

APPENDIX 4E PRELIMINARY FINAL REPORT

SUPER CHEAP AUTO GROUP LIMITED (SUL)

ABN 81 108 676 204

Statutory Results

Current Reporting Period: From 8 April to 26 June 2004
Previous Reporting Period: Not Applicable

Pro-forma Results

Current Reporting Period: 52 weeks to 26 June 2004
Previous Reporting Period: 52 weeks to 28 June 2003

Results for Announcement to the Market

	Statutory Results \$'000	Pro-forma Results \$'000
Revenue from ordinary activities	70,924	Up 38.1% to \$383,262
Profit from ordinary activities after tax attributable to members	2,767	Down 72.5% to \$2,079
Net profit for the period attributable to members	2,767	Down 72.5% to \$2,079

Dividends

As indicated in the Company's Prospectus issued on 20 May 2004, the Company will not pay a dividend for the period ending 26 June 2004.

Brief Explanation of Revenue and Net Profit for the Period

Super Cheap Auto Group Limited was incorporated on 8 April 2004. On 23 April 2004, the Company acquired all of the issued share capital of Super Cheap Auto Pty Ltd, the principal trading company. The statutory results reflect activities from 8 April 2004 to 26 June 2004 and trading results from 24 April 2004 to 26 June 2004.

The pro-forma results reflect the trading activities for the 52 weeks to 26 June 2004. The pro-forma results for the 52 weeks to 26 June 2004 are based upon the unaudited actual historical results of Super Cheap Auto Pty Ltd for the 43 weeks ended 23 April 2004 and the audited actual consolidated results of the Super Cheap Auto Group for the nine weeks ended 26 June 2004.

Further information is contained in the attached ASX and Media Release, Special Purpose Report, Investor Presentation and Notes to this Preliminary Final Report.

STATEMENT OF FINANCIAL PERFORMANCE
For the period from incorporation to 26 June 2004

	Notes	Consolidated entity	Parent entity
		2004 \$'000	2004 \$'000
Revenue from ordinary activities			
Sale of goods		70,757	0
Other revenues from ordinary activities		167	0
Total revenues	3, 4	<u>70,924</u>	<u>0</u>
Expenses from ordinary activities			
Cost of sales of goods		(43,658)	0
Other expenses from ordinary activities			
- selling and distribution		(7,782)	0
- marketing		(2,532)	0
- occupancy		(4,212)	0
- administration		(7,848)	0
Borrowing costs expense	4	(720)	0
Total expenses	4	<u>(66,752)</u>	<u>0</u>
Profit from ordinary activities before related income tax expense			
		4,172	0
Income tax expense relating to ordinary activities	5	<u>(1,405)</u>	<u>0</u>
Total changes in equity other than those resulting from transactions with owners as owners			
	23	<u>2,767</u>	<u>0</u>
Cents			
Basic earnings per share	28	4.1	
Diluted earnings per share	28	4.1	

The above statement of financial performance must be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
As at 26 June 2004

	Notes	Consolidated entity	Parent entity
		2004	2004
		\$'000	\$'000
Current assets			
Cash assets	6	13,640	0
Receivables	7	5,394	0
Inventories	8	92,513	0
Tax Assets	9	1,633	1,678
Other	10	1,206	0
Total current assets		<u>114,386</u>	<u>1,678</u>
Non-current assets			
Other financial assets	11	0	84,233
Property, plant and equipment	12	36,257	0
Intangible assets	13	45,349	0
Deferred tax assets	14	5,006	4,876
Other non-current assets	15	440	0
Total non current assets		<u>87,052</u>	<u>89,109</u>
Total assets		<u>201,438</u>	<u>90,787</u>
Current liabilities			
Payables	16	46,857	0
Interest bearing liabilities	17	36,184	6,199
Provisions	18	8,643	0
Total non-current liabilities		<u>91,684</u>	<u>6,199</u>
Non-current liabilities			
Interest bearing liabilities	19	21,600	0
Deferred tax liabilities	20	355	355
Provisions	21	797	0
Total non-current liabilities		<u>22,752</u>	<u>355</u>
Total liabilities		<u>114,436</u>	<u>6,554</u>
Net assets		<u>87,002</u>	<u>84,233</u>
Equity			
Contributed equity	22	84,233	84,233
Reserves	23	2	0
Retained profits	23	2,767	0
Total Equity		<u>87,002</u>	<u>84,233</u>

