles set out in its charter which is available on the Company's website.

Evaluation of senior executives

All senior executives complete a performance and development review every six months. The review process is conducted by the Managing Director and includes the following:

- assessment against a set of key performance criteria, including both financial and non-financial performance measures;
- feedback on their performance over the review period and a rating based on that performance; and
- monitoring and revision as appropriate of the executive's development plan which is tailored to support the executive's ongoing contribution to the Company.

The Managing Director provides a summary of the performance evaluation of senior executives to the Human Resources and Remuneration Committee. The performance evaluation in accordance with the abovementioned process has taken place during this reporting period.

The performance evaluation of the Managing Director was undertaken by the Chairman, in consultation with the Board.

Principle 2: Structure the Board to add value

Composition of the Board

The constitution of the Company provides that the number of Directors is to be not less than three nor more than eight. The Board is currently comprised of six directors, five of whom (including the Chairman) hold their positions in a non-executive capacity.

The Chairman is responsible for leading the Board, ensuring Directors are properly briefed in all matters relevant to their role and responsibilities, facilitating board discussions and managing the Board's relationship with the Company's senior executives.

The Managing Director is responsible for implementing Group strategies and policies.

Board Nomination Committee

The Board Nomination Committee is comprised of the full Board.

The composition of the Board is reviewed annually by the Board Nomination Committee to ensure that it has available an appropriate mix of skills and experience to ensure the interests of shareholders are served. The Board Nomination Committee Charter, which is available on the Company's website, includes the Company's policy and procedure for selection and appointment of new directors.

Details of the members of the Board, their experience, expertise, qualifications and independent status are profiled in the Directors' Report on pages 12 to 31.

Directors' Independence

As stated there are six Directors, four of whom are Independent Non-Executive Directors (including the Chair). The predominance of Independent Non-Executive Directors separates the Board from the Company's executive management and enshrines board independence. The structure also provides the Company with the benefit of a diverse range of experience, qualifications and professional skills.

The Board has adopted the independence definition suggested by the ASX Corporate Governance Council and as such four of the Company's Directors (namely Mr Robert Wright, Dr Sally Pitkin, Mr R John Skippen and Mr Rob Murray) are considered to be independent by reference to that definition.

Independent Professional Advice

The Board (and each individual Director) is entitled to seek independent professional advice at the Company's expense (subject to the reasonableness of the costs and Chair's consent) in the conduct of its duties for the Company.

Under their respective Charters, each of the Board Committees is entitled to obtain independent professional advice on matters relevant to the powers, duties and responsibilities of the Committee.

Company Secretary

The Company Secretary is responsible for coordination of all Board business, including agendas, minutes, communication with the Australian Securities Exchange (ASX) and statutory filings. All Directors have direct access to the Company Secretary.

The Board has appointed Mr R Dawkins as Company Secretary. Details of the experience and qualifications of the Company Secretary are set out in the Directors' Report on page 19.

Performance Assessment

The Board undertakes an annual performance evaluation of the Board, its Committees and individual directors. Each director completes a questionnaire, the responses are collated and the Board meets to discuss and consider the results and to determine any actions arising from the review. Matters covered by the review include the role, structure, procedures, behaviours, performance, directors understanding of the strategy, objectives and key risks to the business and achievement of those objectives, succession planning and the effectiveness of the Chair. This assessment commenced in June 2013 and was concluded in August 2013.

Induction and Education

New Directors receive a letter of appointment which sets out the Company's expectations of the role, their duties, the terms and conditions of their appointment and their remuneration. All new Directors receive an induction appropriate to their experience, enabling them to participate fully and actively as soon as possible, including familiarisation with the operation of the Board, the Board's Committees and the Company's financial, strategic, operational and risk management position.

The Nomination Committee is responsible for ensuring an effective induction process for new Directors.

Financial Reporting

The Board is provided with monthly reports from management on the financial performance of the Company. The monthly reports include details of all key financial measures reported against budgets approved by the Board. The Company's financial report preparation and approval process for each financial year involves both the Managing Director / Chief Executive Officer and the Chief Financial Officer making the following certifications to the Board that:

- the Company's financial reports and accompanying notes represent a true and fair view in all material respects of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
- the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the Company's risk management and internal compliance and control system is operating effectively in all material respects.

Board Committees

The Board has established three committees to assist it in carrying out its responsibilities, the Board Nomination Committee, the Human Resources and Remuneration Committee and the Audit and Risk Committee.

Each Committee has its own written Charter setting out its role and responsibilities, composition, structure, membership requirements and the manner in which the Committee is to operate. All matters determined by Committees are submitted to the full Board as recommendations for Board decision.

Minutes of committee meetings are tabled at the subsequent Board meeting. Additional requirements for specific reporting by the committees to the Board are addressed in the Charter of the individual committees.

Principle 3: Promote ethical and responsible decision making

Code of Conduct

The Company has developed a statement of values and a Code of Conduct ("the Code") which has been fully endorsed by the Board and applies to all Directors and team members. The Code is reviewed and updated as necessary to ensure it reflects the highest standards of behaviour and professionalism and the practices necessary to maintain confidence in the Company's integrity.

In summary, the Code requires that at all times all company personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and Company policies. This is supported by the Company's Whistleblowing Policy and system of reporting activity suspected of breaching the Code to the Company's Integrity Officer. The Company's Integrity Officer is also the Company Secretary.

A copy of the Code is available on the Company's website.

Dealing in Shares

The Company has established a policy for Directors and team members with respect to trading in the Company's securities ("Securities Trading Policy"). Directors, senior executives and other designated team members are subject to prohibitions to the trading of Company securities.

Generally, this includes the restriction of the trading of Company securities to three "window" periods (between 24 hours and 30 working days following the release of the annual results, the release of the half-yearly results and the close of the annual general meeting) and such other times as the Board permits. In addition, Directors must notify the Chair before they buy or sell Company securities and confirm once the transaction is complete.

In all instances, buying or selling Company shares is not permitted at any time by any person who possesses price sensitive information not available to the market.

A copy of the Securities Trading Policy is available on the Company's website.

Ethical Sourcing Policy

The Company has developed an Ethical Sourcing Policy that applies to all its businesses and brands.

The policy incorporates both environmental and socioeconomic criteria for all imported products sourced directly or through agents. The policy encourages trade partners and agents to improve their social and environmental practices, and protect our corporate reputation and that of our individual businesses and brands.

Diversity Policy

The Board recognises the many benefits that may be derived by companies that successfully foster a culture of diversity and is committed to creating a fair and inclusive environment.

Information on diversity, including gender diversity is set out in the Directors' Report under the heading 'Remuneration and Diversity report'.

A copy of the Diversity Policy is available on the Company's website.

Principle 4: Safeguard integrity in financial reporting

Audit and Risk Committee

The existence of the Audit and Risk Committee is considered by the Company to be a key element of its corporate governance program and part of the Company's commitment to best practice in the area of corporate governance.

The Audit and Risk Committee consisted of the following Independent Non-Executive Directors over the past financial year:

R J Skippen (Chair)
R J Wright
S A Pitkin

Effective from 22 July 2013, R A Murray replaced R J Wright as a member of the Audit and Risk Committee.

All members of the Audit and Risk Committee are financially literate and have the requisite financial expertise.

Details of these Directors' qualifications and attendance at Audit and Risk Committee meetings are set out in the Director's Report on pages 12 to 31.

The Audit and Risk Committee operates in accordance with a Charter and in a manner compliant with ASX Listing Rule 12.7. The Charter is available on the Company's website.

The Audit and Risk Committee supports the full Board and essentially acts in a review and advisory capacity. The Committee is considered to be a more efficient forum than the full Board for focusing on particular issues relevant to:

- verifying and safeguarding the integrity of the Company's financial reporting including the review, assessment and approval of the half-year financial report, the annual report and all other financial information published by the Company or released to the market;
- establishing a sound system of risk oversight and management, and internal control; and
- establishing a sound system of compliance with laws and regulations, internal compliance guidelines, policies, procedures and control systems and prescribed internal standards of behaviour.

This Committee provides ongoing assurance in the areas of:

- financial administration and reporting;
- audit control and independence; and
- accounting policies and standards.

External Auditors

The Company's Audit and Risk Committee's policy is to appoint external auditors who demonstrate quality and independence.

The Audit and Risk Committee:

- recommends to the Board the appointment of External Auditors and their fee;
- reviews the performance of the External Auditors;
- establishes processes to ensure the independence and competence of the External Auditors' Audit Managers;
- oversees and appraises the quality of audits conducted by the External Auditors;
- approves External Audit yearly audit plans for the Company and its subsidiaries and oversees the scope of audits to be conducted; and
- ensures that no management restrictions are placed upon access to relevant information or personnel by External Auditors.

The performance of the External Auditor is reviewed annually.

An analysis of fees paid to the External Auditors, including a break-down of fees for non-audit services is provided in Note 28 to the financial statements. It is the policy of the External Auditors to provide an annual declaration of their independence to the Audit and Risk Committee.

The External Auditor is requested to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Principle 5 and 6: Make timely and balanced disclosures and respect the rights of shareholders

Continuous Disclosure and Shareholder Communication

The Company has written policies and procedures on information disclosure that focus on continuous disclosure of any information concerning the Company and its controlled entities that a reasonable person would expect to have a material effect on the price of the Company's securities. These policies and procedures also include the arrangements the Company has in place to promote communication with shareholders and encourage effective participation at general meetings. The Company's policies and procedures have been revised during the reporting period to ensure continued alignment with ASX Listing Rules and Guidance Notes.

The Company's Shareholder Communications Policy outlines the Company's approach to communicating information to shareholders and other stakeholders through a range of forums and publications.

A summary of these policies and procedures is available on the Company's website.

Principle 7: Recognise and manage risk

The Audit and Risk Committee provides oversight and direction to the Company's risk management, compliance and internal control systems, including:

- legal compliance;
- internal controls; and
- risk oversight and management.

Risk Management

The Managing Director and senior executives are instructed and empowered by the Board to implement risk management strategies, report to the Board and the Audit and Risk Committee on developments related to risk, and suggest to the Board new and revised strategies for mitigating risk.

The Group Risk Manager is responsible for providing counsel and direction in risk management across the Group. This includes counsel on the refinement, implementation and monitoring of a comprehensive and integrated risk management framework based on unit manager ownership of risk with independent monitoring. The Group Risk Manager reports directly to the Group's Chief Financial Officer with an indirect reporting line to the Chairman of the Audit and Risk Committee.

Internal Audit

The role of Internal Audit as part of the Group's risk management framework is to understand the key risks of the Company and to examine and evaluate the adequacy and effectiveness of the system of risk management and internal controls used by management. Internal Audit carries out regular systematic monitoring of control activities and reports to both relevant business unit management and the Audit and Risk Committee.

Typically, the audit methodology includes performing risk assessments of the area under review, undertaking audit tests, including selecting and testing audit samples, reviewing progress made on previously reported audit findings and discussing internal control or compliance issues with line management, and reaching agreement on the actions to be taken.

Health and Safety

The Company aims to provide and maintain a safe and healthy work environment. The Company acts to meet this commitment by implementing work practices and procedures throughout the Group that comply with the relevant regulations governing the workplace. Team Members are expected to take all practical measures to ensure a safe and healthy working environment in keeping with their defined responsibilities and applicable law.

Principle 8: Remunerate fairly and responsibly

Human Resources and Remuneration Committee

The Human Resources and Remuneration Committee consisted of the following Independent Non-Executive Directors over the past financial year:

S A Pitkin (Chair)
R J Wright
R J Skippen
R A Rowe

Effective from 22 July 2013, R A Murray replaced R J Wright as a member of the Human Resources and Remuneration Committee.

The Committee operates in accordance with its Charter which is available on the Company's website, and as described in the Remuneration and Diversity report.

The Board has charged the Human Resources and Remuneration Committee with corporate governance and oversight responsibilities in relation to the Company's people strategy including remuneration components, performance measurements and accountability frameworks, recruitment, retention, talent management and succession planning.

Each member of the senior executive team signs a formal employment contract at the time of their appointment covering a range of matters including their duties, rights, responsibilities and any entitlements on termination. The standard contract refers to a specific formal job description.

Further information on directors' and executives' remuneration is set out in the Directors' Report under the heading 'Remuneration and Diversity report'. In accordance with Company policy, participants in equity-based remuneration plans are not permitted to enter into any transactions that would limit the economic risk of options or other unvested entitlements. Details of this Securities Trading Policy can be found on the Company's website.

Employee Share Plans

The Company considers share plans to be an effective ownership, long-term performance and team retention vehicle. It encourages all Team Members to participate in its schemes, which offer the ability to acquire shares via:

- an externally administered tax exempt plan which makes on market purchases; and
- an internally administered rights (including options) plan offered to select executives.

At the time of this report, approximately 900 team members participated in one or both plans.

ANNUAL
REPORT

SUPER RETAIL GROUP LIMITED

FOR THE PERIOD ENDED
29 June 2013

Directors' Report

Your Directors present their report on the consolidated entity consisting of Super Retail Group Limited and the entities it controlled at the end of, or during, the period ended 29 June 2013.

Directors

The following persons were Directors of Super Retail Group Limited during the period and up to the date of this report.

R A Rowe
R J Wright
P A Birtles
R J Skippen
S A M Pitkin
R A Murray (appointed 22 April 2013)

Information on qualifications and experience of Directors is included on pages 17 to 19.

Principal activities

During the period, the principal continuing activities of the Group consisted of:
- retailing of auto parts and accessories, tools and equipment
- retailing of boating, camping, outdoor equipment and fishing equipment and apparel
- retailing of sporting equipment, bicycles, bicycle accessories and apparel.

Dividends – Super Retail Group Limited

The Directors declared a fully franked dividend of 21.0 cents per share be paid on 2 October 2013 (total dividend, fully franked - $41,259,290). This will take the total dividends paid and payable to 38.0 cents for the 2012 year which is a 6.0 cent per share increase on 2012.

The following fully franked dividends of the parent entity have also been paid, declared or recommended since the end of the preceding period:

Dividend	Payment Date	$
2012 final fully franked dividend (19¢ per share)	3 October 2012	37,272,864
2013 interim fully franked dividend (17¢ per share)	3 April 2013	33,393,578
		70,666,442

2013 Operating and Financial Review

Group Results

Group sales grew by 22% to $2.02 billion and profit after tax also grew by 23% to $102.7 million. This strong overall growth reflected solid growth in the Auto and Leisure Retailing Divisions and a full year's contribution from the Sports Retailing Division (as compared to eight months contribution in the prior period).

Costs of $16.2 million relating to the restructuring of the Ray's Outdoors and Goldcross Cycles businesses were expensed during the year while costs of $11.7 million associated with the acquisition of the Sports Retailing businesses were expensed in the prior period.

The Group's larger businesses generated strong like for like sales growth, opened new stores and delivered improvements in gross margins. This was achieved through a combination of new product introduction, private brand development and marketing, sourcing and supply chain initiatives.

The Group has continued to invest in the development of the Group with $63.1 million capital expenditure and $4.1 million operating costs associated with the Group's multi-channel development projects and $43.6 million capital expenditure associated with new and refurbished stores. Despite this investment, Group Net Debt at $329.3 million was $11.7 million below the prior year reflecting the strong operating cash flow generated across the Group.

2013 Operating and Financial Review (continued)

Auto Retailing

Divisional sales at $789 million were 7.8% higher than the prior comparative period with like for like sales growth being 5%. Divisional EBIT at $87.1 million was 12.5% higher than the comparative period.

The Supercheap Auto business has continued to perform strongly with its strong like for like growth driven by increases in transaction numbers, units sold and average unit value. EBIT margins reached the target of 11%, growing by 0.4 percentage points over the prior comparative period. Further gross margin improvement driven by ranging and sourcing initiatives was partially offset by increases in the cost of doing business as a result of increases in power costs and investment in the development of business' multi-channel capabilities.

The business launched its customer loyalty program Supercheap Auto Club Plus in Australia in October 2012 following the successful trial of the program in New Zealand earlier in the year. Club membership had grown to over 500,000 by June 2013 and incremental club member spending contributed circa 1% sales growth. The business expects to grow membership in excess of one million members over the next three years.

The business has continued to focus on store refurbishment, ranging initiatives, private brand development, partnering with the world's best automotive brands and team engagement as drivers of underlying consistent growth.

All the major product categories performed well during the year with particularly strong growth being achieved in the car care, lubricants, electrical and power categories. Positive like for like growth was achieved across all states and territories of Australia and in New Zealand. The Western Australian performance was particularly strong reflecting both a lift in team member engagement and retention and the benefits of the increase in Sunday trading.

The business opened a further nine stores and closed two stores during the year while 25 stores were refurbished and seven were converted to superstores. At the end of June there were 288 stores across Australia and New Zealand with the business targeting an additional 30 stores over the next 4 years. The business expects to refurbish around 32 stores in the coming year which will bring the current round of refurbishments to a close.

Towards the end of the year, the business refurbished two of its superstores on the north side of Brisbane as concept stores to test a number of initiatives which are designed to create a more engaging interactive shopping experience for the customer. The business also intends to test similar ideas in two mid-size stores and two small stores in the coming year before determining which initiatives to rollout across the rest of the network.

The division commenced the trial of its new trade supply business, Auto Trade Direct in the North Island of New Zealand in November 2012. The division is testing the opportunity to supply auto parts and accessories to auto mechanics from a number of hub stores and directly from its distribution centre and from trade partners. Much of the supply chain capability required to support this line of business is consistent with the capability required to service retail customers ordering products for home delivery. Experience to date has highlighted areas in which the business model needs to be adapted and further trials will be conducted in the coming year before a decision is made on further rollout.

Leisure Retailing

Divisional sales at $522.5 million were 14.5% higher than the comparative period with like for like sales growth across the division of 3.1%.

Divisional EBIT at $33.2 million was 1.8% higher than the prior comparative period with growth impacted by costs of $6.0 million associated with restructuring the Ray's Outdoors business. Excluding these non-recurring costs, divisional operating EBIT grew by 20.2%. Underlying EBIT margin was 7.5% which was 0.4 percentage points higher than the prior comparative period. This improvement was achieved through an increase in gross margin generated by sourcing and ranging initiatives partly offset by an increase in power costs.

The BCF Boating Camping Fishing business had a solid year with like for like sales growth of circa 2% and improvement in gross margin. Like for like customer transactions were in line with the prior year, units per transaction were lower while average unit value increased. This reflected the performance of the fishing category as adverse fishing conditions during the year resulted in flat sales growth. The Boating, Camping and Apparel categories all delivered solid growth.

The business opened 14 stores during the year taking total store numbers to 105. The business expects to reach 120 stores in the next four years. One store on the north side of Brisbane has been refurbished as a trial store to test initiatives designed to provide a more interactive and engaging experience for the customer.

A number of new ranges were introduced during the year including the initial testing of a boat, motor, trailer offer, which will be rolled out across all stores in the new year. The business successfully trialled a new inventory demand planning and replenishment system in the fishing category and this will be rolled out across the business in the coming year with objectives of supporting improved 'in stock' position, reduced inventory and store space rationalisation.

