

21 August 2013

ASX/Media Announcement

Super Retail Group reports 23% increase in Net Profit after Tax

Super Retail Group Limited (ASX:SUL) today announced a 23% increase in net profit after tax to \$102.7 million for the 52 week period to 29 June 2013.

Result highlights include:

- A 22% increase in Group Sales to \$2.02 billion
- A 22% increase in the Group's EBIT to \$172.3 million
- A 13% increase in Earnings Per Share to 52.3 cents
- Solid like for like sales growth achieved across all three of the Group's divisions
- Increased gross margins in the Auto and Leisure retailing divisions
- Contribution from Rebel and Amart Sports businesses continues to exceed acquisition business case
- Group's multi-channel development programs progressing in line with plan

The Board has declared a fully franked final dividend of 21.0 cents per share resulting in the fully franked dividends declared for the full year totaling 38.0 cents per share, an increase of 6.0 cents per share (18.8%) over the prior year. The final dividend will be paid on 2 October 2013 with a record date of 30 August 2013.

The current policy of distributing between 55% and 65% of underlying net profit after tax in the form of dividends enables the Group to balance investing in growth opportunities and building group capability, gradually paying down debt and increasing dividends to shareholders.

The company will again provide shareholders with the opportunity to reinvest their dividends through the Dividend Reinvestment Plan. Dividends will be converted to shares at a nil discount to market value and the shares will be acquired on market to neutralise the effect of the Dividend Reinvestment Plan on all shareholders.

Super Retail Group Managing Director and Chief Executive Officer, Mr Peter Birtles, said it was pleasing the Company had delivered strong sales and profit growth in all three of its divisions while also restructuring under-performing businesses and continuing to invest in developing the Group's multi-channel capabilities.

"We sustained strong like for like sales growth in each of our Divisions despite the widely reported slowdown in wider retail spending. Our focus on retailing products that our customers predominantly use as part of their leisure experiences has served us well. We believe our customers will continue to spend money on their passions even when they tighten their belt in other areas," he said.

"The key drivers of our 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.

“We are particularly pleased that our larger businesses; Supercheap Auto, BCF Boating Camping Fishing, Rebel and Amart Sports, have all grown market share and operating margins.

“We completed a review of the Ray’s Outdoors, FCO Fishing Camping Outdoors and Goldcross Cycles businesses and implemented a number of business improvement initiatives to deliver sales and profit growth, with encouraging early results. Associated non-recurring restructuring costs of \$16.2 million were incurred.

“Last year, the Group commenced a three year 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.”

Looking Forward

Mr Birtles said although retail conditions were forecast to remain patchy, the Group expected to deliver solid like for like sales growth in each Division and to maintain or grow operating margins while generating working capital improvements.

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

“We have made a strong start to the new financial year with like for like growth in Group sales of circa 6% in the first seven weeks of the year.

“We will continue to develop our loyalty programs and increasingly use data analytics to develop relevant targeted marketing campaigns. We will also continue to develop our fledgling Auto Trade Direct and Super Retail Commercial businesses.”

ENDS

The Operating and Financial Review included in Schedule 4E sets out a more extensive commentary on the Group’s financial performance and future strategy.

For further information:	Mr Peter Birtles Managing Director & CEO Super Retail Group 07 3482 7900	Mr David Burns Chief Financial Officer Super Retail Group 07 3482 7900
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Peter Birtles and David Burns will be presenting the results by teleconference on 21 August 2013 at 10am (AEST). To listen to this presentation go to the Boardroom Radio website (brr.com.au).

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