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

STATEMENT OF CASH FLOWS

For the period from incorporation to 26 June 2004

	Notes	Consolidated entity	Parent entity
		2004 \$'000	2004 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		79,092	0
Payments to suppliers and employees (inclusive of goods and services tax)		(68,048)	0
Rental payments		(4,294)	0
Income taxes paid		(156)	0
Net cash inflow from operating activities	26	<u>6,594</u>	<u>0</u>
Cash flows from investing activities			
Cash acquired from purchase of controlled entity	27	10,005	0
Payments for property, plant and equipment		(1,781)	0
Proceeds from sale of property, plant and equipment		0	0
Proceeds from sale of Service Centres in prior year		237	0
Net cash inflow/(outflow) from investing activities		<u>8,461</u>	<u>0</u>
Cash flows from financing activities			
Proceeds from external borrowings		17,500	0
Repayment of borrowings		(20,000)	0
Repayments of advances to related parties		7,496	0
External interest paid		(661)	0
External interest received		45	0
Costs of IPO to be reimbursed		(798)	0
Dividend paid	24	(5,000)	0
Net cash inflow (outflow) from financing activities		<u>(1,418)</u>	<u>0</u>
Net increase/(decrease) in cash held			
Cash at the beginning of the financial period		0	0
Effects of exchange rate changes on cash		3	0
Cash at the end of the financial period	6	<u>13,640</u>	<u>0</u>

Refer Note 27 for details of non-cash financing and investing activities.

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

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM INCORPORATION TO 26 JUNE 2004

1. Basis of preparation

This Preliminary Final Report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

This financial report covers the consolidated entity of Super Cheap Auto Group Limited and its controlled entities and Super Cheap Auto Group Limited as an individual parent entity.

The accounting policies in the preparation of the preliminary final report are consistent with those adopted and disclosed in the 2003 annual financial report of Super Cheap Auto Pty Ltd and as disclosed in the Prospectus of Super Cheap Auto Group Limited issued on 20 May 2004.

2. Segment information

The consolidated entity is organised geographically on a global basis which represents its primary and only internal segmentation reporting. The economic entity's only business segment is the retail and distribution motor vehicle spare parts and accessories, tools and equipment.

Geographical Segments

	Australia	New Zealand	Inter-Segment eliminations/ unallocated	Consolidated
	2004	2004	2004	2004
	\$'000	\$'000	\$'000	\$'000
Sales to external customers	65,760	4,997	0	70,757
Inter-segment sales	3,503	0	(3,503)	(0)
Total sales revenue	69,263	4,997	(3,503)	70,757
Other revenue	496	1	(330)	167
Total segment revenue	69,759	4,998	(3,833)	70,924
Segment result	4,651	(472)	(7)	4,172
Unallocated revenue less unallocated expenses				0
Profit from ordinary activities before related income tax expense				4,172
Income tax expense				(1,405)
Net profit/(loss)				2,767
Segment assets	199,288	14,380	(12,230)	201,438
Unallocated assets				0
Total assets				201,438
Segment liabilities	112,115	14,260	(11,939)	114,436
Unallocated liabilities				0
Total liabilities				114,436
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	79,891	3,197	26	83,114
Depreciation and amortisation expense	1,499	55	0	1,554
Other non-cash expenses	6,103	1,634	(583)	7,154

Notes to the Consolidated Financial Statements (continued)

2. Segment information (continued)

Notes to and forming part of the segment information

Accounting policies

Segment information is prepared in conformity with the accounting policies of the entity as disclosed in Note 1 and accounting standard AASB 1005, Segment Reporting.

Inter-segment transfers

Segment revenues, expenses and results include transfers between segments. Such transfers are priced on an "arm's-length" basis and are eliminated on consolidation.

