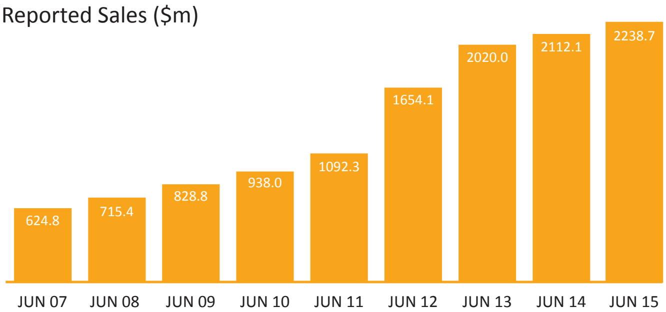
Super Retail Group

ANNUAL REPORT 2015

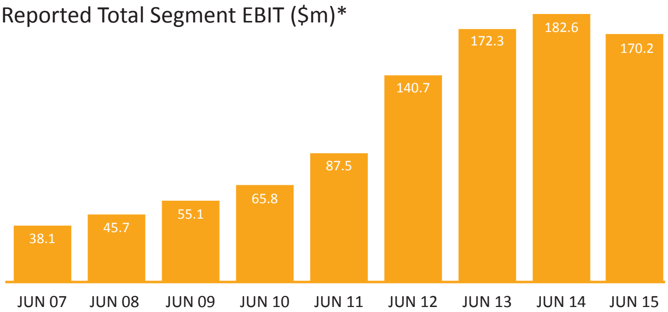
INSPIRING YOU TO LIVE YOUR PASSION

PERFORMANCE TREND GRAPHS

Reported Sales ($m)

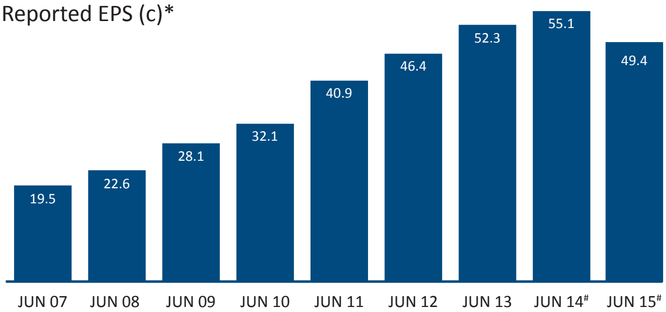


Reported Total Segment EBIT ($m)*



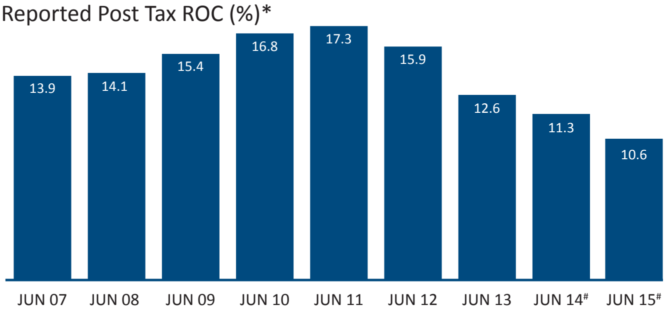
* excludes goodwill impairment charge in 2010

Reported EPS (c)*



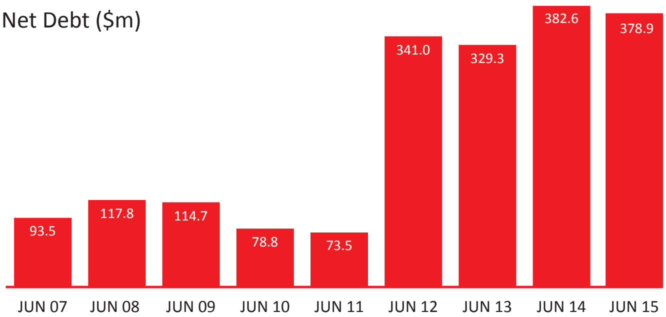
* historical EPS adjusted to take into account the bonus element in 2011 entitlement offer.
# June 2015 continuing operations only; June 2014 not adjusted for discontinued operations.