2013 Operating and Financial Review (continued)

The repositioning of the Ray's Outdoors business continued during the year and following successful trials at two stores, it was decided to focus the business on four core categories; camping, footwear, outdoor apparel and travel. As a result, it was decided to commence a clearance program to exit the outdoor furniture category, reduce the range of BBQs and to reposition the apparel and footwear offer. Costs associated with the restructure of $6.0 million have been recognised.

The repositioning of the business has generated positive momentum. Total like for like sales growth was circa 5% but after adjusting for the decline in sales of BBQs and Outdoor Furniture underlying like for like sales growth was 8%. Particularly strong growth was achieved in both the Apparel and Footwear categories. The business also delivered good growth in gross margin through ranging initiatives and management focus.

Five new stores were opened and two stores were closed during the year resulting in 55 stores trading by the end of June. It is anticipated that total store numbers will grow to around 75 over the next four years. Following the successful trial of a new concept store at Frankston in Victoria, the business will commence a wider store refurbishment program in the new year. The business has commenced a program of store right sizing to exit excess space across the store portfolio.

In New Zealand, the FCO Fishing Camping Outdoors business traded through its first full year following the launch of the business in November 2011. 13 stores traded throughout the year. Although like for like sales growth was pleasing at circa 14%, average sales per store was below target, reflecting a shortfall in customer traffic.

A business review was conducted in the second half of the year which highlighted improvement opportunities including adopting a more aggressive pricing and promotional strategy and changes to brand marketing. The review also identified opportunities for the business to extend its range into adjacent areas. Consequential changes to the business are underway and will continue into the new year targeted towards improving sales per store and lifting operating margins.

Sports Retailing

The Group benefited from a full year contribution from the Rebel and Amart Sports businesses as compared to eight months contribution post acquisition in the prior comparative period. The Goldcross Cycles business was transferred into the Sports Retailing Division at the start of the financial year.

Divisional sales at $703.5 million were 53% higher than the prior period and EBIT at $73.6 million (excluding Goldcross restructure costs) was 49% higher than the prior period. The $78.8 million EBIT contribution from the Rebel and Amart Sports businesses was strongly ahead of expectations at the time of the acquisition in October 2011.

Like for like sales growth across the division was 8% which was particularly pleasing given the significant contribution to sales in the prior comparative period from clearance of aged inventory. Overall like for like sales growth was driven by a solid increase in customer traffic, a strong increase in conversion and a modest increase in average transaction value.

Growth was strong in all the major categories in the Rebel and Amart Sports businesses with Sport Equipment and Fitness Equipment particularly strong. New ranges, better inventory and promotion management, stronger relationships with trade partners and a more engaged team continued to be the drivers of the strong performance.

Both the Rebel and Amart Sports brands were relaunched during the year and revised store designs completed. Nine Rebel stores were refurbished, four stores were relocated and two new stores opened and one store closed during the year. The Amart Sports brand was launched in Victoria with eight new stores open by the end of June, five of these stores being former Goldcross Cycles stores. A further Amart Sports store was opened in Queensland and one store was closed. There were nine Amart stores refurbished during the year. At the end of June there were 134 Rebel and Amart Sports stores with a potential of 185 stores in the next 5 years.

Following a strategic review of the Goldcross Cycles business, it was decided to convert the business to a store within a store concept inside an Amart Sports store. Five stores were converted into Amart Sports stores during the year and a further two stores were converted into a Super Cheap Auto store and a BCF store. The remaining stores will be converted or closed during the next financial year and $10.2 million costs associated with the restructuring of the business have been recognised. Four new Goldcross Cycles store in store concepts have opened in other Amart Sports stores. The performance of the Goldcross Cycles store in store concepts to date has been promising.

Group Costs

Group costs for the period were $11.4 million including $1.5 million in unutilised distribution centre and office space, $4.5 million in public company costs, $0.4 million in Rebel integration costs and $0.9 million in costs associated with the development of the Group's commercial businesses. Group Costs also included $4.1 million of costs associated with the Group's multi-channel development programs. Further information on these programs is included in the section on Group Strategy in this report.

2013 Operating and Financial Review (continued)

Review of Financial Position

Cash flow from operations was $225.1 million, an increase of $89.8 million over the prior period, reflecting the growth in operating profit, improvements in working capital efficiency, timing benefits (approximately $39 million relating to trade payables) and a lower investment in new store opening costs. Progress has been made on increasing stock turns in the Auto and Leisure Retailing Divisions but there remains scope for further significant improvement in the next five years. Total inventory investment across the Group at the end of June was $452.6 million an increase of $35.9 million compared to the prior comparative period.

Group capital expenditure was $106.7 million which included $43.6 million in new and refurbished store fit out, $6.0 million in customer and channel development projects, $16.0 million in information technology projects, $19.6 million in supply chain development projects, $12.3 million in the Sports Retailing SAP project and $9.2 million in general capital expenditure.

At the end of June, Group Net Debt was $329.3 million, which was $11.7 million lower than the prior comparative period and was comfortably within the Group's facility limits and associated banking covenants.

Group Strategy

The Group's strategy is to develop and grow its portfolio of retail businesses providing solutions and engaging experiences which enable its customers to make the most of their leisure time. Core components of the strategy are to:

- provide an engaging and integrated experience for all customers across all channels
- understand and communicate with customers at an individual level
- develop excellence in sourcing, brand development and supply chain management
- operate at least as efficiently as competitors
- leverage common business systems across the Group
- attract, engage and retain a passionate, capable and engaged team

The Group's supporting strategic plan is built around 6 core programs which contain a number of projects:

1) The growth and development of the Group's existing businesses

- New store development
- Refurbishing existing stores
- Range development
- Private Brand development

2) The development of capabilities required to provide an integrated and engaging experience for all customers across all channels

- Development of an engaging and interactive store experience
- Development of customer loyalty programs
- Development of informative and targeted marketing
- Integration across all channels

3) The development of the Group's supply chain capabilities

- Development of new distribution centres in Brendale and Erskine Park
- Development of off shore consolidation centres and the development of faster response supply methods
- Implementation of demand planning, replenishment and assortment systems
- Development of inventory management systems

4) Increasing the efficiency and productivity of the Group's operations

- Right sizing of the store portfolio
- Group procurement synergies
- Productivity focus
- Management systems

5) Engaging our team and developing their capabilities

- Learning and development programs
- Performance management and succession planning
- Developing the team member value proposition
- Safety focus

2013 Operating and Financial Review (continued)

6) Opportunities for growth in Leisure retail categories through organic development or acquisition.

- Trial of the Auto Trade Direct Model
- Development of the Super Retail Commercial business
- Trial of on-line micro sites
- Assessment of acquisition opportunities

The Group anticipates a capital expenditure program amounting to circa $110 million and related operational expenses of circa $10 million in the next financial year associated with the development programs across the Group.

Material business risks

The Group recognises that all of its businesses operate in an environment of change and uncertainty and is committed to managing the potential risks associated with this uncertainty in a continuous, proactive and systematic way. The Group regularly reviews the possible impact of these risks and seeks to minimise this impact through a commitment to its corporate governance principles and its various risk management functions.

The material business risks faced by the Group that are likely to have an effect on the financial prospects of the Group and how the Group manages these risks include:

- **Global Competition** - The Retail market is becoming increasingly a global market place through the impact of on-line shopping and overseas retailer’s inward investment into Australasia which expose the Group to a new higher class of competition. Therefore the Group has to increasingly benchmark its customer offer and business model against global on-line and physical retail businesses. The Group’s strategic change programs have been developed to build the capabilities we require to be successful in the global market place. With competitors constantly seeking to enter our market with improved designs, we see this risk increasing in the future.

- **Proliferation of sales and marketing channels** - The proliferation and growth of new sales and marketing channels will make it increasingly challenging to ‘stand out from the crowd’ and to develop customer loyalty. A continued focus on target customers and their expectations is crucial which includes on-going review of price competitiveness against internet and competitor models maximising efficiencies in supply chain (supply to customer) and the development of multi-channel marketing initiatives. With competitors constantly seeking to enter our market with improved designs, we see this risk increasing in the future.

- **The breakdown of traditional business models** - The breakdown of traditional business models with retailers becoming manufacturers and brand owners, while brand owners and manufacturers are becoming retailers is increasing competition risk and cost pressures. The Group continues to develop its sourcing and product and brand development capabilities. These risks are continuously monitored and mitigation strategies updated. Some of these actions include an annual review of brand strategies, regular customer research, and external research of brand perception. Targets are in place for private brand sales for each business. The Group is also discussing opportunities to reduce the cost of supply chain with its major trade partners and to develop mutual business opportunities. We do not expect any significant change in this risk over the next couple of years.

- **Changing customer expectations** - Customer expectations has changed significantly over the last few years with an increasing expectation of engaging experiences, solutions rather than products and “do it for me” rather than “do it yourself”. The Group’s businesses are all considering opportunities to add the provision of information and services to its customers as well as product. In addition the Group has added a focus on customer engagement to its strategic programs. This will cover interaction with the customer across all channels – store, on-line, social media and traditional media. We believe that this will remain a consistent risk in the retail market for years to come and if not adequately managed will result in loss of sales to alternative suppliers.

- **Changing workforce demographics** - Attraction, retention, engagement, safety and succession of Team Members are key risks to be managed to maximise financial growth in the retail sector. We consider this is unlikely to have any significant impact on our financial results in the next year, but could potentially be significant in future years if not managed on an on-going basis. The Group's retention ratio has significantly increased and is currently tracking at 72 % up from below 60% in 2006. To manage this aspect of the business “Attracting and Engaging our Team” has been included as one of the six strategic programmes within the Group.

- **Increase in regulatory controls** - The increase in regulatory controls and compliance obligations and impact of increased Corporate Social Responsibility expectations (direct and indirect) has a direct cost implication for the Group. The Group has developed strong compliance processes and a clear focus on Corporate Social Responsibility. On-going review of changes to regulation is required to assess the impact on the Group and develop appropriate response strategies. We believe that this will remain a consistent risk in the retail market.

2013 Operating and Financial Review (continued)

- **Financial risk** - The Group's activities expose it to a number of financial risks. The Group adopts a financial risk management program which seeks to minimise the potential adverse impacts on financial performance of the Group. Financial risks and specific risk management approaches are reported in more detail in note 2 of the Notes to the Consolidated Financial Statements.

Significant changes in the state of affairs

There were no significant changes in affairs during the period.

Matters subsequent to the end of the financial year

Since 29 June 2013 Super Retail Group Limited does not have any matters subsequent to the end of the financial year to be disclosed.

Likely developments and expected results of operations

Information on likely developments in the operations of the Group are included in this report under the section 2013 Operating Financial Review. Further information on the expected results of operations have not been included in this annual report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Group's environmental obligations are regulated under State, Territory and Federal Law. The Group has a policy of complying with its environmental performance obligations. All environmental performance obligations are monitored by the Board. No environmental breaches have been notified to the consolidated entity during the period ended 29 June 2013.

Directors and Directors' interests

The Directors of Super Retail Group Limited in office at the date of this report are listed below together with details of their relevant interest in the securities of the Company at that date.

R J Wright, BCom, FCPA, MAICD. *Independent Chairman Non-Executive.* Age 64
Experience and expertise
Appointed Chairman on 28 October 2009 and has been an Independent Non-Executive Director for 9 years 3 months. Robert has over 30 years financial management experience, having held a number of Chief Financial Officer positions, including Finance Director of David Jones Limited and Director of a number of major Retail companies over the last 20 years.

Other current directorships
Chairman and Non-Executive director of SAI Global Limited (director since 2003). Chairman and Non–Executive director of APA Ethane Limited (director since 2008) which is the responsible entity of the registered investment schemes that comprise Ethane Pipeline Income Fund, the securities in which are quoted on the ASX. Non–Executive director of Australian Pipeline Limited since 2000.

Former directorships in the last 3 years
Chairman and Non-Executive director of Dexion Limited (March 2005 – August 2010) and RCL Group (formerly Babcock & Brown Residential Land Partners Group) (May 2006 – February 2012).

Special responsibilities
Chairman of the Board
Chairman of the Board Nomination Committee

Interest in shares and options
73,865 ordinary shares in Super Retail Group Limited

P A Birtles, BSc, ACA. *Managing Director and Chief Executive Officer.* Age 49
Experience and expertise
Managing Director and Chief Executive Officer for 7 years and 8 months. Previously Chief Financial Officer for 4 years 8 months and Company Secretary for 1 year 5 months.

Other current directorships
Non-Executive director of GWA Group Limited

Former directorships in the last 3 years
None

Special responsibilities
Managing Director and Chief Executive Officer
Member of the Board Nomination Committee

Interests in shares and options
1,442,596 ordinary shares in Super Retail Group Limited
580,000 performance rights over ordinary shares in Super Retail Group Limited

R A Rowe. *Non-Executive Director*. Age 69
Experience and expertise
Founder of the business in 1972. Non-Executive director for 9 years 4 months. Previously 8 years as Chairman and 24 years as Managing Director.

Other current directorships
Director of a number of private family companies.

Former directorships in the last 3 years
None.

Special responsibilities
Member of the Board Nomination Committee
Member of the Human Resources and Remuneration Committee

Interests in shares and options
56,954,670 ordinary shares in Super Retail Group Limited.

R J Skippen, ACA *Independent Non-Executive Director.* Age 65
Experience and expertise
Independent Non-Executive Director for 4 years 9 months. John was the former Finance Director of Harvey Norman Holdings Ltd for 12 years and has over 30 years' experience as a chartered accountant.

Other current directorships
Non-Executive Director of Flexigroup Limited and Emerging Leaders Investment Limited. Chairman and Non-Executive Director of Slater & Gordon Limited.

Former directorships in the last 3 years
Non-Executive Director of Briscoe Group Limited (NZ) (March 2004 – September 2011).

Special responsibilities
Chairman of the Audit and Risk Committee
Member of the Board Nomination Committee
Member of the Human Resources and Remuneration Committee

Interest in shares and options
Nil.

S A Pitkin, LLB, LLM, PhD, FAICD. *Independent Non-Executive Director.* Age 54
Experience and expertise
Independent Non-Executive Director for 3 years. Sally is an experienced Non-Executive Director and lawyer and a former partner of Clayton Utz.

Other current directorships
Non-Executive Director of Billabong International Limited and Committee for Economic Development of Australia.

Former directorships in the last 3 years
Aristocrat Limited (June 2005 – May 2011)

Special responsibilities
Chair of the Human Resources and Remuneration Committee
Member of the Audit and Risk Committee
Member of the Board Nomination Committee

Interest in shares and options
25,053 ordinary shares in Super Retail Group Limited

R A Murray. *Independent Non-Executive Director.* Age 50
Experience and expertise
Independent Non-Executive Director for 4 months. Rob was the Chief Executive Officer and Executive Director of Lion (formerly Lion Nathan & Lion Nathan National Foods) (April 2004 - September 2012)

Other current directorships
Non-Executive Director of Lion and Linfox and a member of Kirin's International Advisory Board

Former directorships in the last 3 years
Chief Executive Officer and Executive Director of Lion (formerly Lion Nathan & Lion Nathan National Foods) (April 2004-September 2012)

Special responsibilities
Member of the Board Nomination Committee
Member of the Audit and Risk Committee
Member of the Human Resources and Remuneration Committee

Interest in shares and options
Nil

Company Secretary
The Company Secretary is Mr R W Dawkins, B.Bus (Acct), Grad. Dip. AppCorpGov, ACIS, ACSA. Mr Dawkins commenced with Super Retail Group Limited as the Property Services Manager in July 2001 and was appointed Company Secretary in December 2010.

Meetings of directors
The number of meetings of the Company's Board of Directors and each Board Committee held during the period ended 29 June 2013 is set out below:

			Meetings of Committees					
	Full meetings directors		Audit & Risk		Board Nomination& Remuneration		Human Resource	
	A	B	A	B	A	B	A	B
R J Wright	10	10	4	4	1	1	2	2
P A Birtles	10	10	n/a	n/a	1	1	2	2
R A Rowe	10	10	n/a	n/a	1	1	2	2
R J Skippen	10	10	4	4	1	1	2	2
S A Pitkin	10	10	4	4	1	1	2	2
R A Murray	2	2	n/a	n/a	0	0	0	0

A = Number of meetings attended
B = Number of meetings held during the time the Director held office or was a member of the Committee during the year

Proceedings on behalf of the Company
No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-Audit Services
The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit and Risk Committee is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

During the period the following fees were paid or payable for services provided by the auditor (PwC) of the parent entity, its related practices and non-related audit firms:

	Consolidated 2013 $	Entity 2012 $
Assurance Services		
PricewaterhouseCoopers Australian firm		
Remuneration for audit services	**467,500**	568,314
Total remuneration for assurance services	**467,500**	568,314
Taxation Services		
Total remuneration for taxation services	**214,987**	236,005
Advisory Services		
Total remuneration for advisory services	**-**	-

Auditors Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 32.

Loans to directors and executives
There are no loans to directors or executives as at 29 June 2013 and no loans were made during the period.

Remuneration and Diversity report

Introduction

One of Super Retail Group's core principles is that the attraction, development, engagement and retention of passionate team members provide a competitive advantage which is fundamental to the long term success of the Group. The maintenance of a workplace culture and the development of people practices that support this principle are strategic priorities for the Group.

The development of people practices covers a number of areas including attraction, diversity, learning and development, engagement, workplace health and safety, talent and succession management and remuneration and benefits.

Remuneration and benefits practices are set in the context of an overall policy to provide market competitive remuneration arrangements which support the attraction, development, engagement and retention of passionate team members and that are aligned with the interests of shareholders.

Remuneration Policy

Super Retail Group is committed to creating a high performance culture. Our philosophy is to provide flexible and competitive market based total remuneration arrangements that are linked to the performance of the Group and its businesses and support services.

The key elements of the policy are:

- To provide competitive total remuneration arrangements that enables the Group to attract and retain high performing team members and to reward them for their contribution to the success of the Group.
- To align remuneration arrangements with the delivery of sustainable value to the Group's shareholders.
- To maintain a pay for performance environment through linking incentive pay opportunities to the achievement of specific, measurable business goals.
- To position our base salaries at or around the median and our performance incentives in the 2nd quartile of relevant market remuneration levels, subject to individual performance.
- To provide arrangements with the flexibility to recognise individuals based on performance, experience and qualifications.
- To provide equitable, fair and consistent pay arrangements across the Group through a systematic methodology involving job value and market positioning.

Remuneration can include a number of different elements such as base pay, superannuation, short term incentives, long term incentives, tools of trade, study and relocation assistance, share plans and novated lease arrangements. The elements of the total remuneration package may vary according to the job role, team members experience and performance and market practice.

Remuneration and Diversity report (continued)

Role of the Human Resources and Remuneration Committee

The primary objective of the Committee is to assist the Board to fulfil its corporate governance and oversight responsibilities in relation to the Group's people strategy including remuneration components, performance measurements and accountability frameworks, recruitment, engagement, retention, talent management and succession planning.

The Committee undertakes an annual review of the Group's remuneration strategy and remuneration policy to facilitate understanding of the overall approach to remuneration and to confirm alignment with the Group's business strategy and compliance with regulatory standards.

The Committee reviews and recommends to the Board for approval remuneration arrangements for the Chief Executive Officer and other Senior Executives. The Committee will review the arrangements on an annual basis, obtaining independent external remuneration advice where appropriate.