	Consolidated entity	Parent entity
	2004 \$'000	2004 \$'000

3. Revenue

Revenue from operating activities

Sale of goods	70,757	0
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Revenue from outside the operating activities

Other revenue	122	0
Interest revenue – other corporations	45	0
Total revenue from outside the operating activities	167	0

Total revenue from ordinary activities	70,924	0
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4. Profit from ordinary activities

Net gains and expenses

Profit from ordinary activities before income tax expense includes the following specific gains and expenses:

Net gains

Net gain on disposal of property, plant and equipment	96	0
Net foreign exchange gains for the period	543	0

Expenses

Depreciation		
- Plant and equipment	475	0
- Capitalised leased plant and equipment	27	0
- Motor vehicles	41	0
- Computer equipment	586	0
Total depreciation	1,129	0
Amortisation – goodwill	425	0
Other charges against assets		
- write down of inventories to net realisable value	1,640	0
- scrapping of property, plant and equipment	0	0
- minor assets expensed on acquisition	45	0
Total other charges against assets	1,685	0

Notes to the Consolidated Financial Statements (continued)

4. Profit from ordinary activities (continued)

	Consolidated entity	Parent entity
	2004 \$'000	2004 \$'000
Borrowing costs – other corporations		
- interest and finance charges	698	0
- lease finance costs	0	0
- amortisation of ancillary costs of borrowings	22	0
Total borrowing costs – other corporations	<u>720</u>	<u>0</u>
Rental expenses		0
- operating lease costs	3,776	0
- equipment hire	14	0
Total rental expenses	<u>3,790</u>	<u>0</u>

5. Income Tax

Income tax expense

The income tax expense for the financial period differs from the amount calculated on the profit. The differences are reconciled as follows:

Profit/(loss) from ordinary activities before income tax expense	<u>4,172</u>	<u>0</u>
Income tax calculated at 30%	1,252	0
Tax effect of permanent differences:		
- amortisation of goodwill	127	0
- other non-allowable items	26	0
Aggregate income tax expense	<u>1,405</u>	<u>0</u>

6. Current assets – cash assets

Cash on hand	727	0
Cash at bank	12,863	0
Deposits at call	50	0
Total current assets – cash assets	<u>13,640</u>	<u>0</u>

The deposits at call bear interest at variable rates of between 4.6% and 5.3%

7. Current assets – receivables

Trade debtors	2,840	0
Sundry debtors	1,481	0
Security deposits	113	0
Related parties	960	0
Total current assets – receivables	<u>5,394</u>	<u>0</u>

8. Current assets – inventories

Finished goods, at cost	<u>92,513</u>	<u>0</u>
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Notes to the Consolidated Financial Statements (continued)

	Consolidated entity	Parent entity
	2004 \$'000	2004 \$'000
9. Tax assets		
Income tax receivable	1,633	1,678
	<hr/>	<hr/>
10. Current assets – other		
Prepayments	1,206	0
	<hr/>	<hr/>
11. Non-current assets – other financial assets		
Name of entity		
Super Cheap Auto Pty Ltd	0	84,233
Total – non-current assets – shares in controlled entities (refer Note 29)	<hr/>	<hr/>
	0	84,233
	<hr/>	<hr/>
12. Non current assets – property, plant and equipment		
	Consolidated entity	Parent entity
	2004 \$'000	2004 \$'000
Plant and equipment, at cost	31,010	0
Less accumulated depreciation	(6,394)	0
Net plant and equipment	<hr/>	<hr/>
	24,616	0
Capitalised leased plant and equipment	1,039	0
Less accumulated depreciation	(958)	0
Net capitalised leased plant and equipment	<hr/>	<hr/>
	81	0
Motor vehicles	996	0
Less accumulated depreciation	(396)	0
Net motor vehicles	<hr/>	<hr/>
	600	0
Computer equipment	17,825	0
Less accumulated depreciation	(6,865)	0
Net computer equipment	<hr/>	<hr/>
	10,960	0
Total net property, plant and equipment	<hr/>	<hr/>
	36,257	0

Notes to the Consolidated Financial Statements (continued)

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

	Plant and equipment \$'000	Capitalised leased plant and equipment \$'000	Motor vehicles \$'000	Computer equipment \$'000	Total \$'000
Reconciliations - consolidated entity					
Carrying amounts at 8 April 2004	0	0	0	0	0
Additions	1,837	0	0	344	2,181
Disposals	0	0	(4)	0	(4)
Additions through acquisition	23,254	108	645	11,202	35,209
Depreciation and amortisation	(475)	(27)	(41)	(586)	(1,129)
Foreign currency exchange differences	0	0	0	0	0
Carrying amounts at 26 June 2004	24,616	81	600	10,960	36,257
Reconciliations - parent entity					
Carrying amounts at 8 April 2004	0	0	0	0	0
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Additions through acquisition	0	0	0	0	0
Depreciation and amortisation	0	0	0	0	0
Foreign currency exchange differences	0	0	0	0	0
Carrying amounts at 26 June 2004	0	0	0	0	0