Reported Post Tax ROC (%)*

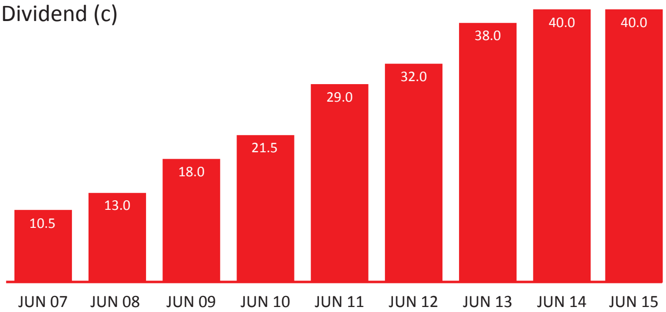


* return calculation adjusted for goodwill impairment, acquisition costs and restructuring provisions.
# June 2015 continuing operations only; June 2014 not adjusted for discontinued operations.

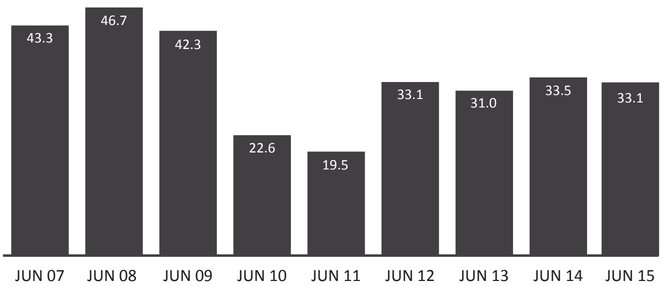
Net Debt ($m)



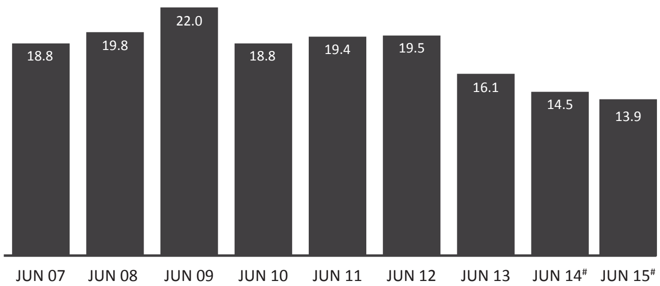
Dividend (c)



Gearing Ratio (%)

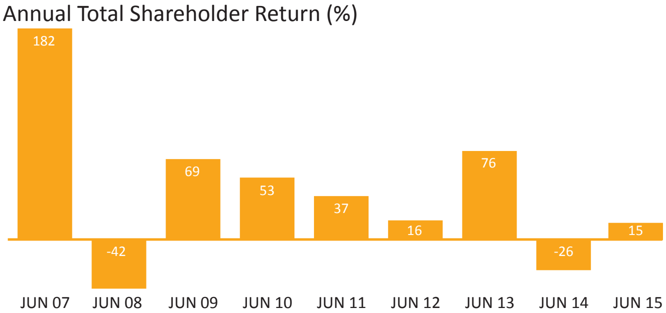


Reported Post Tax ROE (%)*

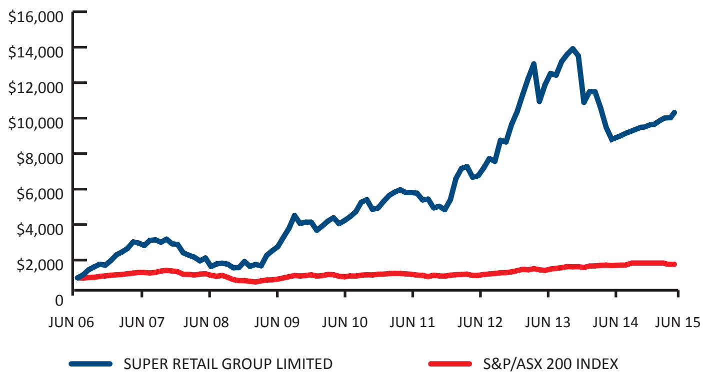


* return calculation adjusted for goodwill impairment, acquisition costs and restructuring provisions.
# June 2015 continuing operations only; June 2014 not adjusted for discontinued operations.