The Committee undertakes an annual review of the Group's performance management system to confirm the integrity of systems and processes in making incentive based payments. The Committee will also verify compliance with vesting or exercise requirements for equity based rewards.

The Committee establishes the policy for the remuneration arrangements for Non Executive Directors, reviewing remuneration arrangements annually, obtaining independent external remuneration advice where appropriate.

The Committee reviews and recommends to the Board for approval the Remuneration Report and any other report required to be produced for shareholders to meet regulatory requirements.

Non-Executive Directors Remuneration Structure

Fees to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. The level of fees are reviewed annually by the Human Resources and Remuneration Committee and are based on the median of fees paid for comparative Non-Executive Director roles in similarly sized publicly listed companies operating in the retail and consumer goods industry.

In 2013, the Human Resources and Remuneration Committee engaged the services of Ernst & Young as an independent remuneration consultant to prepare comparative information for review to ensure that fees are market based and fairly represent the responsibilities and time spent by the Directors on Company matters.

The Market comparative information provided by Ernst & Young disclosed that the level of fees being paid are substantially below that paid to Non-Executive Directors in the comparator group. To address this issue it is proposed that directors fees will be increased progressively over a three year period so that at the end of that period fees will be paid in accordance with the Remuneration policy of paying fees at the median of fees paid to comparative companies.

Additional fees are paid to the Chairs and members of the Audit and Risk and the Human Resources and Remuneration Committees. This reflects the additional time commitment required by the Chairs and members of these committees.

Non-Executive Director Fees are determined within an aggregate Directors' fee pool approved by shareholders. The current pool of $800,000 was approved on 26 October 2011. The Directors intend that the General Meeting of Shareholders on 23 October 2013 consider increasing the aggregate Directors' fee pool to a maximum of $1,200,000. This increase will provide the capacity to appoint additional directors to facilitate board succession and regeneration and to apply the Group's remuneration policy.

Non-Executive Directors' fees are inclusive of superannuation contributions. Non-Executive Directors do not receive shares, performance rights or share options as part of their remuneration. Non-Executive Directors may opt each year to receive a proportion of their remuneration in Super Retail Group Limited shares, which would be acquired on market.

Remuneration and Diversity report (continued)

Directors' Fees

The Directors' fees are inclusive of Committee fees. Fees for year to 29 June 2013 were approved on 25 July 2012, while fees for the year to 28 June 2014 were approved on 22 July 2013.

The following fees apply:

	2013 **$**	2014 $
Chairman	**200,000**	280,000
Other Non Executive Directors	**105,000**	125,000
Chair of the Audit and Risk Committee	**10,000**	25,000
Chair of the Human Resources and Remuneration Committee	**10,000**	20,000
Committee Member *	**n/a**	10,000

* Committee fees are not paid to members of the Nomination Committee

Senior Executive Remuneration Structure

The Senior Executive Remuneration Structure is reviewed annually by the Human Resources and Remuneration Committee. The Committee ensure that the Remuneration Structure is consistent with market practice.

Senior Executive Remuneration consists of 3 elements:

- Base Salary Package (inclusive of superannuation contributions, car allowance and other benefits)
- Short Term Incentive (STI)
- Long Term Incentive (LTI)

The mix of remuneration between fixed and variable components is varied in line with the seniority of the role and the relative responsibilities of the role for driving business performance and for developing and implementing business strategy.

For the years to 29 June 2013 and 28 June 2014, the following mix of remuneration applies.

	Fixed	STI	LTI
Chief Executive Officer	40%	28%	32%
Divisional Managing Directors	45%	27%	28%
Chief Financial Officer and GM Group Development	50%	25%	25%
General Manager Group Logistics	55%	22%	23%

The tables assume that a full STI is received and that the LTI fully vests – the actual reward is dependent on the achievement of performance targets.

The LTI component is based on the notional monetary value at the time of grant. This notional valuation may differ from the accounting valuation which considers probability of vesting and other factors.

Base Salary Package

The Group's intent is to offer senior executives a base salary package that reflects the median market base salary package for a comparable role in a similarly sized publicly listed company operating in the retail and consumer goods industry. The senior executive's performance and experience are also considered in determining the base salary package.

The base salary package consists of base pay and superannuation and may include prescribed non-financial benefits at the executives' discretion on a salary sacrifice basis.

Base salary packages are reviewed annually. There is no guaranteed base salary increase in any senior executive's service contract.

In 2013, the Company engaged the services of Ernst & Young Remuneration Consultants to provide benchmark market information. The information provided by Ernst & Young disclosed that, the base salary packages paid to the Group's senior executives are substantially below those paid to equivalent senior executives in the comparator group. To address this issue it is proposed that senior executive base salaries will be increased progressively over a three year period so that at the end of that period base salaries will be paid in accordance with the Remuneration policy of paying base salaries at a market median subject to individual performance.

Remuneration and Diversity report (continued)

All senior executive base salary proposals are reviewed and assessed by the Human Resources and Remuneration Committee. Using this information the Human Resources and Remuneration Committee then make recommendations to the Board.

Short Term Incentive (STI)

Senior executives are invited to participate in a short term incentive scheme that rewards executives for the achievement of performance targets that are consistent with the Group's approved business plan and that are aligned to delivering sustainable value to shareholders.

The Human Resources and Remuneration Committee recommends to the Board an annual profit before tax target. In setting this target, the Committee considers the profit projections set out in the Group's approved business plan and investor expectations.

For the year to 29 June 2013, the profit before tax target of $148.7 million was 24% higher than the profit before tax achieved in the period to 30 June 2012. This target reflected the full year budgeted contribution of the Rebel Group which was acquired on 30 October 2011. The target reflected an underlying increase in Group profit of circa 10%, which was determined to be an appropriately demanding target in the context of the existing retail environment.

Should profit before tax exceed the profit target, an STI bonus pool is created to a value of 20% of the amount that company profit exceeds the target.

Senior executives have the opportunity to share in the STI bonus pool up to the maximum value of between 40% and 70% of their base salary in accordance with the Senior Executive Remuneration Structure outlined above.

The level of participation is dependent on the achievement of 12 Key Performance Indicators (KPIs) relevant to their area of responsibility. The 12 KPIs cover the achievement of financial and operational results and the successful implementation of strategic and people development initiatives. The KPIs are consistent with the overall performance targets and objectives set out in the Group's business plan.

The 12 KPIs included in the Chief Executive Officer's Performance Contract for the 2013 Financial Year included the achievement of sales, profit and debt targets relative to budget, delivering initiatives agreed in the Group's business plan in relation to the Group's businesses (such as store development, brand development, new business development) and the Group's multi-channel supply chain and customer offer development programs and in the achievement of improvement in the areas of team retention, engagement and succession planning.

The Human Resources and Remuneration Committee is responsible for assessing whether the KPIs are achieved and for approving short term incentive payments. The Committee receives reports from management to assist in the assessment.

Long Term Incentive (LTI)

The Group's remuneration structure aims to align long term incentives for senior executives with the delivery of sustainable value to shareholders. The alignment of interests is important in ensuring that senior executives are focused on delivering sustainable returns to shareholders, whilst allowing the Group to attract and retain senior executives of a high calibre.

In October 2009, the Group's shareholders approved the establishment of the Super Retail Group Limited Performance Rights Plan (PRP). The PRP links the long term remuneration of senior executives with the economic benefit derived by shareholders over a three to five year period.

Participation in the PRP is by invitation only and only those senior executives invited by the Board are able to participate.

The PRP allows for the annual grant of Performance Rights to senior executives. The grant of Performance Rights entitles the senior executive to be granted an equivalent number of shares upon vesting of those Performance Rights. The vesting of Performance Rights is subject to the satisfaction of performance conditions.

The performance conditions will be satisfied if the Group achieves both certain earnings per share increases and return on capital hurdles over a three year period as determined by the Board or its nominee.

The Board consider that the combination of earnings per share growth and maintenance of return on capital ensure that executives maintain a focus on value creating growth which will deliver sustainable returns for shareholders.

Remuneration and Diversity report (continued)

The vesting of Performance Rights is subject to the following performance conditions over a three year period ending 30 June:

a) Cumulative compound annual growth in earnings per share of 10% or more; and
b) Return on capital of more than 15%

If the Company achieves these performance hurdles over the 3 year performance period, earnings per share will have increased by 33% compared to expected market growth of 9% and the company will have generated a return on capital approximately 4.5% greater than its cost of capital.

If a Performance Right has not lapsed and the performance conditions have been satisfied, Performance Rights will vest in accordance with the following schedule:

Time after grant of Performance Right	% of Performance Rights that vest
3 years	50%
4 years	25%
5 years	25%

The notional value of Performance Rights granted to each senior executive is based on the share price of the Group at the time of grant. The number of Performance Rights granted to each senior executive is determined in accordance with the Executive Remuneration Structure outlined above and have a value of between 42% and 80% of their base salary. This value of Performance Rights for grant purposes may differ from the accounting valuation which considers probability of vesting and other factors.

The Board have decided to introduce graduated performance hurdles in the 2015 year. The granting of Performance Rights to the Managing Director and Chief Executive Officer for the 2013 and 2014 year was approved by shareholders subject to the existing performance conditions at the 2013 Annual General Meeting.

Relationship of Remuneration to Company Performance

The performance of the Group and remuneration paid to key management personnel over the last 6 years is summarised in the following table:

	2008	2009	2010	2011	2012	2013
Company Performance						
Sales ($m)	715.4	829.8	938.0	1,092.3	1,654.1	2,020.0
Profit before tax ($m)	36.8	41.9	53.9	77.7	120.1	146.8
Post Tax ROC (%)	14.1	15.4	16.8	17.3	15.9	12.6
Earnings Per Share (¢)	22.6	28.1	32.1	40.9	46.4	52.3
Dividends Per Share (¢)	13.0	18.0	21.5	29.0	32.0	38.0
30 June Share Price ($)	2.33	3.61	5.27	7.00	7.19	11.97
Remuneration Paid to Key Management Personnel						
Base Salary Package	2.2	2.5	2.5	2.7	3.1	3.9
Short Term Incentive	0.3	0.8	1.2	1.1	1.1	1.5
Long Term Incentive	0.2	0.2	0.4	0.7	1.1	1.5
Total	2.7	3.5	4.1	4.5	5.3	6.9

Since 2008 earnings per share have increased by 131%, dividends per share have increased by 205% and the share price has increased by 414%.

During the same period, total remuneration paid to key management personnel has increased by 156% whilst Base Salary has increased by 77%. The major driver of increase in total remuneration has been incentive pay reflecting the strong performance of the Group over the last five years and the addition of two key management personnel in the last two years.

Total remuneration paid to key management personnel as a proportion of profit before tax was 7.3% in 2008 and had reduced to 4.7% in 2013.

Remuneration and Diversity report (continued)

Details of remuneration of the Group

Amounts of remuneration
Details of the remuneration of the directors and key management personnel of the Group (as defined in AASB 124 Related Party Disclosures) and the seven highest paid executives of Super Retail Group Limited are set out in the following tables.

The key management personnel of the Group include the directors and the following executive officers, (being those who are responsible for developing and implementing the Group's strategy):

- P A Birtles, Managing Director
- D J Burns, Chief Financial Officer
- D F Ajala, Managing Director – Auto & Cycle Retailing
- S J Doyle, Managing Director – Leisure Retailing
- E A Berchtold, Managing Director – Sports Retailing
- G G Carroll, General Manager Group Development
- G L Chad, General Manager Group Logistics

Chris Wilesmith has been appointed to the position of Supercheap Auto Managing Director on 1 July 2013. Chris will continue to report to David Ajala Managing Director Auto and Commercial Retailing Division.

2013	Short-term benefits			Post-employment benefits	Share-based payment	
Name	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Performance Rights $	Total $
Non-executive directors						
R J Wright *Chairman*	183,530	-	-	16,470	-	200,000
R A Rowe	82,875	-	-	22,125	-	105,000
R J Skippen	105,505	-	-	9,495	-	115,000
S A Pitkin	105,505	-	-	9,495	-	115,000
R A Murray [(a)]	18,430	-	-	1,659	-	20,089
Sub-total non-executive directors	**495,845**	**-**	**-**	**59,244**	**-**	**555,089**
Executive directors						
P A Birtles	976,115	487,550	2,415	16,470	635,324	2,117,874
Other key management personnel						
D J Burns [(b)]	198,224	58,200	-	9,068	-	265,492
D F Ajala	450,730	232,750	-	24,270	242,529	950,279
S J Doyle	407,023	169,650	11,507	16,470	222,645	827,295
E A Berchtold	409,530	223,440	30,000	16,470	79,208	758,648
G G Carroll	403,530	151,200	-	16,470	163,280	734,480
G L Chad	377,251	116,000	-	22,749	151,034	667,034
Totals	**3,718,248**	**1,438,790**	**43,922**	**181,211**	**1,494,020**	**6,876,191**

(a) appointed 22 April 2013
(b) appointed 3 December 2012

Remuneration and Diversity report (continued)

2012	Short-term benefits			Post-employment benefits	Share-based payment	
Name	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Performance Rights $	Total $
Non-executive directors						
R J Wright *Chairman*	146,789	-	-	13,211	-	160,000
R A Rowe	35,881	-	-	54,119	-	90,000
R J Skippen	91,743	-	-	8,257	-	100,000
S A Pitkin	91,743	-	-	8,257	-	100,000
Sub-total non-executive directors	**366,156**	**-**	**-**	**83,844**	**-**	**450,000**
Executive directors						
P A Birtles	856,810	367,500	2,415	15,775	477,180	1,719,680
Other key management personnel						
D F Ajala	425,100	184,500	-	24,900	193,354	827,854
S J Doyle	387,492	128,650	11,733	15,775	177,500	721,150
E A Berchtold	219,901	118,663	19,615	17,508	-	375,687
G G Carroll	359,225	116,250	-	15,775	126,260	617,510
G L Chad	309,128	100,100	27,132	48,740	128,730	613,830
Totals	**2,923,812**	**1,015,663**	**60,895**	**222,317**	**1,103,024**	**5,325,711**

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

	Fixed Remuneration		**At Risk – STI**		**At Risk – LTI**	
Name	**2013**	**2012**	**2013**	**2012**	**2013**	**2012**
P A Birtles	47.02%	50.88%	23.00%	21.37%	29.98%	27.75%
D J Burns	78.08%	n/a	21.92%	n/a	0%	n/a
D F Ajala	50.02%	54.36%	24.47%	22.29%	25.51%	23.35%
S J Doyle	52.62%	57.55%	20.49%	17.84%	26.89%	24.61%
E A Berchtold	60.15%	68.41%	29.42%	31.59%	10.43%	-
G G Carroll	57.23%	60.73%	20.57%	18.83%	22.20%	20.44%
G L Chad	60.01%	62.72%	17.37%	16.31%	22.62%	20.97%

Service Agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Each of these agreements provide for the provision of performance related cash bonuses, other benefits and when eligible, participation in the Executive Performance Rights and Option Plans.

All contracts with executives may be terminated early by either party with three months notice, subject to termination payments as detailed below:-

P A Birtles, Managing Director

Term of Agreement – 2 years and 11 months commencing 27 January 2011

Base salary, inclusive of superannuation, for the period ended 29 June 2013 of $995,000 to be reviewed annually by the Human Resource and Remuneration Committee.

Payment of a termination benefit on early termination by the Company, other than for cause, equal to 12 months base salary if the termination is effective more than 12 months before the expiry date or 9 months base salary if the termination is effective within 12 months before the expiry date.

Remuneration and Diversity report (continued)

D J Burns, Chief Financial Officer

Term of Agreement – 5 years and 10 months commencing 3 December 2012

Base salary, inclusive of superannuation, for the period ended 29 June 2013 of $485,000 to be reviewed annually by the Human Resource and Remuneration Committee.

Payment of a termination benefit on early termination by the Company, other than for cause, equal to 6 months base salary if the termination is effective more than 12 months before the expiry date or 3 months base salary if the termination is effective within 12 months before the expiry date.

D F Ajala, Managing Director – Auto & Commercial Retailing

Term of Agreement – 2 years and 2 months commencing 1 August 2013

Base salary, inclusive of superannuation, for the period ended 29 June 2013 of $475,000 to be reviewed annually by the Human Resource and Remuneration Committee.

Payment of a termination benefit on early termination by the Company, other than for cause, equal to 6 months base salary if the termination is effective more than 12 months before the expiry date or 3 months base salary if the termination is effective within 12 months before the expiry date.

S J Doyle, Managing Director – Leisure Retailing

Term of Agreement – 4 years and 8 months commencing 27 January 2011

Base salary, inclusive of superannuation, for the period ended 29 June 2013 of $435,000 to be reviewed annually by the Human Resource and Remuneration Committee.

Payment of a termination benefit on early termination by the Company, other than for cause, equal to 6 months base salary if the termination is effective more than 12 months before the expiry date or 3 months base salary if the termination is effective within 12 months before the expiry date.

E A Berchtold, Managing Director – Sports Retailing

Term of Agreement – 4 years and 11 months commencing 5 November 2011

Base salary, inclusive of superannuation, for the period ended 29 June 2013 of $456,000 to be reviewed annually by the Human Resource and Remuneration Committee.

Payment of a termination benefit on early termination by the Company, other than for cause, equal to 6 months base salary if the termination is effective more than 12 months before the expiry date or 3 months base salary if the termination is effective within 12 months before the expiry date.

G G Carroll, General Manager Group Development

Term of Agreement – 5 years and 5 months commencing 17 April 2011

Base salary, inclusive of superannuation, for the period ended 29 June 2013 of $420,000 to be reviewed annually by the Human Resource and Remuneration Committee.

Payment of a termination benefit on early termination by the Company, other than for cause, equal to 6 months base salary if the termination is effective more than 12 months before the expiry date or 3 months base salary if the termination is effective within 12 months before the expiry date.

G L Chad, General Manager Group Logistics

Base salary, inclusive of superannuation, for the period ended 29 June 2013 of $400,000 to be reviewed annually by the Human Resource and Remuneration Committee.

Payment of a termination benefit on early termination by the Company, other than for cause, equal to 3 months base salary.

Remuneration and Diversity report (continued)

Details of remuneration: Short Term Incentives
Cash bonuses are dependent on the satisfaction of performance conditions as set out in the section headed "short term incentives" above. For each cash bonus included in the above tables, the percentage of the available bonus that was paid and the percentage that was forfeited because the person did not meet the performance criteria are set out below. No part of the bonuses are payable in future years.

	Short Term Incentives	
Name	**Paid %**	**Forfeited %**
P A Birtles	70	30
D J Burns	72	28
D F Ajala	82	18
S J Doyle	65	35
E A Berchtold	82	18
G G Carroll	72	28
G L Chad	73	27

Share based compensation

Performance Rights
Performance rights vest progressively from 3 to 5 years after the date of grant. The issues of Performance Rights are subject to achieving two performance conditions over a three year period ending 30 June (i) 10% cumulative earnings per share growth and (ii) return on capital of more than 15%.

The performance rights do not give the right to participate in any other share issue of the Company or any other entity.

The table below lists the performance rights provided as remuneration to each Director of Super Retail Group Limited and each of the key management personnel of the Group. There were no lapsed performance rights in the period.