	Consolidated entity	Parent entity
	2004 \$'000	2004 \$'000

13. Non current assets – intangibles

Goodwill and brand, at cost	53,570	
Less accumulated amortisation	(8,235)	0
Net goodwill	45,335	0
Trademarks, at cost	14	0
Less accumulated depreciation	0	0
Net trademarks	14	0
Total net intangibles	45,349	0

	Goodwill \$'000	Brand names \$'000	Trade- marks \$'000	Totals \$'000
Reconciliations – consolidated entity				
Carrying amounts at 8 April 2004	0	0	0	0
Additions	0	0	2	2
Disposals	0	0	0	0
Additions through acquisition	45,760	0	12	45,772
Depreciation and amortisation	(425)	0	0	(425)
Foreign currency exchange differences	0	0	0	0
Carrying amounts at 26 June 2004	45,335	0	14	45,349

Notes to the Consolidated Financial Statements (continued)

13. Non-current assets - intangibles (continued)

Reconciliation – parent entity

Carrying amounts at 8 April 2004	0	0	0	0
Additions	0	0	0	0
Disposals	0	0	0	0
Additions through acquisition	0	0	0	0
Depreciation and amortisation	0	0	0	0
Foreign currency exchange differences	0	0	0	0
Carrying amounts at 26 June 2004	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

14. Non-current assets – deferred tax assets

	Consolidated entity	Parent entity
	2004 \$'000	2004 \$'000
Future income tax benefits	<u>5,006</u>	<u>4,876</u>

15. Non-current assets – other non-current assets

Borrowing costs, at cost	616	0
Less accumulated amortisation	<u>(176)</u>	<u>0</u>
Net borrowing costs	<u>440</u>	<u>0</u>

16. Current liabilities – payables

Trade creditors	29,733	0
Other creditors	<u>17,124</u>	<u>0</u>
Total current liabilities – payables	<u>46,857</u>	<u>0</u>

17. Current liabilities – interest bearing liabilities

Secured

Commercial bill	29,000	0
Total current liabilities – secured interest bearing liabilities	<u>29,000</u>	<u>0</u>

Unsecured

Related parties	7,184	6,199
Total current liabilities – unsecured interest bearing Liabilities	<u>7,184</u>	<u>6,199</u>
Total current liabilities – interest bearing liabilities	<u>36,184</u>	<u>6,199</u>

Notes to the Consolidated Financial Statements (continued)

	Consolidated entity	Parent entity	
	2004 \$'000	2004 \$'000	
18. Current liabilities – provisions			
Dividends (see Note 24)	5,000	0	
Employee benefits	3,643	0	
Total current liabilities – provisions	<u>8,643</u>	<u>0</u>	
Movements in provisions – dividends			
Carrying amount at the start of the financial period	0	0	
Provisions recognised as part of acquisition of Super Cheap Auto Pty Ltd	10,000	0	
Payments/other sacrifices of economic benefits	(5,000)	0	
Carrying amount at the end of the financial period	<u>5,000</u>	<u>0</u>	
19. Non-current liabilities – interest bearing liabilities			
Secured			
Commercial bill	<u>21,600</u>	<u>0</u>	
Secured liabilities			
Total secured liabilities (current and non-current) are:			
Commercial bills	<u>50,600</u>	<u>0</u>	
Total current liabilities	<u>50,600</u>	<u>0</u>	
20. Non-current liabilities – deferred tax liabilities			
Deferred tax liabilities	<u>355</u>	<u>355</u>	
21. Non-current liabilities – provisions			
Employee benefits	<u>797</u>	<u>0</u>	
22. Contributed equity			
Ordinary shares fully paid	<u>84,233</u>	<u>84,233</u>	
	Number of Shares	Issue Price	\$'000
Movement in ordinary share capital			
Issue of shares on incorporation (8 April 2004)	1	1.00	0
Issue of shares on 23 April 2004	49,697,150	1.69	84,233
Share split on 19 May 2004	56,732,471	-	0
Closing balance 26 June 2004	<u>106,429,622</u>		<u>84,233</u>

Notes to the Consolidated Financial Statements (continued)

22. Contributed equity (continued)

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.