Annual Total Shareholder Return (%)



Value of $1,000 invested on 30 June 2006



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 principal 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 7 to 32.

The financial report was authorised for issue by the Directors on 20 August 2015. The Directors have 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 on our Investor's and Media page on our website: www.superretailgroup.com.au

CHAIRMAN AND GROUP MANAGING DIRECTOR'S REPORT

Our Fellow Shareholders,

Welcome to the 2015 Annual Report of Super Retail Group.

The past year has been another significant one in the long term development of the Group. While we have generally been pleased with the performance of our larger businesses, a number of significant restructuring decisions have been made to address the underperformance of our smaller businesses.

We have also continued to make good progress with the investment in the systems and infrastructure needed to build our multi-channel retail capabilities. We completed the development of our distribution centre network and now have the capacity required to support the future growth of the Group.

The restructuring costs and strategic investments have resulted in a fall in net profit in the current year. We believe these investments set us on the path to deliver strong profit growth in the years ahead. At the same time our strong cash flow performance has enabled us to continue to invest in the business and allowed us to sustain dividend levels despite the fall in net profit.

The progress made has been recognised by the investment market and our share price, which started the 2014/15 year at $8.46, closed for the year at $9.40. We are focused on delivering strong earnings growth and improvement in return on capital to continue to drive shareholder returns.

Operating and Financial Performance

The Group's overall result reflected solid performance across the Group's larger businesses, weaker performance and restructuring costs in the Group's smaller businesses and the investment being made to develop the multi-channel supply chain and systems capabilities required to support the Group's strategy.

The Auto Retailing division has again delivered solid growth despite the challenge of weaker retail conditions in the business home state of Queensland and delivered a further uplift in gross margin despite the lower Australian dollar increasing purchasing costs.

In the Leisure Retailing division, the BCF business was also impacted by the weaker Queensland economy, but pleasingly delivered solid like for like sales growth in the second half of the year as the sales cannibalisation experienced in the 2014 calendar year was largely eliminated.

In the Sports Retailing division, the combined Rebel and Amart Sports businesses generated both strong like for like sales and EBIT growth. Overall divisional EBIT growth was constrained by the disappointing performance of the Workout World business and the division's share of losses incurred by the Infinite Retail business. The division assumed control of the Infinite Retail business during the year and has started to integrate the business more closely, recognising additional costs and adjustments which have resulted in a share of losses of $3.6 million.

A review of our underperforming businesses was completed during the year and a decision was made that the most value creating options were to restructure the Ray's Outdoors business, integrate the Workout World business within Rebel and close the Fishing Camping Outdoors (FCO) business. Restructuring costs of $12.8 million associated with Ray's Outdoors and Workout World were incurred during the year and the FCO business, which has been classified as a discontinued operation, generated a loss of $16.2 million. These restructures provide the platform for stronger profit growth over the next few years.

Good progress was made in our strategic development programs which are focused on building the capabilities to operate successfully as a multi-channel retailer. The three year programme to build a more efficient distribution centre network was completed with the opening of our Brendale distribution centre in October 2014. The Group is now focused on driving cost efficiencies from this new network.

We have also continued to invest in our store development and refurbishment programs and the technology and systems to support our strategy. During the year, the Group invested circa $72 million in capital expenditure and $18 million in operating costs on our development programs. Operating cash flow performance was strong reflecting progress made in improving stock turns in the Auto and Sports Retailing Divisions. This remains an area for further improvement in the coming years.

A full review of the Group's performance and plans is included in the Operating and Financial Review set out on pages 10 to 16 of this Annual Report.