Name	**Number of Performance Rights granted during the period**	**Value of Performance Rights at Grant Date $**	**Number of Performance Rights vested during the period**
	2013	2013	2013
Directors of Super Retail Group Limited			
R J Wright	-	-	-
R A Rowe	-	-	-
R J Skippen	-	-	-
S A Pitkin	-	-	-
R A Murray	-	-	-
P A Birtles	110,000	873,950	50,000
Other Key Management Personnel			
D J Burns	-	-	-
D F Ajala	37,200	295,554	19,417
S J Doyle	34,068	270,670	17,718
E A Berchtold	35,712	283,732	-
G G Carroll	26,432	210,002	12,586
G L Chad	21,054	167,274	14,210

The above performance rights are valued using the share price at time of granting. The performance rights granted in the current reporting period were valued using a share price of 7.95. The performance rights are expensed over a 5-year period

in-line with the vesting conditions of the rights. Plan participants may not enter into any transaction designed to remove the "at risk" aspect of the performance rights before they vest.

Shares under option
No options were granted or vested during the period.

Remuneration and Diversity report (continued)

Shares provided on exercise of remuneration options
The table below lists the ordinary shares in the Company issued during the year as a result of the exercise of remuneration options and performance rights.

Name	Incentive Scheme	Date of Exercise of Share plan	Number of Ordinary Shares Issued on Exercise of Share Plans During the Year	Market Value at Exercise Date*
P A Birtles	Performance Rights	1 Sept 2012	50,000	396,500
D F Ajala	Performance Rights	1 Sept 2012	19,417	153,977
S J Doyle	Performance Rights	1 Sept 2012	17,718	140,512
S J Doyle	Share Options	21 Feb 2013	50,000	535,400
G G Carroll	Performance Rights	1 Sept 2012	12,586	99,807
G L Chad	Performance Rights	1 Sept 2012	14,210	112,685

*The value at exercise date of options and performance rights exercised during the period was determined using the 5-day average Group share price.

Unissued shares under performance rights and options plans
Unissued ordinary shares of Super Retail Group Limited under the performance rights plan at the date of this report are as follows:

Grant date	Vesting Date	Value per Performance Right at Grant Date	Number of Performance Rights
1 September 2009	**	$5.15	169,842
1 September 2010	**	$5.85	347,758
1 September 2011	**	$6.09	448,151
1 September 2012	**	$7.95	544,019
			1,509,770

**Performance rights vest progressively 3 to 5 years after grant date and have no expiry date.

Plan participants may not enter into any transaction designed to remove the “at risk” aspect of performance rights on share options.

As at the date of this report there are no remaining unissued ordinary shares of Super Retail Group Limited under option.

Shares issued on the exercise of options
The following ordinary shares of Super Retail Group Limited were issued during the year ended 29 June 2013 on the exercise of options granted under the Super Retail Group Employee Option Plan. No further shares have been issued since that date. All shares issued under option have been paid in full.

Date options granted	Issue price of shares	Number of shares issued
27 January 2006	$2.44	50,000
23 August 2007	$4.37	60,000
1 August 2008	$2.49	40,000

The exercise of the options is subject to the satisfaction of a qualifying hurdle. For the options granted prior to 23 August 2007, the qualifying hurdle requires cumulative annual growth of 10% in Earnings Per Share (pre amortisation) from the IPO Prospectus forecast Earnings Per Share (pre amortisation) for the year ending 30 June 2005 (being 17.2 cents) through to each of the years prior to the options being exercised. For the options granted in August 2007 and August 2008, the relevant start dates for measurement of the 10% cumulative annual growth in Earnings Per Share are 30 June 2007 and 28 June 2008 respectively. Exercise of options is subject to being employed by the Group.

No option holder has any right under the options to participate in any other share issue of the Company or of any other entity.

Remuneration and Diversity report (continued)

Insurance of officers
During the financial year, Super Retail Group Limited paid a premium of $93,793 to insure the directors and secretaries of the Company and its controlled entities, and the general managers of each of the divisions of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Diversity

The Company recognises its talented and diverse workforce as 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, practices 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, appreciating, valuing and utilising the unique talents and contributions of all individuals.

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

- 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 work of the Super Retail Group
- To maintain a focus on workplace health and safety by providing appropriate employment arrangements
- To proactively prevent and eliminate harassment and unlawful discrimination in the workplace
- To ensure that workplace structures, conditions, systems and procedures, foster diversity and allow Team Members to manage work and personal life
- To promote awareness of the value of diversity in the workplace
- To enhance attraction, development and retention of Team Members
- To be recognised as a great place to work and a preferred employer in the specialty retail sector and;
- To provide suitable employment opportunities for disabled and disadvantaged Team Members

Gender Diversity

The company is proud that its culture and inclusive policies have created a workforce in which females represent *38*% of the workforce at 29 June 2013. Many of the Group's business operate in retail sectors in which the majority of customers are males and its competitors employ a significant majority of males. At Super Retail Group, *35*% of middle and senior management positions and *22*% of senior management positions are held by females at 29 June 2013.

The company has set targets of 35% of middle and senior management positions and 30% of senior management and Board positions to be held by females by June 2015.

To promote diversity, the company has implemented the following initiatives:
- Paid maternity leave
- Parental leave information packs
- Part time work opportunities
- Monitoring of remuneration for gender differences
- Appointment of females into senior non-traditional roles – e.g., General Manager Retail Operations, Retail Operations Manager, Distribution Centre Manager.

The following initiatives are being implemented in the coming year:
- Shortlisting of candidates for middle and senior management vacancies in line with 2015 diversity targets
- Participation in leadership development programs to be in line with 2015 diversity targets
- Further development of flexible work practices
- Development of childcare and aged-care information packs
- Quarterly reporting and review of diversity performance
- Inclusion of diversity in induction and management development programs

Rounding of amounts

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the “rounding off” of amounts in the Directors’ Report. Amounts in the Directors’ Report have been rounded off in accordance with that Class Order to the nearest hundred thousand dollars, or in certain cases, to the nearest thousand dollars.

This report is made in accordance with a resolution of the Directors.

R J Wright	**P A Birtles**
Chairman	Director

Brisbane
20 August 2013

Auditor's Independence Declaration

As lead auditor for the audit of Super Retail Group Limited for the period ended 29 June 2013, 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 audit; and

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

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

Matt Graham
Partner
PricewaterhouseCoopers

20 August 2013

PricewaterhouseCoopers, ABN 52 780 433 757
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T: +61 7 3257 5000, F: +61 7 3257 5999, www.pwc.com.au

Super Retail Group Limited ABN 81 108 676 204
Annual financial report – 29 June 2013

Contents

These financial statements are the consolidated financial statements of the consolidated entity consisting of Super Retail Group Limited and its subsidiaries. The financial report is presented in the Australian currency.

Super Retail Group Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

751 Gympie Road, Lawnton, Queensland, 4501

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report on pages 12 to 31, which is not part of this financial report.

The financial report was authorised for issue by the directors on 20 August 2013. The company has the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the company. All press releases, financial reports and other information are available at our Shareholders' Centre on our website: www.superretailgroup.com.au.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT
Super Retail Group Limited
For the period ended 29 June 2013

	Notes	Consolidated 2013 $m	2012 $m
Revenue from continuing operations	5	**2,020.0**	1,654.1
Other income	6	**3.0**	0.9
Total revenues and other income		**2,023.0**	1,655.0
Cost of sales of goods		**(1,121.9)**	(929.5)
Other expenses from ordinary activities			
- selling and distribution		**(261.7)**	(208.2)
- marketing		**(88.0)**	(76.9)
- occupancy		**(165.5)**	(124.6)
- administration		**(213.6)**	(175.1)
Finance costs expense		**(25.5)**	(20.6)
Total expenses		**(1,876.2)**	(1,534.9)
Profit before income tax		**146.8**	120.1
Income tax expense	8	**(44.1)**	(36.6)
Profit attributable to Members of Super Retail Group Limited		**102.7**	83.5
Other comprehensive income			
Items that may be reclassified to profit or loss			
Cash flow hedges	25	**4.4**	0.3
Exchange differences on translation of foreign operations	25	**3.1**	0.3
Other comprehensive income for the year, net of tax		**7.5**	0.6
Total comprehensive income for the year		**110.2**	84.1
Total comprehensive income for the year is attributable to:			
Owners of Super Retail Group Limited		**110.2**	84.1
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share	38	**52.3**	46.4
Diluted earnings per share	38	**51.9**	46.0

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Super Retail Group Limited
As at 29 June 2013

	Notes	Consolidated 2013 $m	2012 $m
ASSETS			
Current assets			
Cash and cash equivalents	9	**22.3**	47.0
Trade and other receivables	10	**42.3**	28.6
Inventories	11	**452.6**	416.7
Total current assets		**517.2**	492.3
Non-current assets			
Property, plant and equipment	12	**192.6**	172.6
Intangible assets	14	**769.7**	720.5
Total non-current assets		**962.3**	893.1
Total assets		**1,479.5**	1,385.4
LIABILITIES			
Current liabilities			
Trade and other payables	15	**274.3**	197.9
Borrowings	16	**3.3**	-
Current tax liabilities	17	**7.8**	9.2
Provisions	18	**27.9**	19.8
Total current liabilities		**313.3**	226.9
Non-current liabilities			
Trade and other payables	19	**22.8**	17.5
Borrowings	20	**348.3**	388.0
Deferred tax liabilities	22	**53.5**	54.8
Provisions	23	**10.1**	9.5
Total non-current liabilities		**434.7**	469.8
Total liabilities		**748.0**	696.7
Net assets		**731.5**	688.7
EQUITY			
Contributed equity	24	**542.3**	541.8
Reserves	25	**9.5**	(0.8)
Retained profits	25	**179.7**	147.7
Total equity attributable to equity holders of Super Retail Group Limited		**731.5**	688.7

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Super Retail Group Limited
For the period ended 29 June 2013

	Notes	Contributed Equity $m	Reserves $m	Retained Earnings $m	Total $m
Balance at 2 July 2011		**194.5**	**(3.4)**	**112.4**	**303.5**
Profit for the year		-	-	83.5	83.5
Other comprehensive income		-	0.7	-	0.7
Total comprehensive income for the year		**-**	**0.7**	**83.5**	**84.2**
Transactions with owners in their capacity as owners					
Contributions of equity, net of transaction costs	24	347.3	-	-	347.3
Dividends provided for or paid	26	-	-	(48.2)	(48.2)
Employee share options and performance rights	25	-	1.9	-	1.9
		347.3	1.9	(48.2)	(301.0)
Balance at 30 June 2012		**541.8**	**(0.8)**	**147.7**	**688.7**
Profit for the year		-	-	102.7	102.7
Other comprehensive income		-	7.5	-	7.5
Total comprehensive income for the year		**-**	**7.5**	**102.7**	**110.2**
Transactions with owners in their capacity as owners					
Contributions of equity, net of transaction costs	24	0.5	-	-	0.5
Dividends provided for or paid	26	-	-	(70.7)	(70.7)
Employee share options and performance rights	25	-	2.8	-	2.8
		0.5	2.8	(70.7)	(67.4)
Balance at 29 June 2013		**542.3**	**9.5**	**179.7**	**731.5**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
Super Retail Group Limited
For the period ended 29 June 2013

	Notes	Consolidated 2013 $m	2012 $m
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**2,217.6**	1,825.6
Payments to suppliers and employees (inclusive of goods and services tax)		**(1,755.0)**	(1,506.4)
Rental payments			
- external		**(178.8)**	(140.2)
- related parties		**(10.7)**	(9.4)
Income taxes paid		**(48.0)**	(34.3)
Net cash inflow (outflow) from operating activities	37	**225.1**	135.3
Cash flows from investing activities			
Payments for property, plant and equipment and computer software		**(103.4)**	(60.4)
Proceeds from sale of property, plant and equipment		**-**	0.2
Payment for purchase of subsidiary, net of cash acquired		**-**	(621.7)
Payments for purchase of joint arrangement, net of cash acquired		**(6.0)**	-
Net cash (outflow) inflow from investing activities		**(109.4)**	(681.9)
Cash flows from financing activities			
Proceeds from borrowings		**578.9**	998.4
Repayment of borrowings		**(624.6)**	(710.9)
Interest paid		**(24.7)**	(16.7)
Dividends paid to company's shareholders	26	**(70.7)**	(31.7)
Proceeds from issue of shares		**0.6**	328.8
Net cash (outflow) inflow from financing activities		**(140.5)**	567.9
Net (decrease) increase in cash and cash equivalents		**(24.8)**	21.3
Cash and cash equivalents at the beginning of the financial year		**47.0**	25.7
Effects of exchange rate charges on cash and cash equivalents		**0.1**	-
Cash and cash equivalents at end of year	9	**22.3**	47.0

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

SUPER RETAIL GROUP LIMITED

FOR THE PERIOD ENDED
29 JUNE 2013

Contents of the notes to the consolidated financial statements

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Super Retail Group Limited and its subsidiaries.

(a) Basis of preparation

Statement of compliance
This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001.* Super Retail Group Limited is a for-profit entity for the purpose of preparing the financial statements.

The consolidated financial statements and notes of Super Retail Group Limited comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Basis of measurement
These financial statements have been prepared under the historical cost convention, unless otherwise stated.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all entities controlled by Super Retail Group Limited (the “Company” or “parent entity”) as at 29 June 2013 and the results of its controlled entities for the period then ended. Super Retail Group Limited and its controlled entities comprise the “consolidated entity”. The effects of all transactions between entities in the consolidated entity are fully eliminated.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries
Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Where control of an entity is acquired during a financial period its results are included in the consolidated statement of financial performance from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the period during which control existed.

Business combinations
The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values as at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group’s share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity’s incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or debt. Contingent payments classified as debt are subsequently remeasured through profit or loss.

Acquisition-related costs are expensed as incurred.

Jointly Controlled Operation

A jointly controlled operation is a joint venture carried on by each venturer using its own assets in pursuit of the joint operations. The consolidated financial statements include the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint operation, and the expenses that the Group incurs and its share of the income that it earns from the joint operations.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group Managing Director, who is responsible for allocating resources and assessing performance of the operating segments. Unallocated items comprise mainly of corporate assets (primarily the Support Office, Support Office expenses, and income tax assets and liabilities).

(d) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arise in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

A deferred tax liability is recognised in relation to some of the Group's indefinite life intangibles. The tax base assumed in determining the amount of the deferred tax liability is the capital cost base of the assets. As the assets are indefinite life in nature it was determined the assets would not be recovered through use but rather through sale.

Tax Consolidation Legislation

Super Retail Group Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 1 July 2003.

The head entity, Super Retail Group Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

Investment allowances

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets (investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Super Retail Group Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, duties and taxes paid. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Sale of goods – retail

Revenue from the sale of goods is recognised when a Group entity sells a product to the customer pursuant to sales orders and when the associated risk and rewards have passed to the customer. Retail sales are usually by credit card or in cash.

(ii) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument. Interest income on impaired loans is recognised using the original effective interest rate.

(g) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement 30 days from the end of the month after sale. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due. The amount of any impairment loss is included within "Administration" in the income statement.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs comprise direct purchase costs and an appropriate proportion of supply chain variable and fixed overhead expenditure in bringing them to their existing location and condition. Costs are assigned to individual items of stock on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated costs necessary to make the sale.

(i) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the statement of financial position date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Make good requirements in relation to leased premises.
Make good costs arising from contractual obligations in lease agreements are recognised as provisions at the inception of the agreement. A corresponding asset is taken up in property, plant and equipment at that time. Expected future payments are discounted using appropriate market yields at reporting date.

(j) Financial assets

Classification
The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss
This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the statement of financial position date.

(ii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the statement of financial position date which are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the statement of financial position.

(iii) Recognition and derecognition
Regular purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iv) Subsequent measurement
Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or other expenses from ordinary activities - "Administration" in the period in which they arise.

(k) Impairment of Financial Assets

(i) Assets carried at amortised cost
The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the receivable or a group of receivables is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

(l) Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either; (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

(i) Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the income periods when the hedged item will affect profit or loss (for instance when the forecast payment that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at the time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

(ii) Net investment hedges
Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within other income or other expenses.

Gains and losses accumulated in equity are included in the income statement when the foreign operation is partially disposed of or sold.

(iii) Derivatives that do not qualify for hedge accounting
Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

(m) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the statement of financial position date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(n) Property, plant & equipment

Property, plant and equipment are stated at historical cost, less any accumulated depreciation or amortisation. Historical costs include expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation and amortisation of property, plant and equipment

Depreciation and amortisation are calculated on a straight line basis for accounting and on a diminishing value basis for tax. Depreciation and amortisation allocates the cost of an item of property, plant and equipment net of residual values over the expected useful life of each asset to the consolidated entity. Estimates of remaining useful lives and residual values are reviewed and adjusted, if appropriate, at each statement of financial position date.

The depreciation rates used for each class of assets are:

	Depreciation rate
Plant and equipment	10% – 37.5%
Capitalised leased plant and equipment	10% – 37.5%
Motor vehicles	25%
Computer systems	25% – 37.5%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(o) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(p) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease term.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

(q) Intangible assets

(i) Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or business at the date of the acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill and intangibles acquired in business combinations are not amortised. Instead, they are tested annually for impairment annually, or more frequently if events or changes in circumstances indicated that it might be impaired, and is carried at cost less accumulated impairment losses. Any impairment is recognised as an expense and is not subsequently reversed.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments.

(ii) Trademarks and licences
Separately acquired trademarks and licences are shown at historical cost. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. Trademarks have an indefinite useful life and are carried at cost less impairment losses.

(iii) Computer software and licences
Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three to ten years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct travel, payroll and payroll related costs of employees' time spent on the project. Other development expenditures that do not meet these criteria are recognised as an expense incurred. Amortisation is calculated on a straight-line basis over periods generally ranging from three to ten years. Development previously recognised as an expense are not recognised as an asset in a subsequent period.

(iv) Brand names
Brand names that are acquired as part of a business combination are recognised separately from goodwill. These assets are carried at their fair value at the date of acquisition less impairment losses. Brand names are valued using the relief from royalty method. Amortisation is calculated based on the timing of projected cash flows of the assets over their estimated useful lives, which is 20 years or indefinite.

(v) Supplier Agreements
Supplier agreements are acquired as part of a business combination and are recognised separately from goodwill. These assets are carried at their fair value at the date of acquisition less accumulated amortisation and impairment losses. Supplier agreements have been valued using the multi-period excess earnings method. Amortisation is calculated based on timing of projected cash flows of the assets over their estimated useful lives which is 20 years.

(vi) *Other items of expenditure*
Significant items of expenditure, such as costs incurred in store set-ups, are expensed in the financial period in which these costs are incurred.

(r) Trade and other payables

Trade and other creditors are payables for goods and services provided to the consolidated entity prior to the end of the financial period and which are unpaid at that date. The amounts are unsecured and are normally paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

(s) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

(t) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(u) Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial period but not distributed at balance date.

(v) Employee benefits

(i) Wages and salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Retirement benefit obligations
Contributions are made by the economic entity to an employee superannuation fund and are charged as expenses when incurred.