Consolidated entity	Parent entity
2004 \$'000	2004 \$'000

23. Reserves and retained earnings

Reserves

Foreign currency translation reserve	2	0
	<hr/>	<hr/>
Movements		
Balance at the beginning of the financial period	0	0
Net exchange difference on translation of foreign controlled Entity	2	0
Reserves at the end of the financial period	2	0
	<hr/>	<hr/>

Retained earnings

Balance at the beginning of the financial period	0	0
Net profit/(loss) for the financial period attributable to shareholders of Super Cheap Auto Group Limited	2,767	0
Dividends provided for or paid	0	0
Retained profits/(losses) at the end of the financial period	2,767	0
	<hr/>	<hr/>

Nature and purpose of reserves

Foreign currency translation reserve
Exchange differences which arise on translation of the foreign controlled entity are taken to the foreign currency translation reserve

24. Dividends

Parent Entity
2004
\$'000

Ordinary shares

No dividends were declared or paid by Super Cheap Auto Group Limited during the reporting period.

Total dividends provided and paid	0
	<hr/>
	<hr/>

During the period, Super Cheap Auto Pty Ltd paid a \$5 million dividend which had been declared at 30 June 2003.

Super Cheap Auto Pty Ltd declared an interim dividend of \$5 million to its shareholders prior to its acquisition by the Company. This dividend will be paid in August 2004.

Notes to the Consolidated Financial Statements (continued)

24. Dividends (continued)

Parent Entity
2004
\$'000

Franking credits

The franked portions of dividends paid after 26 June 2004 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 26 June 2004.

Franking credits remaining at balance date available for dividends declared after the current balance date based on a tax rate of 30%

15,926

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.

25. Events occurring after reporting date

On 6 July 2004, 41,507,568 shares were sold by the principal shareholder, being Rowe Family Trust. Pursuant to this, the Company's shares were listed on the Australian Stock Exchange.

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

	Consolidated entity	Parent entity
	2004	2004
	\$'000	\$'000
Profit from ordinary activities after related income tax	2,767	0
Depreciation and amortisation	1,554	0
Net (gain)/loss on sale of non-current assets	20	0
(Gain)/loss on disposal of service entity	(96)	0
Cash flow attributed to investing and financing activities		
Interest paid - net	616	0
IPO costs to be reimbursed	798	0
GST credit claims for fixed asset purchases	162	0
Change in operating assets and liabilities, net of effects from the purchase of controlled entities and the sale of the service entity		
- (increase) in receivables	(673)	0
- (increase) in inventories	(103)	0
- increase in payables	2,484	0
- (decrease) increase in provisions	(650)	0
- (decrease) in deferred tax	(285)	0
Net cash inflow from operating activities	6,594	0

Notes to the Consolidated Financial Statements (continued)

27. Non-cash financing and investing activities

On 23 April 2004, Super Cheap Auto Group Limited acquired 100% of Super Cheap Auto Pty Ltd and its controlled entities for consideration of \$84,233,157 of shares in Super Cheap Auto Group Limited. The net assets acquired were as follows:

	\$'000
Consideration	84,233
Goodwill	(26)
	<hr/>
Net assets acquired	84,207
	<hr/>
Represented by:	
Receivables	14,127
Inventories	92,410
Property, plant and equipment	35,209
Intangibles	45,742
Tax balances	7,533
Borrowings	(53,100)
Dividends payable	(10,000)
Creditors	(57,719)
	<hr/>
	74,202
	<hr/>
Cash acquired	10,005
	<hr/>

28. Earnings per share

	Consolidated Entity
	2004 Cents
Basic earnings per share	4.1
Diluted earnings per share	4.1
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Weighted average number of shares used as the denominator	
	Consolidated Entity
	2004 Number
Weighted average number of shares used as the denominator in calculating basic earnings per share	67,550,020
	<hr/>
Weighted average potential ordinary shares used as the denominator in calculating diluted earnings per share	67,550,020
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Notes to the Consolidated Financial Statements (continued)

28. Earnings per share (continued)

	Consolidated Entity
	2004 Number
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	<u>2,767</u>
Diluted earnings per share	
- earnings used in calculating diluted earnings per share – net profit after tax	<u>2,767</u>

29. Investments in controlled entities

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding 2004 %
Super Cheap Auto Pty Ltd ^(a)	Australia	Ordinary	100
Super Cheap Auto (New Zealand) Pty Ltd ^(b)	New Zealand	Ordinary	100
Super Cheap Auto Purchasing Pty Ltd ^(b)	Australia	Ordinary	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.