The Directors have declared a fully franked final dividend of 21.5 cents per share which results in full year dividends of 40.0 cents per share. 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 the wider communities in which it operates during the year. At the Group level, the focus is on raising funds for Red Cross and 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. During the year, the Group provided $0.7 million in donations and sponsorships including contributions from our team members and customers to various charities.

The Group has also maintained its focus on a number of environmental initiatives including reducing packaging and power consumption and increasing recycling. The Group has now been recognised by the Australian Packaging Covenant in both their 2013 and 2014 annual report ratings for being a high performer signatory.

Some of the Group's achievements are summarised below:

Sustainability Initiative	2013	2014	2015	Year on Year Increase
Australia Waste Recycling	51.0%	53.9%	53.2%	(0.7%)
New Zealand Waste Recycling	49.0%	54.6%	57.3%	2.7%
Battery Recycling (Units)	30,844	35,871	35,929	58
Oil Recycling (Litres)	n/a[1]	81,600	233,200	151,600

[1] New initiative no prior comparative data

Group Waste Recycling - The Group is a signatory to the Australian Packaging Covenant (APC) and has achieved its annual waste recycling targets as per the agreed APC action plan. The target for the Australian Waste Recycling for 2015 was 52.5%, recognising that time was required to embed recycling practices in the new distribution centres.

Battery Recycling - Supercheap Auto has actively marketed the opportunity for customers to return used automotive batteries in all of its retail stores for recycling.

Oil Recycling - This initiative was initially trialed in New Zealand and has now been rolled out through many of Supercheap Auto's Australian stores. The Group provides specialised recycling bins at retail stores for customers to dispose of used car oil.

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 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 Corporate Review which will be published on the Group's website.

Team Members

The driving force behind the Group continues to be its strong culture, underpinned by the passion and commitment of its 12,000 team members. We would like to take this opportunity to recognise and thank each team member, past and present, for their contribution.

CHAIRMAN AND GROUP MANAGING DIRECTOR'S REPORT (continued)

Team retention rates have continued to be very strong and, at 75.4%, are significantly better than norms across the retail industry. We will aim to maintain retention at around the 75% level.

Team engagement surveys are conducted on an 18 month cycle, therefore will be next completed in October 2015. The last survey in April 2014 generated an overall team member engagement score of 68% which compares to the retail industry average of 55% and good employer status at 65%.

We have significantly increased our focus on safety during the year which led to a large increase in the reporting of incidents and recording of injuries. This has provided a more accurate gauge of the Group's safety performance, and the Group's Lost Time Injury Frequency Rate (LTIFR) was at 13.2 for the 2015 year which was above the 12.1 recorded for the 2014 year. We have reviewed our commitment to reducing our LTIFR and have set a target of reducing LTIFR below 10.0 for the 2016 year and by at least 30% in subsequent years.

We are committed to ensuring that we develop a diverse workforce and have set a target of increasing female representation of our Board and senior management to over 40% by 2019. Currently 20% of our Board and 28% of senior management positions are held by females.

Mr Rob Murray stepped down from the Board of Directors in April 2015 to take on the role of Chairman of Metcash Limited. Rob made a strong contribution to the Board over his two years with the Group and we wish him every success in his future endeavours.

Mr Anthony Heraghty was appointed by the Group to the position of Managing Director - Leisure Division, commencing in his role in April 2015. Anthony will be leading the BCF and Ray's Outdoors businesses.

Looking Forward

In the year ahead, the Group would aim to deliver top line growth through increased like for like sales and the opening of new stores. The Group would also focus on increasing overall gross margins, through private brand development and range, price and promotion management. Combined, these activities are aimed at offsetting the impact of higher purchase costs. The Group would also focus on increasing working capital efficiency and continuing to invest in building its multi-channel capabilities.

We expect overall retail growth in our markets to be modest given patchy consumer confidence and our higher exposure to the Queensland market, but we expect to achieve solid like for like sales growth driven by market share growth in all businesses. We expect to open between 20 and 30 stores across the Group in the next 12 months and we will continue with our store refurbishment and store of the future programmes.