(iv) Share-based payments
Share-based compensation benefits are provided to certain employees via the Super Retail Group Executive Option Plan and Super Retail Group Performance Rights Plan.

The fair value of options and performance rights granted under these plans are recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

For share options, the fair value at grant date is determined using a Binomial option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each statement of financial position date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Performance rights are valued using the 3 month weighted average share price as at the grant date.

Upon exercise of the options and performance rights, the balance of the share-based payments reserve relating to those options remains in the share based reserve.

(v) Profit-sharing and bonus plans
The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(w) Finance costs

Finance costs are recognised in the period in which these are incurred and are expensed in the period to which the costs relate. Generally costs such as discounts and premiums incurred in raising borrowings are amortised on an effective yield basis over the period of the borrowing. Finance costs include:

- interest on bank overdrafts and short-term and long-term borrowings;
- amortisation of discounts or premiums relating to borrowings;
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings;
- finance lease charges; and
- interest revenue

(x) Cash and cash equivalents

For the purposes of the cash flow statement, cash includes cash on hand, cash at bank and at call deposits with banks or financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(y) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax, except where the amount of goods and services tax incurred is not recoverable. In these circumstances the goods and services tax is recognised as part of the cost of acquisition of the asset or as part of the item of expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of goods and services tax.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flow.

(z) Earnings per share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing:-
- the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (note 38).

(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(aa) Rounding of amounts

The economic entity is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest hundred thousand dollars.

(ab) Financial year

As allowed under Section 323D(2) of the *Corporations Act 2001*, the Directors have determined the financial year to be a fixed period of 52 calendar or 53 calendar weeks. For the period to 29 June 2013, the Group is reporting on the 52 week period that began 1 July 2012 and ended 29 June 2013. For the period to 30 June 2012, the Group is reporting on the period commencing 3 July 2011 and ended 30 June 2012.

(ac) New accounting standards and interpretations

AASB 10 *Consolidated Financial Statements,* AASB 11 *Joint Arrangements,* AASB 12 *Disclosure of Interests in other Entities, revised* AASB 127 *Separate Financial Statements and* AASB 128 *Investments in Associates and Joint Ventures and* AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* and AASB 2012-10 *Amendments to Australian Accounting Standards – Transition guidance and other Amendments* (effective 1 January 2013)

In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements,* and Interpretation 12 *Consolidation – Special Purpose Entities.* The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. The Group does not expect the new standard to have a significant impact on its composition, it has yet to perform a detailed analysis of the new guidance in the context of its various investees that may or may not be controlled under the new rules.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control. The Group does not expect the new standard to have a significant impact on its composition.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by the Group will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the Group's investments.

AASB 127 is renamed *Separate Financial Statements* and is now a standard dealing solely with separate financial statements. Application of this standard by the Group will not affect any of the amounts recognised in the financial statements, but may impact the type of information disclosed in relation to the parent's investments in the separate parent entity financial statements.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. The Group is still assessing the impact of these amendments and do not believe the impact will be material.

The Group will adopt the new standards from their operative date. They will therefore be applied in the financial statements for the annual reporting period ending 30 June 2014.

AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13* (effective 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The Group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Group will adopt the new standard from its operative date, which means that it will be applied in the annual reporting period ending 30 June 2014.

AASB 2012-3 *Amendments to Australian Accounting Standard - Offsetting Financial Assets and Financial Liabilities* and AASB 2012-2 *Disclosures -Offsetting Financial Assets and Financial Liabilities* (effective 1 January 2014 and 1 January 2013 respectively)

AASB 2012-5 *Amendments to Australian Accounting Standard arising from Annual Improvements 2009-2011 cycle* (effective for annual periods beginning on or after 1 January 2013)

In June 2012, the AASB approved a number of amendments to Australian Accounting Standards as a result of the 2009-2011 annual improvements project. The group will apply the amendments from 1 July 2013. The Group does not expect that any adjustments will be necessary as the result of applying the revised rules.

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

(ad) Parent entity financial information

The financial information for the parent entity, Super Retail Group Limited, disclosed in note 41 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries
Investments in subsidiaries are accounted for at cost in the financial statements of Super Retail Group Limited.

(ii) Tax consolidation legislation
Super Retail Group Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Super Retail Group Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Super Retail Group Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Super Retail Group Limited for any current tax payable assumed and are compensated by Super Retail Group Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Super Retail Group Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(iii) Financial guarantees
Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

2 Financial risk management

The Group's activities expose it to a variety of financial risks; market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures.

Risk management is carried out by a central treasury department (Group Treasury) under policies approved by the Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board has approved written policies covering specific areas, such as mitigating foreign exchange, interest rate and credit risks, use of derivative financial instruments and investing excess liquidity.

2 Financial risk management (continued)

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures to the United States dollar, New Zealand dollar and Euro.

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group's risk management policy is to hedge between 40% and 75% of anticipated US dollar purchases for the subsequent 4 months and up to 40% of anticipated US dollar purchases for the subsequent 5 to 12 month period.

Forward contracts and currency options are used to manage foreign exchange risk. The Group's exposure to foreign currency risk at the end of the reporting period is:

	29 June 2013 USD $m	30 June 2012 USD $m
Trade receivables	**1.3**	0.9
Trade payables	**11.9**	10.7
Forward exchange contracts		
- buy foreign currency (cash flow hedges)	**55.7**	60.0

In addition to the above, the Group also has a Euro 0.9 million foreign currency hedge.

Group sensitivity

Based on the financial instruments held at 29 June 2013, had the Australian dollar weakened/strengthened by 10% against other currencies with all other variables held constant, the impact on the Group's post-tax profit would have been nil, on the basis that the financial instruments would have been designated as cash flow hedges and the impact upon the foreign exchange movements of other financial assets and liabilities is negligible.

Equity would have been $5.9 million lower/$7.2 million higher (2012: $5.9 million lower/$7.2 million higher) had the Australian dollar weakened/strengthened by 10% against other currencies, arising mainly from forward foreign exchange contracts designated as cash flow hedges. The impact on other Group assets and liabilities as a result of movements in exchange rates are not material.

A sensitivity of 10% was selected following review of historic trends.

(ii) Cash flow and fair value interest rate risk

Group sensitivity

The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2013 and 2012, the Group's borrowings were at variable rates and were denominated in Australian dollars.

As at the reporting date, the Group had the following variable rate borrowings and interest rate swap contracts outstanding:

	29 June 2013 Balance $m	30 June 2012 Balance $m
Bank overdrafts and bank loans	**344.5**	390.0
Interest rate swaps	**140.0**	140.0

An analysis by maturities is provided in (c) below.

The Group risk management policy is to maintain fixed interest rate hedges of approximately 40% of anticipated debt levels over a 3 year period. The Group utilises interest rate swaps to hedge its interest rate exposure on borrowings.

2 Financial risk management (continued)

At 29 June 2013, if interest rates had changed by +/- 100 basis points from the year-end rates with all other variables held constant, post-tax profit and equity for the year would have been $1.4 million lower/higher (2012: $1.8 million lower/higher), mainly as a result of higher/lower interest expense on bank loans.

(b) Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

Financing arrangements

The Group entity had access to the following undrawn borrowing facilities at the reporting date. These funds can be drawn in Australian dollars at any time subject to the continuing compliance with specified bank covenants.

	Consolidated	
	2013	2012
	$m	$m
Floating rate		
- Cash advances	**155.5**	110.0

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities and gross settled derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. For interest rate swaps the cash flows have been calculated using spot rates applicable at the reporting date.

Group – at 29 June 2013	Less than 6 months $m	6-12 months $m	Between 1 and 2 years $m	Between 2 and 5 years $m	Over 5 years $m	Total contractual cash flows $m	Carrying amount (assets) / liabilities $m
Non-derivatives							
Trade & other payables	274.3	-	-	-	-	274.3	274.3
Borrowings (excluding finance leases)	8.4	8.4	249.1	87.3	-	353.2	344.5
Finance lease liabilities	1.6	1.7	2.7	2.3	-	8.3	8.3
Total non-derivatives	284.3	10.1	251.8	89.6	-	635.8	627.1
Derivatives							
Net settled (IRS)	(1.1)	(1.0)	(0.8)	-	-	(2.9)	-
Gross settled							
- (inflow)	(47.9)	(13.0)	-	-	-	(60.9)	-
- outflow	43.6	11.8	-	-	-	55.4	-
Total derivatives	(5.4)	(2.2)	(0.8)	-	-	(8.4)	-

2 Financial risk management (continued)

Group – at 30 June 2012	Less than 6 months $m	6-12 months $m	Between 1 and 2 years $m	Between 2 and 5 years $m	Over 5 years $m	Total contractual cash flows $m	Carrying amount (assets) / liabilities $m
Non-derivatives							
Trade & other payables	197.9	-	-	-	-	197.9	197.9
Borrowings (excluding finance leases)	12.5	12.5	159.1	263.5	-	447.6	390.0
Finance lease liabilities	-	-	-	-	-	-	-
Total non-derivatives	210.4	12.5	159.1	263.5	-	645.5	587.9
Derivatives							
Net settled (IRS)	(0.8)	(0.8)	(1.2)	-	-	(2.8)	-
Gross settled							
- (inflow)	(39.4)	(19.7)	-	-	-	(59.1)	-
- outflow	39.4	20.0	-	-	-	59.4	-
Total derivatives	(0.8)	(0.5)	(1.2)	-	-	(2.5)	-

(d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of forward exchange contracts is determined using forward exchange market rates at the statement of financial position date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The following tables present the Group's entity's assets and liabilities measured and recognised at fair value at 29 June 2013.

Group – at 29 June 2013	**Level 1 $m**	**Level 2 $m**	**Level 3 $m**	**Total $m**
Assets				
Derivatives used for hedging	-	6.0	-	6.0
Total assets	-	6.0	-	6.0
Liabilities				
Derivatives used for hedging	-	(3.1)	-	(3.1)
Total liabilities	-	(3.1)	-	(3.1)

Group – at 30 June 2012	**Level 1 $m**	**Level 2 $m**	**Level 3 $m**	**Total $m**
Assets				
Derivatives used for hedging	-	0.4	-	0.4
Total assets	-	0.4	-	0.4
Liabilities				
Derivatives used for hedging	-	(3.9)	-	(3.9)
Total liabilities	-	(3.9)	-	(3.9)

The fair value of financial instruments traded in active markets such as publicly traded derivatives and trading and available-for-sale securities is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

2 Financial risk management (continued)

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. These instruments are included in level 2 and comprise debt investments and derivative financial instruments. In the circumstances where a valuation technique for these instruments is based on significant observable inputs, such instruments are included in level 3.

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. The fair value of the current borrowings approximates the carrying amount, as the impact of discount is not significant.

(e) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group’s income and operating cash flows are not materially exposed to changes in market interest rates.

The Group's interest-rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. Borrowings issued at fixed rates expose the Group to fair value interest-rate risk.

The Group manages its cash flow interest-rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. Under the interest-rate swaps, the Group agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

	Consolidated entity			
	Carrying amount		**Fair value**	
	2013 $m	**2012 $m**	**2013 $m**	**2012 $m**
Carrying amounts and fair values of financial assets and financial liabilities at statement of financial position date:				
Financial assets				
Cash and deposits	**22.3**	47.0	**22.3**	47.0
Receivables	**36.3**	28.2	**36.3**	28.2
Forward exchange contracts *	**6.0**	0.4	**6.0**	0.4
Non-traded financial assets	**64.6**	75.6	**64.6**	75.6
Financial liabilities				
Trade and other payables	**(271.2)**	(194.0)	**(271.2)**	(194.0)
Commercial bill and other financing	**(351.6)**	(388.0)	**(351.6)**	(388.0)
Interest rate swaps *	**(3.1)**	(3.9)	**(3.1)**	(3.9)
Non-traded financial liabilities	**(625.9)**	(585.9)	**(625.9)**	(585.9)

*These amounts are unrealised gains and losses which have been included in the carrying amount and fair value in the statement of financial position as financial assets and liabilities.
With the exception of the forward exchange contracts and interest rate swaps, none of the financial assets and liabilities are readily traded on organised markets in the standardised form.
Where assets are carried at amounts above the fair value these amounts have not been written down as it is intended to hold these assets to maturity.
Fair value is exclusive of costs that would be incurred on realisation of an asset and inclusive of costs that would be incurred on settlement of a liability.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the statement of financial position, and notes to the financial statements.

Credit risk for derivative financial instruments arises from the potential failure by counterparties to the contract to meet their obligations. The credit risk exposure to forward exchange contracts and interest rate swaps is the fair value of these contracts.

3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1(o). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions. Refer to note 14 for details of these assumptions.

(ii) Estimated value of intangible assets relating to acquisitions

The Group has allocated portions of the cost of acquisition to various intangible assets, such as brand names and supply agreements. Brand names have been valued using the relief from royalty method. Supplier agreements have been valued using the multi-period excess earnings method. The calculations require the use of assumptions. In addition, the value of liability of put options granted as part of acquisitions has been estimated.

(iii) Estimated value of make good provision

The Group has estimated the present value of the estimated expenditure required to remove any leasehold improvements and return leasehold premises to their original state, in addition to the likelihood of this occurring. These costs have been capitalised as part of the cost of the leasehold improvements.

4 Segment information

(a) Description of segments

The Board has determined the operating segments based on the reports reviewed by the Group Managing Director that are used to make strategic decisions.

This results in the following business segments:

Auto: Retail and distribution of motor vehicle spare parts, tools and equipment.
Leisure: Retail and distribution of boating, camping, fishing, outdoor equipment and apparel.
Sports: Retail and distribution of sporting equipment, bicycle accessories and apparel. From 1 July 2012, the cycling business including Goldcross has moved from the Auto segment into Sports. Where relevant prior year comparatives have been restated.

(b) Segment information provided to the Group Managing Director

The segment information provided to the Group Managing Director for the reportable segments for the year ended 29 June 2013 is as follows:

2013	Auto $m	Leisure $m	Sports $m	Total continuing operations $m	Inter-segment eliminations/ unallocated $m	Consolidated $m
Segment Revenue						
Sales to external customers	789.0	522.5	703.5	2,015.0	7.2	2,022.2
Inter segment sales	-	-	-	-	(2.2)	(2.2)
Other revenue/income	1.8	-	1.2	3.0	-	3.0
Total sales revenue	790.8	522.5	704.7	2,018.0	5.0	2,023.0
Segment result (pre-borrowing costs)	87.1	33.2	63.4	183.7	(11.4)	172.3
Finance costs						(25.5)
Profit before income tax						146.8
Income tax expense						(44.1)
Profit for the period						102.7
Segment Assets & Liabilities						
Segment assets	515.2	259.3	281.5	1,056.0	423.5	1,479.5
Unallocated assets					-	-
Total assets						1,479.5
Segment liabilities	(349.6)	(202.4)	(245.8)	(797.8)	49.8	(748.0)
Unallocated liabilities					-	-
Total liabilities						(748.0)
Acquisitions of property, plant and equipment and other non-current segment assets	17.0	12.8	22.8	52.6	54.1	106.7
Depreciation and amortisation expense	20.8	11.6	13.9	46.3	-	46.3
Other non-cash expenses						2.7

The segment information provided to the Group Managing Director for the reportable segments for the year ended 30 June 2012 is as follows:

2012	Auto $m	Leisure $m	Sports $m	Total continuing operations $m	Inter-segment eliminations/ unallocated $m	Consolidated $m
Segment Revenue						
Sales to external customers	732.3	456.3	460.3	1,648.9	7.3	1,656.2
Inter segment sales	-	-	-	-	(2.1)	(2.1)
Other revenue/income	0.1	-	0.7	0.8	0.1	0.9
Total sales revenue	732.4	456.3	461.0	1,649.7	5.3	1,655.0
Segment result (pre-borrowing costs and impairment)	77.4	32.6	49.4	159.4	(18.6)	140.8
Finance costs						(20.6)
Impairment of goodwill						(0.1)
Profit before income tax						120.1
Income tax expense						(36.6)
Profit for the period						83.5
Segment Assets & Liabilities						
Segment assets	406.6	234.3	203.0	843.9	541.5	1,385.4
Unallocated assets					-	-
Total assets						1,385.4
Segment liabilities	(237.3)	(178.8)	(181.8)	(597.9)	98.7	(587.9)
Unallocated liabilities					-	-
Total liabilities						(587.9)
Acquisitions of property, plant and equipment and other non-current segment assets	17.8	15.1	656.2	679.1	21.8	710.9
Depreciation and amortisation expense	17.6	9.2	8.4	35.2	0.2	35.4
Other non-cash expenses						1.9

(c) Other information

The consolidated entity’s divisions are operated in two main geographical areas.

Australia
The home country of the parent entity. The three areas of operation are:
(i) motor vehicles, spare parts, tools and equipment
(ii) boating, camping, outdoor equipment and fishing
(iii) sporting equipment, bicycles, bicycle accessories and apparel.

New Zealand
Supercheap Auto and FCO operate in New Zealand.

5 Revenue

	Consolidated	
	2013	2012
	$m	$m
From continuing operations		
Sales revenue		
Sale of goods	**2,020.0**	1,654.1
	2,020.0	1,654.1

6 Other Income

	Consolidated	
	2013	2012
	$m	$m
Income for store closure	**1.0**	-
Insurance claims	**0.7**	-
Sundry income	**1.3**	0.9
	3.0	0.9

7 Expenses

	Consolidated	
	2013	2012
	$m	$m
Profit before income tax includes the following specific gains and expenses:		
Expenses		
Net loss on disposal of property, plant and equipment	**4.5**	0.8
Depreciation		
Plant and equipment	**30.1**	23.4
Motor vehicles	**0.4**	0.2
Computer systems	**8.5**	6.8
Total depreciation	**39.0**	30.4
Amortisation and Impairment		
Computer software	**7.2**	4.7
Brand name	**0.1**	0.1
Goodwill	**-**	0.1
Total Amortisation and Impairment	**7.3**	4.9
Finance costs		
Interest and finance charges	**26.4**	22.3
Accretion of put option	**0.1**	(0.3)
Interest revenue	**(1.0)**	(1.4)
Finance costs expensed	**25.5**	20.6
Employee benefits expense		
Superannuation	**23.8**	19.0
Salaries and wages	**339.8**	270.5
Total employee benefits expense	**363.6**	289.5
Rental expense relating to operating leases		
Lease expenses	**171.3**	137.4
Equipment hire	**11.3**	8.1
Total rental expense relating to operating leases	**182.6**	145.5
Foreign exchange gains and losses		
Net foreign exchange gains	**1.2**	0.3

8 Income tax expense

	Consolidated	
	2013	2012
	$m	$m
(a) Income tax expense		
Current tax	**46.4**	35.1
Deferred tax	**(3.2)**	1.5
Adjustments for current tax of prior period	**0.9**	-
	44.1	36.6
Deferred income tax (revenue) expense included in income tax expense comprises:		
Decrease (increase) in deferred tax assets (note 13)	**(6.5)**	-
Increase (decrease) in deferred tax liabilities (note 22)	**3.3**	1.9
	(3.2)	1.9
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax expense	**146.8**	120.1
Tax at the Australian tax rate of 30% (2012 - 30%)	**44.0**	36.0
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax consolidation adjustments regarding NZ branches	**1.0**	(0.4)
Business acquisition costs	**-**	3.4
R & D credits	**(0.9)**	(2.7)
Sundry items	**(0.1)**	0.1
	44.0	36.4
Difference in overseas tax rates	**(0.8)**	0.2
Adjustments for current tax of prior periods	**0.9**	-
Income tax expense	**44.1**	36.6
Amounts recognised directly in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity		
Net deferred tax – debited/(credited) directly to equity (notes 13 and 22)	**1.9**	(1.3)
	1.9	(1.3)
Tax expense (income) relating to items of other comprehensive income		
Cash flow hedges	**1.9**	-
	1.9	-

(c) Tax consolidation legislation

Super Retail Group Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 1 July 2003. The accounting policy in relation to this legislation is set out in note 1(d).