30. Net tangible asset backing

	Consolidated Entity
	2004 Cents
Net tangible asset per ordinary share	39¢

31. Information on audit review

This preliminary final report is based on accounts which have been audited. There are no issues which are subject to dispute or qualification. The audit report is attached.

SUPER CHEAP AUTO GROUP LIMITED

SPECIAL PURPOSE REPORT

Comparison of **Prospectus** pro-forma forecast results to pro-forma historical results for the period from incorporation to 26 June 2004.

Introduction

Super Cheap Auto Group Limited was incorporated on 8 April 2004. On 23 April 2004, the Company acquired all of the shares in Super Cheap Auto Pty Ltd. On 20 May 2004, the Company issued a Prospectus inviting investors to apply for a total of 41,507,568 shares (39% of the issued capital of the Company). Pursuant to the offer of shares, the Company listed on the Australian Stock Exchange on 6 July 2004.

The Prospectus included Super Cheap Auto Group Limited's pro-forma forecast results for the period ended 26 June 2004. This Special Purpose Report contains a comparison of Super Cheap Auto Group Limited's pro-forma historical results for the 2004 year, to both the pro-forma forecast results for the 2004 year and the pro-forma historical results for the 2001, 2002, and 2003 years.

The pro-forma results set out in this Special Purpose Report are not a substitute for the Super Cheap Auto Group Limited's consolidated financial report for the period from incorporation to 26 June 2004, which will be included in the Company's annual report.

Basis of Preparation

The pro-forma historical results for the 2001, 2002 and 2003 years have been prepared from the adjusted historical financial information of Super Cheap Auto Pty Ltd consolidated group. The adjusted historical financial information adjusts the statutory historical financial information to promote comparability with the pro-forma forecast and historical results for the 2004 year.

The pro-forma historical results for the 2004 year are based upon the unaudited actual historical results of Super Cheap Auto Pty Ltd consolidated group for the 43 weeks ended 23 April 2004 and the audited actual consolidated historical results of the Super Cheap Auto Group for the remaining 9 weeks ended 26 June 2004.

Discussion of 2004 Pro-forma Historical vs Pro-forma Forecast Results

Pro-forma net profit for Super Cheap Auto of \$2.1 million was \$1.9 million ahead of the Prospectus forecast of \$0.2 million.

Pro-forma sales revenue of \$382.7 million was above the forecast of \$378.9 million due to:

- 7 stores forecast to be opened during July 2004, were opened during June 2004
- stronger than anticipated trading in Australia in the last 6 weeks of the year driven by promotional activity and benefiting from the Government payment of the baby bonus

offset by:

- a slight shortfall in sales in New Zealand stores due to seasonal factors.

Pro-forma EBITDA at \$32.0 million was \$1.4 million (4.6%) above prospectus forecast due to:

- the higher sales result
- a 0.1% improvement in gross margin benefiting from improved supplier terms

Pro-forma amortisation and depreciation of \$9.2 million was \$0.6 million under forecast mainly through the timing of investment in new material handling equipment and information technology.

Pro-forma cash flow at \$14.4 million was \$8.6 million above forecast due to:

- the improvement in EBITDA
- a saving in working capital investment of \$9.3 million as the Company reduced average stock investment across the stores.

