



ASX Announcement

5 January 2006

Super Cheap Auto Group (SUL) announces 14.3% increase in 1st Half Sales

Super Cheap Auto Group (SUL) today announced that Group sales for the 26 weeks ended 31st December 2005, had grown by 14.3% over the comparative period in the prior financial year.⁽¹⁾

Sales performance across the Group was as follows:

	Total Sales⁽¹⁾	Total Sales Growth	Like for Like Sales Growth
Super Cheap Auto (SCA)			
Australia	\$218.6m	4.5%	0.2%
New Zealand	\$27.6m	23.5%	(7.7%)
Total SCA	\$246.2m	6.3%	(0.5%)
BCF – Boating Camping Fishing			
Total BCF	\$18.5m	n/a	
Total Group	\$264.7m	14.3%	

SUPER CHEAP AUTO

Super Cheap Auto opened 14 new stores and relocated one existing store during the 26 weeks to bring total stores trading to 225, of which 189 are in Australia and 36 are in New Zealand.

After stronger growth in October and November, a more mixed performance during December resulted in a sales result in the 2nd quarter which was in line with that delivered in the 1st quarter. The like for like sales performance in New Zealand continues to be distorted by the impact of cannibalisation through the significant increase in store numbers – underlying like for like was in line with that generated across Australia.

“We continue to meet our targets in expanding our network of Super Cheap Auto stores but like for like sales growth during the half was held back as a result of the continuing difficult retail conditions” commented Bob Thorn, Managing Director of the Super Cheap Auto Group.

“Christmas came late for Retailers this year as many Customers delayed their shopping until the last few days before Christmas Day. The Post Christmas period was also quieter than last year. As a result, we have seen unprecedented discounting across the Market throughout the Christmas and New Year trading period. We are particularly pleased that despite these tough retail conditions, we have been able to maintain margins and reduce our inventory investment whilst improving our in-stock position in store.”

BCF

The new BCF format was launched to customers on 15 October 2005.

During the 26 weeks, three of the four stores acquired from CampMart were re-branded as BCF stores, whilst the fourth store was re-branded and relocated to more suitable premises at the start of December. Eight new BCF stores were opened throughout Queensland in an 11 week period from the end of September to the beginning of December.

“We have been very pleased with the launch of BCF and customer reaction to the new business has been very positive” said Mr Thorn. “This was a business that did not even exist at the start of the year and yet by the end of the year we have established 12 stores that are all trading very strongly. Although, we need to monitor sales during the balance of the financial year to fully understand the seasonality of the business, we are confident that we can increase our sales expectations for BCF for the 06 financial year by at least \$5 million to \$45 million. We are on track to have 14 stores trading by June 06 with our 13th store opening in Coffs Harbour in February. The business has achieved all of its initial performance targets so we will be progressing our plans for further stores in the 07 financial year.”

For further information contact Bob Thorn, Managing Director or Peter Birtles, Chief Financial Officer on 07 3205 8511.

Note 1

For the purpose of comparative sales reporting, the reported sales for the 1st half of the 2006 financial year are for the 26 weeks ended 31st December 2005. The Comparative Period sales quoted in the above tables are for the 26 weeks ended 1st January 2005.

The Group will report its half year financial statements on the 23rd February 2006. In those statements, the trading results for the first half of the 2006 financial year will also be for the 26 weeks ended 31st December 2005. These will be compared to the trading results for the 26 weeks ended 25th December 2004 being the first half trading results reported in February 2005.