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the directors, limits the joint and several liability of the wholly-owned entities in the case of a default by the head entity, Super Retail Group Limited.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Super Retail Group Limited for any current tax payable assumed and are compensated by Super Retail Group Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Super Retail Group Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

9 Current assets – Cash and cash equivalents

	Consolidated	
	2013	2012
	$m	$m
Cash at bank and in hand	**22.3**	47.0

10 Current assets – Trade and other receivables

	Consolidated	
	2013	2012
	$m	$m
Trade receivables	**26.4**	18.1
Provision for impairment of receivables [(a)]	**(0.2)**	(0.2)
	26.2	17.9
Other receivables	**9.9**	4.2
Tax receivable	**-**	0.7
Prepayments	**6.2**	5.8
	42.3	28.6

(a) Impaired trade receivables

As of 29 June 2013 current trade receivables of the Group with a nominal value of $0.2 million (2012: $0.2 million) were impaired and provided for. The individually impaired receivables mainly relate to wholesalers who the Group no longer trade with.

Movements in the provision for impairment of receivables is as follows:

	Consolidated	
	2013	2012
	$m	$m
As at 1 July 2012	**(0.2)**	(0.2)
Provision for impairment recognised during the year	**(0.1)**	(0.2)
Receivables written off during the year as uncollectable	**0.1**	0.2
	(0.2)	(0.2)

The creation and release of the provision for the impaired receivables has been included in "Administration" in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cost.

(b) Past due but not impaired

As of 29 June 2013, trade receivables of $3.7 million (2012: $4.0 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Consolidated	
	2013	2012
	$m	$m
0 to 3 months	**1.6**	3.2
3 to 6 months	**0.7**	0.3
Over 6 months	**1.4**	0.5
	3.7	4.0

11 Current assets – Inventories

	Consolidated 2013 $m	2012 $m
Finished goods		
- at lower of cost or net realisable value	**452.6**	416.7

(a) Inventory expense

Inventories recognised as expense during the year ended 29 June 2013 amounted to $1,079.2 million (2012: $897.9 million).

Write-downs of inventories to net realisable value recognised as an expense during the year ended 29 June 2013 amounted to $9.1 million (2012: $2.5million). The expense has been included in 'costs of sales of goods' in the income statement.

12 Non-current assets – Property, plant and equipment

	Consolidated 2013 $m	2012 $m
Plant and equipment, at cost	**277.1**	239.7
Less accumulated depreciation	**(106.4)**	(85.4)
Net plant and equipment	**170.7**	154.3
Motor vehicles, at cost	**1.0**	1.6
Less accumulated depreciation	**(0.5)**	(0.4)
Net motor vehicles	**0.5**	1.2
Computer systems, at cost	**66.8**	52.4
Less accumulated depreciation	**(45.4)**	(35.3)
Net computer equipment	**21.4**	17.1
Total net property, plant and equipment	**192.6**	172.6

Assets pledged as security are detailed in Note 20

	Plant and equipment $m	Motor vehicles $m	Computer systems $m	Total $m
Reconciliations - consolidated entity				
Carrying amounts at 1 July 2012	154.3	1.2	17.1	172.6
Additions	50.8	-	7.2	58.0
Reclassification of finance lease [(a)]	-	-	5.8	5.8
Disposals	(5.3)	(0.3)	(0.2)	(5.8)
Depreciation	(30.1)	(0.4)	(8.5)	(39.0)
Foreign currency exchange differences	1.0	-	-	1.0
Carrying amounts at 29 June 2013	170.7	0.5	21.4	192.6
Reconciliations - consolidated entity				
Carrying amounts at 3 July 2011	96.1	-	13.1	109.2
Additions	48.9	-	6.9	55.8
Business acquisitions	35.3	1.5	4.0	40.8
Disposals	(2.7)	(0.1)	-	(2.8)
Depreciation	(23.4)	(0.2)	(6.9)	(30.5)
Foreign currency exchange differences	0.1	-	-	0.1
Carrying amounts at 30 June 2012	154.3	1.2	17.1	172.6

12 Non-current assets – Property, plant and equipment (continued)

(a) Reclassification of finance lease

In the current year, existing computer equipment leases were reclassified from operating leases to finance leases.

13 Non-current assets – Deferred tax assets

	Consolidated	
	2013	2012
	$m	$m
The balance comprises temporary differences attributable to:		
Amounts recognised in profit or loss		
Employee benefits	**10.9**	8.8
Prepayments	**0.1**	0.3
Accruals	**1.0**	1.2
Inventories	**3.0**	1.9
Deferred make good provision	**2.5**	1.6
Straight line lease adjustment	**6.0**	5.0
Deferred income	**0.3**	0.1
Depreciation	**5.5**	5.8
Tax losses	**2.5**	0.8
Surplus leases	**0.7**	-
	32.5	25.5
Amounts recognised directly in equity		
Cash flow hedges	**0.9**	1.1
Share placement costs	**1.3**	1.8
	34.7	28.4
Set off with deferred tax liabilities (note 22)	**(34.7)**	(28.4)
Net deferred tax assets	**-**	-
Movements:		
Opening balance	**28.4**	17.5
Credited/(charged) to the income statement	**6.5**	0.3
(Charged)/credited to equity	**(0.2)**	1.4
Acquired in acquisition	**-**	9.2
Closing balance	**34.7**	28.4
Deferred tax assets to be recovered after more than 12 months	**29.4**	23.8
Deferred tax assets to be recovered within 12 months	**5.3**	4.6
	34.7	28.4

14 Non-current assets – Intangible assets

	Consolidated 2013 $m	Consolidated 2012 $m
Goodwill at cost	**445.6**	440.3
Less accumulated impairment charge	**(2.1)**	(2.1)
Net goodwill	**443.5**	438.2
Computer software	**91.2**	40.0
Less accumulated amortisation	**(32.2)**	(25.0)
Net computer software	**59.0**	15.0
Brand names at cost	**267.5**	267.5
Less amortisation	**(0.6)**	(0.5)
Net brand names	**266.9**	267.0
Supplier agreement	**0.4**	0.4
Less amortisation	**(0.1)**	(0.1)
Net Supplier agreements	**0.3**	0.3
Total net intangibles	**769.7**	720.5

	Goodwill $m	Computer Software $m	Brand Name $m	Supplier Agreement $m	Totals $m
Reconciliations – consolidated entity – 2013					
Carrying amounts at 1 July 2012	438.2	15.0	267.0	0.3	720.5
Additions	-	48.7	-	-	48.7
Business acquisitions	5.3	-	-	-	5.3
Reclassification of finance lease	-	2.5	-	-	2.5
Disposals/Revision in provisional accounting	-	-	-	-	-
Amortisation/Impairment charge	-	(7.2)	(0.1)	-	(7.3)
Carrying amounts at 29 June 2013	443.5	59.0	266.9	0.3	769.7

	Goodwill $m	Computer Software $m	Brand Name $m	Supplier Agreement $m	Totals $m
Reconciliations – consolidated entity – 2012					
Carrying amounts at 3 July 2011	76.5	12.3	22.1	0.3	111.2
Additions	-	6.8	-	-	6.8
Business acquisitions	361.8	0.6	245.0	-	607.4
Disposals/Revision in provisional accounting	-	-	-	-	-
Amortisation/Impairment charge	(0.1)	(4.7)	(0.1)	-	(4.9)
Carrying amounts at 30 June 2012	438.2	15.0	267.0	0.3	720.5

Amortisation of $7.3 million (2012: $4.9 million) is included in "Administration" in the consolidated income statement.

(a) Impairment tests for goodwill

Goodwill is allocated to the Group's cash generating units (CGUs) identified according to the group of assets based on acquisition. In the current year the Group has aligned its CGUs with its business segments of Auto, Leisure and Sports. A value-in-use review was undertaken, prior to this alignment, which supported assets being fully recoverable under the prior CGU hierarchy.

14 Non-current assets – Intangible assets (continued)

A CGU level summary of the goodwill allocation is presented below:-

CGU	2013 $m	2012 $m
Auto	**45.3**	45.3
Leisure	**24.8**	24.0
Sports	**373.4**	368.9
Total	**443.5**	438.2

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by the Board of Directors covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

(b) Key assumptions used for value-in-use calculations

The following assumptions have been used for the analysis of each CGU within the business segment. Management determined budgeted gross margin based on past performance and its expectations for the future. The weighted average growth rates used are consistent with forecasts included in industry reports. The discount rates used are pre-tax. The factors used by each business segment is shown below.

	Growth rate		Discount rate	
	2013 %	2012 %	**2013 %**	2012 %
Auto	**4**	3	**12**	12
Leisure	**5**	5	**12**	12
Sports	**5**	5	**12**	12

(c) Useful life for brands

The Goldcross Cycles brand has been determined to have a 20 year life and is amortised over this period.

No amortisation is provided against the carrying value of the purchased Ray's Outdoors, Rebel Sport and Amart Sports brands on the basis that they are considered to have an indefinite useful life.

Key factors taken into account in assessing the useful life of brands were:

- the strong recognition of the Ray's Outdoors, Rebel and Amart Sports brands; and
- there are currently no legal, technical or commercial factors indicating that the life should be considered limited.

15 Current liabilities – Trade and other payables

	Consolidated	
	2013 $m	2012 $m
Trade payables	**199.7**	130.7
Other payables	**74.6**	67.2
	274.3	197.9

16 Current liabilities – Borrowings

	Consolidated 2013 $m	Consolidated 2012 $m
Secured		
Finance leases	**3.3**	-
Total current liabilities – secured interest bearing liabilities	**3.3**	-
Unsecured		
Related parties	**-**	-
Unsecured bank financing	**-**	-
Total current liabilities – unsecured interest bearing liabilities	**-**	-
Total current liabilities – interest bearing liabilities	**3.3**	-

Security

Details of the security relating to each of the secured liabilities and further information on the bank overdrafts and bank loans are set out in note 20.

17 Current liabilities – Current tax liabilities

	Consolidated 2013 $m	Consolidated 2012 $m
Income tax payable	**7.8**	9.2

18 Current liabilities – Provisions

	Consolidated 2013 $m	Consolidated 2012 $m
Employee benefits[(a)]	**23.9**	19.3
Surplus leases[(b)]	**2.4**	-
Make good provision[(c)]	**1.1**	0.1
Put option provision[(d)]	**0.5**	0.4
	27.9	19.8

(a) Employee benefits

The current provision for employee benefits includes accrued annual leave and long service leave.

(b) Surplus leases

The provision for surplus lease space (onerous contracts) represents the present value of the future lease payments that the Group is obligated to make in respect of surplus lease space under non-cancellable operating lease agreements, less estimated future sub-lease revenue.

(c) Make good provision

Provision is made for costs arising from contractual obligations in lease agreements at the inception of the agreement. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of the leasehold improvements and are amortised over the shorter of the term of the lease or the useful life of the assets.

(d) Put option provision

The put option relates to the acquisition of Oceania Bicycles Pty Ltd. As part of this acquisition, Super Retail Group Limited has granted the vendor an option to sell the remaining 50% to the Group at an agreed EBITA multiple. This option can be exercised at any time up to 10 years from acquisition.

18 Current liabilities – Provisions (Continued)

(e) Movements in provisions

Refer to Note 23 for a consolidated movement in provisions analysis.

19 Non-current liabilities – Trade and Other Payables

	Consolidated	
	2013 $m	2012 $m
Straight line lease adjustment	**22.8**	17.5

20 Non-current liabilities – Borrowings

	Consolidated	
	2013 $m	2012 $m
Secured		
Finance lease	**5.0**	-
Bank debt funding facility	**344.5**	390.0
Less borrowing costs capitalised, net	**(1.2)**	(2.0)
	348.3	388.0

The facilities are secured by first registered floating company charges over all the assets and undertakings of Super Retail Group Limited and all its wholly-owned subsidiaries in favour of ANZ Banking Group Limited, HSBC, Commonwealth Bank of Australia and National Australia Bank and by cross guarantees and indemnities between Super Retail Group Limited and all its wholly-owned subsidiaries in favour of ANZ Banking Group Limited, HSBC, Commonwealth Bank of Australia and National Australia Bank. Financial covenants are provided by Super Retail Group Limited with respect to leverage, gearing, fixed charges coverage and shareholder funds.

The carrying amount of assets pledged as security are equal to those shown in the consolidated statement of financial position.

	Consolidated	
	2013 $m	2012 $m
Financing arrangements		
Unrestricted access was available at balance date to the following lines of credit:		
Total facilities		
- Bank debt funding facility	**500.0**	500.0
- Multi-option facility (including indemnity/guarantee)	**17.0**	17.0
Totals	**517.0**	517.0
Facilities used at balance date		
- Bank debt funding facility	**344.5**	390.0
- Multi-option facility (including indemnity/guarantee)	**7.6**	8.3
Totals	**352.1**	398.3
Unused balance of facilities at balance date		
- Bank debt funding facility	**155.5**	110.0
- Multi-option facility (including indemnity/guarantee)	**9.4**	8.7
Totals	**164.9**	118.7

In addition, the Company has access to a $89.5 million (2012: $89.5 million) transactional facility for clean credit and foreign currency dealings.
Current interest rates on bank loans of the economic entity are 4.52% - 5.01% (2012: 5.63% - 6.62%).

Fair Value
Refer to Note 2 for the carrying amounts and fair values of borrowings at the end of reporting period.

Risk exposures
Information about the group's exposure to interest rate and foreign currency changes is provided in Note 2.

21 Derivative Financial instruments

Derivative financial instruments
The Group is party to derivative financial instruments in the normal course of business in order to hedge exposures to foreign exchange and interest rate changes.

Foreign exchange contracts
The economic entity retails products including some that have been imported from South East Asia. In order to protect against exchange rate movements, the economic entity has entered into forward exchange rate contracts to purchase United States Dollars. The contracts are timed to mature in line with forecasted payments for imports and cover forecast purchases for the coming four months on a rolling basis.

At balance date the following amounts were committed on foreign currency forward exchange contracts:

	Consolidated entity	
	2013 $m	2012 $m
Buy United States dollars and sell Australian dollars with maturity		
- 0 to 6 months	**40.7**	40.0
- 7 to 12 months	**15.0**	20.0
	55.7	60.0
Buy Euro and sell Australian dollars with maturity 0 to 6 months	**0.9**	-

The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the Group adjusts the initial measurement of the component recognised in the statement of financial position by the related amount deferred in equity. In the year ended 29 June 2013, no hedges were designated as ineffective (2012: nil).

Gains and losses arising from hedging contracts terminated prior to maturity are also carried forward until the designated hedged transaction occurs.

The following gains, losses and costs have been deferred as at the balance date:		
- unrealised gains/(losses) on foreign exchange contracts[a]	**6.0**	0.4
- unrealised gains/(losses) on interest rate swaps[b]	**(3.1)**	(3.9)
- total gains/(losses)	**2.9**	(3.5)
- realised losses and costs	**-**	-
- unrealised losses and costs on interest rate swaps	**-**	-
- total losses and costs	**-**	-
Net gains/(losses and costs)	**2.9**	(3.5)

(a) Included in other receivables under note 10
(b) Included in other payables under note 15

Interest rate swap contracts
Bank loans of the economic entity currently bear an average variable interest rate of 4.88% (2012: 6.40%). It is policy to protect part of the forecasted debt from exposure to increasing interest rates. Accordingly, the economic entity has entered into interest rate swap contracts, under which it is obliged to receive interest at variable rates and to pay interest at fixed rates. The contracts are settled on a net basis and the net amount receivable or payable at the reporting date is included in other debtors or other creditors.

During the year the Group was a party to multiple interest rate swaps for a total nominal value of $140 million (2012: $160 million) of which $20 million expired on 31 January 2013. The Group also entered into a $20 million three year interest swap with a start date of 15 January 2013. This swap is for a fixed interest rate of 3.53%.

The contracts require settlement of net interest receivable or payable each 90 days. The settlement dates coincide with the dates on which interest is payable on the underlying debt. Swaps currently in place cover approximately 36% (2012: 36%) of the loan principal outstanding. The average fixed interest rate is 4.43% (2012: 4.49%).

21 Derivative Financial instruments (continued)

Interest rate risk exposures

The economic entity's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following table:

	Notes	Floating interest rate $m	Fixed interest maturing in: 1 year or less $m	Fixed interest maturing in: Over 1 to 5 years $m	Fixed interest maturing in: More than 5 years $m	Non-interest bearing $m	Total $m
2013							
Financial assets							
Cash and deposits	9	20.6	-	-	-	1.7	22.3
Receivables	10	-	-	-	-	42.3	42.3
Total financial assets		20.6	-	-	-	44.0	64.6
Weighted average rate of interest		*2.48%*					
Financial liabilities							
Trade and other payables	15, 17	-	-	-	-	282.4	282.4
Finance lease/bank debt	16, 20	343.3	3.3	5.0	-	-	351.6
Employee entitlements	18, 23	-	-	-	-	29.8	29.8
Total financial liabilities		343.3	3.3	5.0	-	312.2	663.8
Weighted average rate of interest		*4.88%*					
Net financial assets/ (liabilities)		(322.7)	(3.3)	(5.0)	-	(268.2)	(599.2)

	Notes	Floating interest rate $m	Fixed interest maturing in: 1 year or less $m	Fixed interest maturing in: Over 1 to 5 years $m	Fixed interest maturing in: More than 5 years $m	Non-interest bearing $m	Total $m
2012							
Financial assets							
Cash and deposits	9	45.4	-	-	-	1.6	47.0
Receivables	10	-	-	-	-	28.6	28.6
Total financial assets		45.4	-	-	-	30.2	75.6
Weighted average rate of interest		*3.17%*					
Financial liabilities							
Trade and other payables	15, 17	-	-	-	-	207.1	207.1
Finance lease/bank debt	16, 20	388.0	-	-	-	-	388.0
Employee entitlements	18, 23	-	-	-	-	24.3	24.3
Total financial liabilities		388.0	-	-	-	231.4	619.4
Weighted average rate of interest		*6.40%*					
Net financial assets/ (liabilities)		(342.6)	-	-	-	(201.2)	(543.8)

22 Non-current liabilities – Deferred tax liabilities

	Consolidated	
	2013 **$m**	2012 $m
The balance comprises temporary differences attributable to:		
Amounts recognised in profit or loss		
Goodwill	**0.1**	0.1
Brand values	**80.1**	80.2
Other receivables	**-**	0.3
Depreciation	**6.2**	2.5
	86.4	83.1
Amounts recognised directly in equity		
Foreign exchange revaluation reserve	**1.8**	0.1
	88.2	83.2
Set-off of deferred tax liabilities of parent entity pursuant to set-off provisions	**(34.7)**	(28.4)
Net deferred tax liabilities	**53.5**	54.8
Movements:		
Opening balance	**83.2**	6.7
Charged/(credited) to the income statement	**3.3**	1.9
Charged/(credited) to equity	**1.7**	0.1
Acquired in acquisition	**-**	74.5
Closing balance	**88.2**	83.2
Deferred tax liabilities to be settled after more than 12 months	**86.4**	82.8
Deferred tax liabilities to be settled within 12 months	**1.8**	0.4
	88.2	83.2

23 Non-current liabilities – Provisions

	Consolidated	
	2013 **$m**	2012 $m
Make good provision	**4.1**	4.5
Employee benefits	**5.9**	4.9
Provision for Oceania future dividend [(a)]	**0.1**	0.1
	10.1	9.5

(a) Provision for Oceania future dividend

A provision has been recognised for the present value of the estimated cost of the future dividend required to be paid with respect to Oceania.