Table 1 - Statement of Financial Performance

\$m	Adjusted Historical ¹				Pro-forma Forecast
	2000/2001	2001/2002	2002/2003	2003/2004	2003/2004
Sales					
Australia	150.4	203.4	275.1	366.7	362.5
New Zealand	-	-	-	16.0	16.4
Total	150.4	203.4	275.1	382.7	378.9
COGS	(90.4)	(128.3)	(166.9)	(235.7)	(233.6)
Gross Profit	60.0	75.1	108.2	147.0	145.3
Operating Expenses	(42.9)	(57.0)	(82.1)	(115.0)	(114.7)
EBITDA	17.1	18.1	26.1	32.0	30.6
Depreciation	(1.3)	(2.6)	(4.3)	(6.4)	(6.9)
EBITA	15.8	15.5	21.8	25.6	23.7
Amortisation	(1.8)	(1.8)	(2.0)	(2.8)	(2.9)
EBIT	14.0	13.7	19.8	22.8	20.8
Net Borrowing Costs				(3.0)	(3.0)
Income Tax				(6.6)	(6.4)
NPAT (Pre share issue costs)				13.2	11.4
After Tax Share Issue Costs ²				(11.1)	(11.2)
NPAT				2.1	0.2
Earnings per share pre amortisation and share issue costs ³				15.0¢	13.4¢
Total Sales Growth	NA	35.2%	35.2%	39.1%	37.7%
Gross Margin	39.9%	36.9%	39.3%	38.4%	38.3%
EBITA Margin	10.5%	7.6%	7.9%	6.7%	6.3%
EBITA Growth		-1.9%	40.6%	17.4%	8.7%
Store Numbers	71	97	144	183	176

Note 1 The Adjusted Historical Financial Information (issued in the Prospectus dated 20 May 2004) is based on the audited results for the years ended 30 June 2001, 2002, and 2003. The Company has made various adjustments to the statutory historical information to arrive at the Adjusted Historical Financial Information included in this Section.

Note 2 In the period ending 26 June 2004, the Company incurred share issue costs before tax of \$15.8 million comprising of:

- Costs of \$1.7 million associated with the implementation of the Senior Management Team Share Plan.
- Costs of \$13.9 million associated with the repayment by Super Cheap Auto Pty Ltd of third party loans made to SCA Equity Plan Pty Ltd, the trustee of the Senior Management Team Share Plan, and to Bob Thorn to assist with the purchase of shares in Super Cheap Auto Pty Ltd; and
- Ancillary costs of \$0.2 million associated with restructuring Super Cheap Auto in preparation for listing on the ASX.

These expenses will not recur in the year ending 30 June 2005.

Note 3 Earnings per share pre amortisation and share issue costs is calculated by using 106,429,622 ordinary shares as the denominator, being the number of shares on issue at the end of the period.

Table 2 – Financial Cash Flows

\$m For period ending 26 June	Adjusted Historical 2003/2004	Pro-forma Forecast 2003/2004
EBITDA	32.0	30.6
Tax Paid	(5.8)	(3.1)
Investment in Working Capital	(14.9)	(24.2)
Management loans	7.2	7.2
Investment in Other Assets	-	(0.1)
Cash Flows from Operating Activities	18.5	10.4
Capital Expenditure	(10.4)	(12.5)
Cash Flows from Investing Activities	(10.4)	(12.5)
Net Interest	(3.3)	(3.0)
Equity Issuance/(Buyback)	4.3	3.4
Debt Issuance/(Repayment)	10.3	12.5
Dividend Payment to Shareholders ¹	(5.0)	(5.0)
Cash Flows from Financing Activities	6.3	7.9
Net Change in Cash	14.4	5.8
Beginning Cash Balance ²	(0.8)	(0.8)
Ending Cash Balance	13.6	5.0

Note 1 The \$5 million dividend payment in 2004 represents the dividend declared for the period ended 28 June 2003 by Super Cheap Auto Pty Ltd payable to the Vendor Shareholder.

Note 2 The bank overdraft is reclassified as debt for balance sheet purposes. For purposes of the cash flow statement, it is included as cash.

INDEPENDENT AUDIT REPORT TO MEMBERS OF SUPER CHEAP AUTO GROUP LIMITED

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for both Super Cheap Auto Group Limited (the company) and the consolidated entity for the period ended 26 June 2004. The consolidated entity comprises both the company and the entities it controlled during that period.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

**INDEPENDENT AUDIT REPORT
TO MEMBERS OF SUPER CHEAP AUTO GROUP LIMITED (cont)**

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Audit opinion

In our opinion, the financial report of Super Cheap Auto Group Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 26 June 2004 and of their performance for the period ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australian.

GRANT THORNTON
Chartered Accountants



L R JONES
Partner

Brisbane

23 August 2004