We expect that Group EBIT margin will improve as a result of improvements in gross margin and a reduction in the operating costs incurred on the Group's strategic programmes.

Looking further ahead, we will continue to build our network of stores from around 630 today to circa 800, while at the same time developing and growing our ecommerce business. We will look to build on our strength in retailing products to providing relevant services recognising that our customers are increasingly looking for solutions and not just product.

We expect to increase profit margins across the Group through a combination of range management, sourcing and supply chain initiatives, growing our portfolio of private and exclusive brands and through cost efficiencies. We further expect that we will be able to deliver working capital efficiencies through improving stock turn and inventory funding.

Our investment in our multi-channel programs and the underperformance of some of our businesses has resulted in no earnings growth over the last two years. The restructuring programmes in the underperforming businesses that we have undertaken in the last twelve months and the scaling back of investment in strategic programs sets us up to deliver solid earnings growth and an improvement in our return on capital in the coming years.

We see many opportunities for the growth and development of our Company into the future and we look forward to updating you on our progress in the year ahead. Thank you for your support.

R J Wright
Chairman

P A Birtles
Group Managing Director
and Chief Executive Officer

DIVERSITY REPORT

The Group 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. The Board and the Super Retail Group Leadership Team are firmly committed to developing policies and ways of working that support diversity. We strive to ensure strong business growth and performance, whilst providing an environment that makes 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, valuing and utilising the unique talents and contributions of all individuals.

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

- to be recognised as a great place to work and a preferred employer in the specialty retail sector;
- to enhance the engagement and retention of our team members;
- 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 Group;
- to proactively prevent and eliminate harassment and unlawful discrimination in the workplace;
- to ensure that workplace structures, conditions, systems and procedures foster diversity and flexibility and allow team members to manage work and personal life;
- to promote awareness of the value of diversity in the workplace;
- to provide gender pay equity across the Group;
- to provide suitable employment opportunities for disabled and disadvantaged team members; and
- to actively communicate our commitment to diversity.

The Group's Diversity Policy is based on the following principles:

- the behaviours and actions of all team members will be in line with the Group Values;
- Group and team member decisions will not have discriminatory consequences;
- workplace structures and conditions will enable all team members to contribute to their full potential at work while taking into account personal commitments;
- decisions affecting team members will take into account their individual needs and differences;
- all communication will recognise our diverse workforce and use inclusive language; and
- decisions affecting team members will be based on fact and consultation.

These diversity principles aim to facilitate improved business outcomes and achievement of our goals through embracing team member's differences. At Super Retail Group we strive to value these differences and utilise them to build better business practices. We desire our Retail Stores, Support Office and Distribution Centres to be reflective of the communities in which we operate.

1. Gender Diversity

We are proud that our culture and inclusive policies have created a workforce in which women represent 45% of the workforce at 30 June 2015. Many of the Group's businesses operate in retail sectors in which the majority of customers are men and its competitors employ a significant majority of males.

At Super Retail Group, 20% of our Board, 28% of senior management positions, and 32% of middle and senior management[(1)] positions are held by women as at 30 June 2015. This compares to the previous reporting period whereby 17% of our Board, 24% of senior management and 28% of middle and senior management were held by women on 30 June 2014.

The Group has set targets for 40% of women in Board and senior management positions by 2019. The Board is therefore supportive of the Australian Institute of Company Directors commitment to gender diversity.

To achieve its targets, the Group has identified three focus areas:

1.1 Recruitment Practices

The Group is reviewing its recruitment practices to ensure that these are supportive of fostering and encouraging diversity and inclusion. Specific initiatives include:

- promoting the Group as a true equal opportunity and inclusive employer through advertising campaigns and recruitment marketing material;
- at least one female to be shortlisted and interviewed for all Band 1, 2, 3 and 4 positions; and
- review of all band 1 to 3 appointments by the Chief Executive Officer (CEO) and Chief Human Resources Officer.