(b) Movements in provisions (consolidated entity) (notes 18 & 23)

	Surplus leases $m	**Make good $m**	**Put option $m**	**Oceania future dividend $m**	**Total $m**
Opening balance as at 1 July 2012	-	4.6	0.4	0.1	5.1
Additional provisions recognised	2.4	1.8	-	-	4.2
Indexing of provisions	-	(0.4)	0.1	-	(0.3)
Provision released	-	(0.8)	-	-	(0.8)
Acquisitions	-	-	-	-	-
Closing balance as at 29 June 2013	2.4	5.2	0.5	0.1	8.2

24 Contributed equity

(a) Share Capital

	Parent Entity	
	2013	2012
	$m	$m
Ordinary shares fully paid	**542.3**	541.8

	Number of Shares	Issue Price	$m
(b) Movement in ordinary share capital			
Issue of shares on incorporation (8 April 2004)	1	1.00	-
Issue of shares on 23 April 2004	49,697,150	1.69	84.0
Share split on 19 May 2004	56,732,471	-	-
Issue of shares on 8 March 2008	200,000	1.97	0.4
Dividend reinvestment plan issue on 14 October 2009	714,234	5.35	3.8
Dividend reinvestment plan issue on 17 March 2010	661,137	4.96	3.3
Issue of shares on 4 May 2010	15,900,000	4.80	76.3
Shares issue under share option	612,500	2.36	1.4
Share placement plan on 27 May 2010	2,529,809	4.80	12.1
Shares issue under share option	185,000	2.42	0.4
Shares issued on 31 May 2010 as consideration for Ray's Outdoors Pty Ltd	300,000	5.16	1.5
Dividend reinvestment plan issue on 1 October 2010	775,040	5.98	4.6
Dividend reinvestment plan issue on 5 April 2011	941,397	6.40	6.0
Shares issue under share option	770,000	2.55	2.0
Dividend reinvestment plan issue on 26 September 2011	1,411,206	5.94	8.4
Institutional equity raising – 17 October 2011	53,166,176	5.34	283.9
Retail equity raising – 21 November 2011	9,428,472	5.34	50.3
Dividend reinvestment plan issue on 3 April 2012	1,148,378	7.04	8.1
Shares issued under share option	980,000	2.45	2.4
Shares issued under performance rights	169,841	Nil	-
Shares issued under share option	150,000	3.23	0.5
Less transaction costs on share issue			(9.7)
Deferred tax credit recognised directly in equity			2.6
Closing balance 29 June 2013	196,472,812		542.3

The October 2011 and November 2011 institutional and retail equity raisings were done to finance the acquisition of Rebel Group Limited.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Dividend reinvestment plan

The company has established a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by shares purchased on market rather than by being paid in cash.

The ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present, in person or by proxy, at a meeting of shareholders of the parent entity is entitled to one vote and, upon a poll, each share is entitled to one vote.

Ordinary shares were issued during the period due to 150,000 (2012: 980,000) options being exercised during the period. Performance rights over 544,019 (2012: 453,151) ordinary shares were issued during the period with 169,840 performance rights being exercised during the period. Information relating to options outstanding at the end of the financial period are set out in Note 38.

24 Contributed equity (continued)

(c) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors overall capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position (including minority interest) plus net debt.

During 2013 the Group's strategy, which was unchanged from 2012, was to ensure that the gearing ratio remained below 50%. This target ratio range excludes the short-term impact of acquisitions. The gearing ratios at 29 June 2013 and 30 June 2012 were as follows:

	Consolidated	
	2013	2012
	$m	$m
Total borrowings	**351.6**	388.0
Less: Cash & cash equivalents	**(22.3)**	(47.0)
Net Debt	**329.3**	341.0
Total Equity	**731.5**	688.7
Total Capital	**1,060.8**	1,029.7
Gearing Ratio	**31.0%**	33.1%

The Group monitors ongoing capital on the basis of the fixed charge cover ratio. The ratio is calculated as earnings before finance costs, tax, depreciation, amortisation and store and DC rental expense divided by fixed charge obligations (being finance costs and store and DC rental expenses). Rental expenses are calculated net of straight line lease adjustments, while finance costs exclude non-cash mark-to-market losses or gains on interest rate swaps.

During 2013 the Group's strategy, which was unchanged from 2012, was to maintain a fixed charge cover ratio of around 2.0 times. The fixed charge cover ratios at 29 June 2013 and 30 June 2012 were as follows:

	Consolidated	
	2013	2012
	$m	$m
Earnings	**102.7**	83.5
Add: Taxation expense	**44.1**	36.6
Finance costs	**25.5**	20.6
Depreciation and amortisation	**46.3**	35.3
Rental expense	**182.6**	145.5
EBITDAR	**401.2**	321.5
Finance costs (excluding MTM adjustment)	**25.5**	20.6
Rental expense	**182.6**	145.5
Fixed charges	**208.1**	166.1
Fixed charge cover ratio	**1.93**	1.94

25 Reserves and retained profits

	Consolidated 2013 $m	Consolidated 2012 $m
Reserves		
Foreign currency translation reserve	**(0.2)**	(3.3)
Share based payments reserve	**7.8**	5.0
Hedging reserve	**1.9**	(2.5)
TOTAL	**9.5**	(0.8)
Movements		
Foreign currency translation reserve		
Balance at the beginning of the financial period	**(3.3)**	(3.6)
Net exchange difference on translation of foreign controlled Entity	**3.1**	0.3
Balance at the end of the financial period	**(0.2)**	(3.3)
Share based payments reserve		
Balance at beginning of the financial period	**5.0**	3.1
Options and performance rights expense	**2.8**	1.9
Balance at the end of the financial period	**7.8**	5.0
Hedging reserve		
Balance of beginning of the financial period	**(2.5)**	(2.8)
Revaluation – gross	**6.3**	0.5
Deferred tax	**(1.9)**	(0.2)
Balance at the end of the financial period	**1.9**	(2.5)
Retained earnings		
Balance at the beginning of the financial period	**147.7**	112.4
Net profit/(loss) for the financial period attributable to shareholders of Super Retail Group Limited	**102.7**	83.5
Dividends provided for or paid	**(70.7)**	(48.2)
Retained profits/(losses) at the end of the financial period	**179.7**	147.7

Nature and purpose of reserves

(i) Hedging reserve - cash flow hedges
The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, as described in note 1(l). Amounts are recognised in profit and loss when the associated hedged transaction affects profit and loss.

(ii) Share-based payments reserve
The share-based payments reserve is used to recognise the fair value of options and performance rights issued but not exercised.

(iii) Foreign currency translation reserve
Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve, as described in note 1(e). The reserve is recognised in profit and loss when the net investment is disposed of.

26 Dividends

	Parent Entity	
	2013 $m	2012 $m
Ordinary shares		
Dividends paid by Super Retail Group Limited during the reporting period were as follows:		
Interim dividend for the period ended 29 December 2012 of 17 cents (2012: 13 cents per share) paid on 3 April 2013. Fully franked based on tax paid @ 30%	**33.4**	25.3
Final dividend for the period ended 30 June 2012 of 19 cents per share (2012: 17.5 cents per share) paid on 3 October 2012. Fully franked based on tax paid @ 30%	**37.3**	22.8
Total dividends provided and paid	**70.7**	48.1
Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment plan were as follows:		
Paid in cash	**68.6**	31.7
Satisfied by issue of shares	**-**	16.4
Satisfied by issue of shares purchased on market	**2.1**	-
	70.7	48.1
Dividends not recognised at year end		
Subsequent to year end, the Directors have declared the payment of a final dividend of 21.0 cents per ordinary share (2012: 19.0 cents per ordinary share), fully franked based on tax paid at 30%.		
The aggregate amount of the dividend expected to be paid on 2 October 2013, out of retained profits at 29 June 2013, but not recognised as a liability at year end, is	**41.2**	37.3
Franking credits		
The franked portions of dividends paid after 29 June 2013 will be franked out of existing franking credits and out of franking credits arising from the payments of income tax in the years ending after 29 June 2013.		
Franking credits remaining at balance date available for dividends declared after the current balance date based on a tax rate of 30%	**89.8**	58.0

The above amounts represent the balance of the franking account as at the end of the financial period, adjusted for:

- franking credits that will arise from the payment of the current tax liability; and,
- franking debits that will arise from the payment of the dividend as a liability at the reporting date.

The amount recorded above as the franking credit amount is based on the amount of Australian income tax paid or to be paid in respect of the liability for income tax at the balance date.

The impact on the franking account of the dividend recommended by the directors since year end, but not recognised as a liability at year end, will be a reduction in the franking account of $17,682,553 (2012: $15,972,456).

27 Key management personnel disclosures

(a) Key management personnel compensation

	Consolidated 2013 $	Consolidated 2012 $
Short-term employee benefits	**5,200,960**	4,000,370
Post-employment benefits	**181,211**	222,317
Share-based payments	**1,494,020**	1,103,024
	6,876,191	5,325,711

The key management personnel remuneration in some instances has been paid by a subsidiary.

(b) Equity instrument disclosures relating to key management personnel

(i) Options provided as remuneration and shares issued on exercise of such options
Details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, can be found in the Remuneration and Diversity Report on pages 20 to 30.

(ii) Performance Rights
Details of performance rights provided as remuneration and shares issued on the exercise of such performance rights, together with terms and conditions of the performance rights, can be found in the Remuneration and Diversity Report on pages 20 to 30.

The number of performance rights over ordinary shares in the Company held during the financial year by each Director of Super Retail Group Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2013 Name	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Directors of Super Retail Group						
R J Wright	-	-	-	-	-	-
R A Rowe	-	-	-	-	-	-
R J Skippen	-	-	-	-	-	-
S A Pitkin	-	-	-	-	-	-
R A Murray (appointed 22 April 2013)	-	-	-	-	-	-
P A Birtles	300,000	110,000	50,000	-	360,000	-
Other key management personnel of the Group						
D J Burns	-	-	-	-	-	-
D F Ajala	121,137	37,200	19,417	-	138,920	-
S J Doyle	111,171	34,068	17,718	-	127,521	-
E A Berchtold	-	35,712	-	-	35,712	-
G G Carroll	79,049	26,432	12,586	-	92,895	-
G L Chad	81,127	21,054	14,210	-	87,971	-

27 Key management personnel disclosures (continued)

(iii) Option holdings
The numbers of options over ordinary shares in the Company held during the financial year by each Director of Super Retail Group Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2013 Name	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Directors of Super Retail Group Limited						
R J Wright	-	-	-	-	-	-
R A Rowe	-	-	-	-	-	-
R J Skippen	-	-	-	-	-	-
S A Pitkin	-	-	-	-	-	-
R A Murray (appointed 22 April 2013)	-	-	-	-	-	-
P A Birtles	-	-	-	-	-	-
Other key management personnel of the Group						
D J Burns	-	-	-	-	-	-
D F Ajala	-	-	-	-	-	-
S J Doyle	50,000	-	50,000	-	-	-
E A Berchtold	-	-	-	-	-	-
G G Carroll	-	-	-	-	-	-
G L Chad	-	-	-	-	-	-

No options are vested and unexercisable at the end of the year.

2012 Name	Balance at the start of the year	Granted during the year as compensation	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable at the end of the year
Directors of Super Retail Group Limited						
R J Wright	-	-	-	-	-	-
R A Rowe	-	-	-	-	-	-
R J Skippen	-	-	-	-	-	-
S A Pitkin	-	-	-	-	-	-
P A Birtles	200,000	-	200,000	-	-	-
Other key management personnel of the Group						
D F Ajala	-	-	-	-	-	-
S J Doyle	250,000	-	200,000	-	50,000	50,000
E A Berchtold	-	-	-	-	-	-
G G Carroll	100,000	-	100,000	-	-	-
G L Chad	50,000	-	50,000	-	-	-

No options are vested and unexercisable at the end of the year.

(iv) Share holdings
The numbers of shares in the Company held during the financial year by each director of Super Retail Group Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

27 Key management personnel disclosures (continued)

2013 Name	Balance at the start of the year	Received during the year on the exercise of options or performance rights	Other changes during the year	Balance at the end of the year
Directors of Super Retail Group Limited **Ordinary shares**				
R J Wright	71,149	-	2,716	73,865
R A Rowe	56,954,670	-	-	56,954,670
R J Skippen	-	-	-	-
S A Pitkin	25,053	-	-	25,053
R A Murray (appointed 22 April 2013)	-	-	-	-
P A Birtles	1,892,596	50,000	(500,000)	1,442,596
Other key management personnel of the Group **Ordinary shares**				
D J Burns	-	-	-	-
D F Ajala	47,190	19,417	(66,607)	-
S J Doyle	34,501	67,719	(50,000)	52,219
E A Berchtold	-	-	-	-
G G Carroll	90,000	12,586	(12,586)	90,000
G L Chad	125,000	14,210	(70,000)	69,210

2012 Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Directors of Super Retail Group Limited **Ordinary shares**				
R J Wright	46,048	-	25,101	71,149
R A Rowe	53,671,326	-	3,283,244	56,954,670
R J Skippen	-	-	-	-
S A Pitkin	10,000	-	15,053	25,053
P A Birtles	1,692,596	200,000	-	1,892,596
Other key management personnel of the Group **Ordinary shares**				
D F Ajala	108,436	-	(61,246)	47,190
S J Doyle	23,411	200,000	(188,910)	34,501
E A Berchtold	-	-	-	-
G G Carroll	-	100,000	(10,000)	90,000
G L Chad	75,000	50,000	-	125,000

Loans to key management personnel
There were no loans to individuals at any time.

Other transactions with key management personnel
Aggregate amounts of each of the above types of other transactions with key management personnel of Super Retail Group Limited:

	2013 **$m**	2012 $m
Amounts paid to key management personnel as shareholders		
Dividends	**21.1**	17.5

28 Remuneration of auditors

During the period the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms.

	Consolidated	
	2013	2012
	$	$
(a) Assurance services		
Audit services		
PricewaterhouseCoopers Australian firm		
Audit and review of financial reports and other audit work under the *Corporations Act 2001*	**467,500**	568,314
Total remuneration for audit services	**467,500**	568,314
Total remuneration for assurance services	**467,500**	568,314
(b) Taxation services		
PricewaterhouseCoopers Australian firm		
Tax compliance services, including review of company income tax returns	**179,120**	198,373
Customs Advice	**35,867**	37,632
Total remuneration for taxation services	**214,987**	236,005
(c) Advisory services		
PricewaterhouseCoopers Australian firm		
Business Consulting	**-**	-
Total remuneration for advisory services	**-**	-

It is the Group's policy to employ PricewaterhouseCoopers on assignments additional to their statutory audit duties where PricewaterhouseCoopers' expertise and experience with the Group are important. These assignments are principally tax advice and due diligence reporting on acquisitions, or where PricewaterhouseCoopers is awarded assignments on a competitive basis. It is the Group's policy to seek competitive tenders for all major consulting projects.

29 Contingencies

	Consolidated		Parent	
	2013	2012	**2013**	2012
	$m	$m	**$m**	$m
Guarantees				
Guarantees issued by the bankers of the Group in support of various rental arrangements for certain retail outlets. The maximum future rental payments guaranteed amount to:	**5.4**	8.1	**2.3**	2.3

30 Commitments

	Consolidated	
	2013 **$m**	2012 $m
Capital commitments		
Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities payable:		
Within one year	**7.5**	2.3
Later than one year but not later than five years	**-**	-
Later than five years	**-**	-
Total capital commitments	**7.5**	2.3
Lease commitments		
Commitments in relation to operating lease payments under non-cancellable operating leases are payable as follows:		
Within one year	**162.2**	150.9
Later than one year but not later than five years	**462.5**	424.7
Later than five years	**94.2**	96.7
Less lease straight lining adjustment (note 19)	**(22.8)**	(17.5)
Total lease commitments	**696.1**	654.8
Future minimum lease payments expected to be received in relation to non-cancellable sub-leases of operating leases	**1.2**	1.5
The Group leases various offices, warehouses and retail stores under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights. On renewal the terms of the leases are renegotiated.		
Remuneration commitments		
Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities, payable:		
Within one year	**3.0**	2.8
Later than one year and not later than five years	**6.9**	6.4
Later than five years	**0.4**	0.6
	10.3	9.8

Amounts disclosed as remuneration commitments include commitments arising from the service contracts of key management personnel referred to in the Remuneration and Diversity Report on pages 20 to 30 that are not recognised as liabilities and are not included in the key management personnel compensation.

Finance leases

The Group leases various plant and equipment with a carrying amount of $8.3m (2012: $0.0m) under finance leases expiring within three to five years.

	Consolidated	
	2013 **$m**	2012 $m
Commitments in relation to finance leases are payable as follows:		
Within one year	**3.9**	-
Later than one year but not later than five years	**5.5**	-
Minimum lease payments	**9.4**	-
Future finance charges	**(1.1)**	-
Total lease liabilities	**8.3**	-
Representing lease liabilities:		
Current (note 16)	**3.3**	-
Non-current	**5.0**	-
	8.3	-

31 Related party transactions

Transactions with related parties are at arm's length unless otherwise stated.

(a) Parent entities
The parent entity within the Group is Super Retail Group Limited, which is the ultimate Australian parent.

(b) Subsidiaries
Interests in subsidiaries are set out in note 32.

(c) Key Management Personnel
Disclosures relating to key management personnel are set out in note 27.

(d) Directors
The names of the persons who were Directors of Super Retail Group Limited during the financial period are R J Wright, R A Rowe, R J Skippen, S A M Pitkin, R A Murray and P A Birtles.