1.2 High Potential Development Programs

The Group is reviewing its learning and development programmes to ensure that these are designed to foster the development of female future leaders. Specific initiatives include:

- the Group's Women in Leadership Development program which is a specific program tailored to developing high potential females across the Group;
- mentoring program for women; and
- a Commitment to diversity of participants on the Group's broader leadership development programmes.

[(1)]Senior management is defined as all roles in Bands 1-3, and middle management is defined as all roles in Band 4.

DIVERSITY REPORT
(continued)

1.3 Flexible Working Practices

The Group is investigating, implementing and reviewing opportunities to increase the flexibility of its work practices to encourage its team members (importantly both male and female) to take opportunities to advance their careers while balancing personal commitments. Specific initiatives include:

- implementation of working from home and flexible working policy;
- part time work opportunities;
- additional shifts to accommodate caring responsibilities throughout the week;
- compressed work weeks;
- opportunity to buy out additional annual leave;
- understanding usage of flexible work practices, including focus groups across the organisation to understand team member preferences and review of work practices to identify opportunities for flexibility; and
- at June 2015, two members of the executive team (one male and one female) are successfully working under flexible work arrangements.

2. Other Diversity Initiatives

In addition to the three primary focus areas, the Group has also implemented a number of other initiatives to foster workplace diversity. These include:

- paid maternity leave, above statutory minimum;
- parental leave information packs, gifts and keeping in touch program;
- graduated return to work from maternity leave;
- monitoring of remuneration for gender differences;
- appointment of women into senior non-traditional roles – e.g. General Manager Retail Operations, General Manager IS Transformation, General Manager IS Strategy and Solutions, Retail Operations Manager, Distribution Centre Manager and Regional Manager;
- CEO participation in the Queensland Male Champions of Change;
- exploring the opportunity to engage with National Disability Recruitment Coordinator services;
- analysing diversity and succession related information from key managers;
- domestic and family violence support and leave accessibility; and
- diversity questions included in Engagement Survey.

3. Broadening Diversity

In the coming year the Group will be implementing additional initiatives to maintain our ongoing focus for diversity whilst also broadening the scope to include ethnicity, age and disability.

Directors' Report

The Directors present their report together with the consolidated financial statements of the Group comprising Super Retail Group Limited (SUL) (the Company) and its subsidiaries for the period ended 27 June 2015.

1. Directors

The Directors of the Company at any time during or since the end of the period, up to the date of this report are:
R J Wright
P A Birtles
R A Rowe
R J Skippen
S A M Pitkin
R A Murray (resigned 29 April 2015)

1.1. Details of Directors, their qualifications and experience

R J Wright, BCom, FCPA, MAICD.
Independent Non-Executive Chair.

Robert Wright was appointed a Director of the Company on 19 May 2004 and Chairman on 28 October 2009; he has been an Independent Non-Executive Director for 11 years and 3 months.

Robert has over 35 years' financial management experience across a range of industries including Retail, Food Processing and Fast Moving Consumer Goods. During his executive career he was the Chief Financial Officer of several listed companies including ten years for David Jones Limited. He has over 25 years' experience as both an Executive Director and Non-Executive Director of a number of private and listed companies in the following industry sectors: Retail, Fast Moving Consumer Goods, Property Development, Manufacturing and Natural Gas Infrastructure.

Robert is currently the Chairman of APA Ethane Limited, the responsible entity of Ethane Pipeline Income Fund, and a Director of Australian Pipeline Limited, the responsible entity of the registered managed investment schemes that comprise APA Group. Robert was previously Chairman of SAI Global Limited, Dexion Limited and RCL Group Limited.

P A Birtles, BSc, ACA, MAICD.
Group Managing Director and Chief Executive Officer.

Peter Birtles was appointed a Director of the Company on 5 January 2006 and has been the Managing Director and Chief Executive Officer for 9 years and 8 months.