(e) Amounts due from related parties
Amounts due from Directors of the consolidated entity and their director-related entities are shown below in note 31(g)

(f) Transactions with related parties
Aggregate amounts included in the determination of profit from ordinary activities before income tax that resulted from transactions with related parties:

	Consolidated	
	2013 **$**	2012 $
Other Transactions		
- store lease payments – R A Rowe (Director) related property entities	**9,752,519**	9,437,318
- remuneration paid to directors of the ultimate Australian parent entity	**2,674,704**	2,169,680

Rent payable on R A Rowe related properties at year-end was $19,617 (2012: $17,560)

(g) Loans to/(from) Related Parties
Loans to/(from) Directors
There are no loans to or from related parties at 29 June 2013 (2012 :$nil)

32 Investments in controlled entities

			Equity Holding	
	Country of Incorporation	**Class of Shares**	**2013 %**	**2012 %**
Name of Entity				
Super Cheap Auto Pty Ltd[(a)]	Australia	Ordinary	100	100
Super Cheap Auto (New Zealand) Pty Ltd[(b)]	New Zealand	Ordinary	100	100
Super Retail Group Services Pty Ltd[(a)]	Australia	Ordinary	100	100
SRG Leisure Retail Pty Ltd (formerly BCF Australia Pty Ltd[(a)])	Australia	Ordinary	100	100
SCA Equity Plan Pty Ltd[(b)]	Australia	Ordinary	100	100
Goldcross Cycles Pty Ltd[(a)]	Australia	Ordinary	100	100
Oceania Bicycles Pty Ltd	Australia	Ordinary	50	50
Ray's Outdoors Pty Ltd[(a)]	Australia	Ordinary	100	100
Super Retail Group Trading (Shanghai) Ltd	China	Ordinary	100	100
FCO New Zealand Limited	New Zealand	Ordinary	100	100
SRGS Pty Ltd[(a)]	Australia	Ordinary	100	100
Super Retail Commercial Pty Ltd	Australia	Ordinary	100	100
Rebel Group Limited	Australia	Ordinary	100	100

(a) These controlled entities have been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by the Australian Securities and Investments Commission.

(b) Investment is held directly by Super Cheap Auto Pty Ltd.

33 Interests in Joint Arrangements

Name of Entity	Country of Incorporation	Class of Shares	Interest 2013 %	Interest 2012 %
VBM Retail Pty Limited	Australia	Ordinary	50	n/a

34 Business Combinations

(a) Rebel Group Limited

Effective from 30 October 2011, Super Retail Group Limited acquired 100% of the issued share capital of Rebel Group Limited, a retailer of sporting equipment and apparel. Total consideration for the acquisition was $625.0 million, comprising a $610.0 million purchase price, a $10.4 million working capital adjustment and $4.6 million net cash acquired. The purchase price has been determined based on the final valuation of the fair value of net assets acquired. The acquisition note is shown below.

	$m
Net assets acquired and goodwill are as follows:	
Purchase consideration	
Cash Paid	625.0
Direct costs relating to the acquisition	-
Total purchase consideration	625.0
Allocation of Fair value of net identifiable assets acquired (refer below)	263.9
Goodwill	361.1

The goodwill is attributable to Rebel Group Limited position and profitability in the sporting goods market and synergies expected to arise after the Group's acquisition

	$m
Cash	4.5
Other receivables	0.4
Prepayments	1.7
Inventory (net of provisions)	102.1
Plant and equipment	38.9
Computer software	2.4
Tax assets	10.0
Brand name	245.0
Trade payables	(35.2)
Other payables	(20.6)
Provisions	(10.8)
Deferred tax liability	(74.5)
	263.9

Acquisition related costs of $11.1 million are included in Administration expenses in the income statement.

The acquired Group contributed revenues of $441.9 million for the period 30 October 2011 to 30 June 2012. If the acquisition had occurred on 3 July 2011, the contribution to the group revenue would have been $619.0 million, while the contribution to Group net profit after tax would have been $50.8 million in the prior year.

35 Net tangible asset backing

	Consolidated Entity **2013 Cents**	Consolidated Entity 2012 Cents
Net tangible asset per ordinary share	$0.21	$0.24

36 Deed of cross guarantee

Super Retail Group Limited, Super Cheap Auto Pty Ltd, SRG Leisure Retail Pty Ltd (formerly BCF Australia Pty Ltd), Super Retail Group Services Pty Ltd, Goldcross Cycles Pty Ltd, Ray's Outdoors Pty Ltd, SRGS Pty Ltd, Super Retail Commercial Pty Ltd, Rebel Group Limited and SCA Equity Plan Pty Ltd are parties to a Deed of Cross Guarantee under which each company guarantees the debts of the others. This Deed of Cross Guarantee was amended on 25 June 2012 to include Super Retail Commercial Pty Ltd and Rebel Group Limited and its subsidiaries. By entering into the Deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended by Class Orders 98/2017, 00/0321, 01/1087, 02/0248 and 02/1017) issued by the Australian Securities and Investments Commission.

(a) Consolidated Income Statement, Statement of Comprehensive Income and a summary of movements in consolidated retained earnings

The above companies represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the Deed of Cross Guarantee that are controlled by Super Retail Group Limited, they also represent the 'Extended Closed Group'.

Set out below is a consolidated income statement and a summary of movements in consolidated retained profits for the period ended 30 June 2012 of the Closed Group consisting of Super Retail Group Limited, Super Cheap Auto Pty Ltd, SRG Leisure Retail Pty Ltd (formerly BCF Australia Pty Ltd), Super Retail Group Services Pty Ltd, Goldcross Cycles Pty Ltd, Ray's Outdoors Pty Ltd, SRGS Pty Ltd, Super Retail Commercial Pty Ltd, Rebel Group Limited and its subsidiaries and SCA Equity Plan Pty Ltd.

	Consolidated	
	2013	2012
	$m	$m
Income Statement		
Revenue from continuing operations	**1,918.1**	1,570.4
Other income	**2.6**	0.9
Total revenues and other income	**1,920.7**	1,571.3
Cost of sales of goods	**(1,049.0)**	(870.7)
Other expenses from ordinary activities		
- selling and distribution	**(244.7)**	(197.4)
- marketing	**(84.0)**	(73.2)
- occupancy	**(154.0)**	(117.2)
- administration	**(221.2)**	(168.8)
Borrowing costs expense	**(23.1)**	(19.8)
Total expenses	**(1,776.0)**	(1,447.1)
Profit before income tax	**144.7**	124.2
Income tax (expense)/benefit	**(43.7)**	(37.4)
Profit for the period	**101.0**	86.8
Statement of comprehensive income		
Profit for the year	**101.0**	86.8
Other comprehensive income		
Cash flow hedgings	**4.4**	0.7
Income tax relating to components of other comprehensive income	**3.1**	-
Other comprehensive income for the year, net of tax	**7.5**	0.7
Total comprehensive income for the year	**108.5**	87.5
Summary of movements in consolidated retained earnings		
Retained profits at the beginning of the financial year	**147.9**	109.3
Profit for the period	**101.0**	86.8
Dividends provided for or paid	**(70.7)**	(48.2)
Retained profits at the end of the financial year	**178.2**	147.9

36 Deed of cross guarantee (continued)

(b) Statement of Financial Position

Set out below is a consolidated statement of financial position as at 29 June 2013 of the Closed Group consisting of Super Retail Group Limited, Super Cheap Auto Pty Ltd, SRG Leisure Retail Pty Ltd (formerly BCF Australia Pty Ltd), Super Retail Group Services Pty Ltd, Goldcross Cycles Pty Ltd, Ray's Outdoors Pty Ltd, SRGS Pty Ltd, Super Retail Commercial Pty Ltd, Rebel Group Limited and its subsidiaries and SCA Equity Plan Pty Ltd.

	Consolidated	
	2013	2012
	$m	$m
ASSETS		
Current assets		
Cash and cash equivalents	**19.4**	43.2
Trade and other receivables	**54.4**	46.8
Inventories	**410.4**	377.9
Total current assets	**484.2**	467.9
Non-current assets		
Other financial assets	**2.8**	0.4
Property, plant and equipment	**173.8**	155.2
Deferred tax assets	**-**	-
Intangible assets	**767.9**	722.3
Total non-current assets	**944.5**	877.9
Total assets	**1,428.7**	1,345.8
LIABILITIES		
Current liabilities		
Trade and other payables	**228.5**	160.0
Borrowings	**2.8**	-
Current tax liabilities	**7.8**	10.1
Provisions	**26.3**	18.8
Total current liabilities	**265.4**	188.9
Non-current liabilities		
Trade and other payables	**21.9**	16.5
Borrowings	**348.3**	388.0
Deferred tax liabilities	**55.7**	55.8
Provisions	**10.0**	9.1
Total non-current liabilities	**435.9**	469.4
Total liabilities	**701.3**	658.3
Net assets	**727.4**	687.5
EQUITY		
Contributed equity	**541.7**	541.7
Reserves	**7.5**	(2.1)
Retained profits	**178.2**	147.9
Total equity	**727.4**	687.5

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

	Consolidated	
	2013 $m	2012 $m
Profit from ordinary activities after related income tax	**102.7**	83.5
Depreciation and amortisation	**46.3**	35.4
Net (gain)/loss on sale of non-current assets	**4.5**	0.8
Non-cash employee benefits expense/share based payments	**2.7**	1.9
Finance costs	**25.5**	20.6
Change in operating assets and liabilities, net of effects from the purchase of controlled entities and the sale of the service entity		
- (increase)/decrease in receivables	**(8.3)**	(4.0)
- (increase) in inventories	**(34.3)**	(21.3)
- increase in payables	**80.3**	17.7
- increase/(decrease) in provisions	**8.7**	(1.3)
- (decrease)/increase in deferred tax	**(3.0)**	2.0
Net cash inflow from operating activities	**225.1**	135.3

38 Earnings per share

	Consolidated Entity	
	2013 Cents	2012 Cents
Basic earnings per share	**52.3**	46.4
Diluted earnings per share	**51.9**	46.0

	Consolidated Entity	
Weighted average number of shares used as the denominator	**2013 Number**	2012 Number
Weighted average number of shares used as the denominator in calculating basic earnings per share	**196,372,758**	181,120,668
Adjustments for calculation of diluted earnings per share options	**1,509,769**	1,285,592
Weighted average potential ordinary shares used as the denominator in calculating diluted earnings per share	**197,882,528**	181,406,259

	2013 $m	2012 $m
Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
- earnings used in calculating basic earnings per share – net profit after tax	**102.7**	83.5
Diluted earnings per share		
- earnings used in calculating diluted earnings per share – net profit after tax	**102.7**	83.5

(a) Information concerning the classification of securities

(i) Options and Performance Rights

Options and performance rights granted are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive.

39 Share-based payments

(a) Executive Performance Rights

The Company has established the Super Retail Group Executive Performance Rights Plan ("Performance Rights") to assist in the retention and motivation of executives of Super Retail Group ("Participants").

It is intended that the Performance Rights will enable the Company to retain and attract skilled and experienced executives and provide them with the motivation to enhance the success of the Company.

Under the Performance Rights, rights may be offered to Participants selected by the Board. Unless otherwise determined by the Board, no payment is required for the grant of rights under the Rights Plan.

Subject to any adjustment in the event of a bonus issue, each right is an option to subscribe for one Share. Upon the exercise of a right by a Participant, each Share issued will rank equally with other Shares of the Company.

Performance Rights issued under the plan may not be transferred unless approved by the Board. The table below summarises rights granted under the plan.

Number of Rights Issued

Grant Date	Balance at start of the year (Number)	Granted during the year (Number)	Exercised during the year (Number)	Forfeited during the year (Number)	Balance at the end of the year (Number)	Unvested at the end of the year (Number)
Consolidated – 2012						
1 September 2009	339,683	-	169,841	-	169,842	169,842
1 September 2010	347,758	-	-	-	347,758	347,758
1 September 2011	453,151	-	-	(5,000)	448,151	448,151
1 September 2012	-	544,019	-	-	544,019	544,019
	1,140,592	544,019	169,841	(5,000)	1,509,770	1,509,770

(b) Executive Option Plan

The Company has established the Super Retail Group Executive Share Option Plan ("Option Plan"). The Company had established the Option Plan to assist in the retention and motivation of executives of Super Cheap Auto ("Participants"). It is intended that the Option Plan will enable the Company to retain and attract skilled and experienced executives and provide them with the motivation to enhance the success of the Company.

Under the Option Plan, options may be offered to Participants selected by the Board. Unless otherwise determined by the Board, no payment is required for the grant of options under the Option Plan.

Subject to any adjustment in the event of a bonus issue, each option is an option to subscribe for one Share. Upon the exercise of an option by a Participant, each Share issued will rank equally with other Shares of the Company.

Options issued under the Option Plan may not be transferred unless the Board determines otherwise. The Company has no obligation to apply for quotation of the options on ASX. However, the Company must apply to ASX for official quotation of Shares issued on the exercise of the options.

At any one time, the total number of options on issue under the Option Plan that have neither been exercised nor lapsed will not exceed 5.0% of the total number of shares in the capital of the Company on issue.

39 Share-based payments (continued)

Set out below are summaries of options granted under the plan:

Grant Date	Exercise date	Exercise price	Balance at start of the year Number	Granted during the year Number	Exercised during the year Number	Forfeited during the year Number	Balance at end of the year Number	Unvested at end of the year Number
Consolidated – 2013								
27 Jan 2006	5 Jan 2011	$2.44	50,000	-	50,000	-	-	-
23 Aug 2007	24 Jul 2010	$4.37	60,000	-	60,000	-	-	-
1 August 2008	1 August 2011	$2.49	40,000	-	40,000	-	-	-
Total			150,000	-	150,000	-	-	-
Weighted average exercise price			$2.55	Nil	$2.45	Nil	Nil	Nil
Consolidated – 2012								
27 Jan 2006	5 Jan 2009	$2.44	50,000	-	50,000	-	-	-
27 Jan 2006	5 Jan 2010	$2.44	100,000	-	100,000	-	-	-
27 Jan 2006	5 Jan 2011	$2.44	100,000	-	50,000	-	50,000	-
17 April 2006	17 April 2011	$2.25	100,000	-	100,000	-	-	-
1 July 2006	1 July 2011	$2.25	300,000	-	300,000	-	-	-
26 Oct 2006	1 Feb 2011	$2.44	200,000	-	200,000	-	-	-
23 Aug 2007	24 Jul 2010	$4.37	100,000	-	40,000	-	60,000	-
1 August 2008	1 August 2011	$2.49	180,000	-	140,000	-	40,000	-
Total			1,130,000	-	980,000	-	150,000	-
Weighted average exercise price			$2.55	Nil	$2.45	Nil	$3.23	Nil

Fair value of options granted
The fair value at grant date is independently determined using a Binomial option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

No options have been granted in the past two financial years.

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Expenses arising from share based payments transactions:

	2013 $m	2012 $m
Executive Performance Rights	**2.7**	1.9

40 Events occurring after balance date

No matter or circumstance has arisen since 29 June 2013 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years; or

(b) the results of those operations in future financial years; or

(c) the Group's state of affairs in future financial years.

41 Parent entity financial information

Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2013 $m	2012 $m
Statement of Financial Position		
Current assets	**290.9**	284.3
Total assets	**1,068.4**	1,056.0
Current liabilities	**128.9**	83.0
Total liabilities	**470.6**	475.5
Shareholders' equity		
Issued capital	**542.4**	541.8
Reserves		
Share-based payments	**7.8**	5.0
Cash flow hedges	**(2.2)**	(2.6)
Retained earnings	**49.8**	36.3
	597.8	580.5
Profit or loss for the year	**84.2**	48.2
Total comprehensive income	**84.2**	48.2

Parent entity contingencies are disclosed in Note 29.

In the directors' opinion:

(a) the financial statements and notes set out on pages 33 to 85 are in accordance with the *Corporations Act 2001,* including:
   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   (ii) giving a true and fair view of the consolidated entity's financial position as at 29 June 2013 and of its performance for the financial period ended on that date; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group identified in note 36 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 36.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the Managing Director and Chief Financial Officer required by section 295A of the *Corporations Act 2001.*

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

R J Wright
Director

P A Birtles
Director

Brisbane
20 August 2013

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

Report on the financial report

We have audited the accompanying financial report of Super Retail Group Limited (the company), which comprises the statement of financial position as at 29 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the Super Retail Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at the period's end or from time to time during the financial period.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the consolidated entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

PricewaterhouseCoopers, ABN 52 780 433 757
Riverside Centre, 123 Eagle Street, BRISBANE QLD 4000, GPO Box 150, BRISBANE QLD 4001
T: +61 7 3257 5000, F: +61 7 3257 5999, www.pwc.com.au

Auditor's opinion

In our opinion:

(a) the financial report of Super Retail Group Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 29 June 2013 and of its performance for the period ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001;* and

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration and Diversity Report

We have audited the remuneration report included in pages 20 to 30 of the directors' report for the period ended 29 June 2013. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Super Retail Group Limited for the period ended 29 June 2013, complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

MGraham

Matt Graham
Partner

Brisbane
20 August 2013

SHAREHOLDER INFORMATION
Super Retail Group Limited
For the period ended 29 June 2013

The shareholder information set out below was applicable as at 20 August 2013.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	Ordinary Shareholders	Performance Rights & Option holders
1-1000	2,687	2
1,001-5,000	2,332	9
5,001-10,000	344	1
10,001-100,000	275	12
100,001 and over	47	1

There were 370 holders of less than a marketable parcel of ordinary shares.

B. Equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Ordinary shares	
	Number held	Percentage of issued shares
SCA FT PTY LTD	56,954,670	28.99%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	31,295,614	15.93%
NATIONAL NOMINEES LIMITED	29,425,870	14.98%
J P MORGAN NOMINEES AUSTRALIA LIMITED	22,857,500	11.63%
BNP PARIBAS NOMS PTY LTD	11,986,783	6.10%
CITICORP NOMINEES PTY LIMITED	5,956,190	3.03%
JP MORGAN NOMINEES AUSTRALIA LIMITED	5,259,399	2.68%
CITICORP NOMINEES PTY LIMITED	1,839,490	0.94%
MR PETER ALAN BIRTLES	1,340,000	0.68%
HSBC CUSTODY NOMINEES PTY LTD	965,472	0.49%
BNP PARIBAS NOMINEES PTY LTD	860,000	0.44%
UBS NOMINEES PTY LTD	732,601	0.37%
AMP LIFE LIMITED	717,215	0.37%
UBS WEALTH MANAGEMENT AUSTRALIA NOMINEES PTY LTD	701,400	0.36%
MR ROBERT EDWARD THORN	648,368	0.33%
EQUITAS NOMINEES PTY LIMITED	562,460	0.29%
EQUITAS NOMINEES PTY LIMITED	553,319	0.28%
EQUITAS NOMINEES PTY LIMITED	547,135	0.28%
EQUITAS NOMINEES PTY LIMITED	535,391	0.27%
GRAHGER CAPITAL SECURITIES PTY LTD	500,000	0.25%
	174,238,877	**88.68%**

Super Retail Group Limited wishes to confirm that, in accordance with ASX Listing Rule 4.10.4, the substantial holders in the company as at 20 August 2013 were:-

Name	Ordinary shares	
	Number held	Percentage of issued shares
SCA FT PTY LTD	56,954,670	28.99%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	31,295,614	15.93%
NATIONAL NOMINEES LIMITED	29,425,870	14.98%
J P MORGAN NOMINEES AUSTRALIA LIMITED	22,857,500	11.63%
BNP PARIBAS NOMS PTY LTD	11,986,783	6.10%

C. Voting rights

The voting rights relating to each class of equity securities is as follows:

a) Ordinary Shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

b) Options and Performance Rights
No voting rights.