Peter is a Chartered Accountant with over 25 years' experience, in the retail, pharmaceutical and consumer products industries. Peter joined Super Retail Group Limited in April 2001 as Chief Financial Officer and also served as Secretary of the Company between May 2004 and January 2006. Prior to joining Super Retail Group, Peter spent 12 years working with The Boots Company in the United Kingdom and Australia in a variety of senior roles across finance, planning, operations, supply chain, human resources and information technology. Prior to joining The Boots Company, Peter worked for Coopers & Lybrand.

Peter is currently a Non-Executive Director of GWA Group Limited.

R A Rowe.
Non-Executive Director.

Reg Rowe was appointed a Director of the Company on 8 April 2004 and has been a Non-Executive Director for 11 years and 4 months.

Reg and Hazel Rowe founded an automotive accessories mail order business in 1972 which they ran from their Queensland home. In 1974 they commenced retail operations of the business which evolved into Supercheap Auto. Reg served as Managing Director until 1996 and then Chairman from 1996 to 2004. Prior to this, Reg had 13 years' experience in various retail and merchandise roles at Myer department stores.

Reg brings to the Board extensive retail industry and general management expertise and skills in retail and merchandise operations, property and strategy.

Reg is a Director of a number of private family companies.

1. Directors (continued)

1.1 Details of Directors, their qualifications and experience

R J Skippen, ACA.
Independent Non-Executive Director.

John was appointed a Director of the Company on 16 September 2008. John has been Chairman of the Audit and Risk Committee since 28 October 2009, and is also a member of the Human Resources and Remuneration Committee.

John has over 36 years' experience both as an Executive and Non-Executive Director of listed and non-listed public companies and was Finance Director and Chief Financial Officer of Harvey Norman Holdings Ltd for 12 years and also operated as a Chartered Accountant for over 30 years.

John has extensive retail, property acquisition and development, mergers and acquisition, and funding experience, both internationally and in Australia, as well as previous ownership of businesses in the advertising, marketing and construction industries.

John is currently Non-Executive Chairman of Slater & Gordon Limited and Non-Executive Director of Flexigroup Ltd.

S A Pitkin, LLB, LLM, PhD, FAICD.
Independent Non-Executive Director.

Dr Sally Pitkin was appointed a Director of the Company on 1 July 2010 and has been an Independent Non-Executive Director for 5 years. Sally is the Chair of the Human Resources and Remuneration Committee.

Sally has nineteen years' experience as a Non-Executive Director in the listed, private, public and non-profit sectors. She has eleven years' experience as a Non-Executive Director of ASX 200 companies, including experience in international markets. Industry sectors in which she has experience as a Non-Executive Director include retail, finance and insurance, technology commercialisation, gaming, energy and transport. She is a lawyer and former partner of Clayton Utz with banking law, corporate law and corporate governance expertise. Sally is a Non-Executive Director and Fellow of the Australian Institute of Company Directors and is President of the Queensland Division, a member of the External Advisory Panel of the Australian Securities and Investments Commission and a Non-Executive Director of the Committee for Economic Development of Australia.

Sally is presently a Director of ASX listed companies Echo Entertainment Group Limited, Billabong International Ltd, and IPH Limited.

Sally holds a Doctor of Philosophy (Governance), awarded in 2012.

R A Murray. BA Hons Economics, MA Hons (Cantab).
Independent Non-Executive Director.

Rob Murray was appointed a Director of the Company on 22 April 2013 and was an Independent Non-Executive Director until his resignation as a Director of the Company on the 29 April 2015.

Rob served as Managing Director and CEO of Lion Limited and predecessor Lion Nathan Limited from October 2004 to October 2012, prior to which he was CEO of Nestle Oceania. Rob has extensive knowledge of fast moving consumer goods, sales and marketing.

Rob is currently Chair of Dick Smith Holdings Limited and a Director of Southern Cross Media Group Limited and Metcash Limited.

1.2 Special Responsibilities of Directors

Director	Audit & Risk Committee	Nomination Committee	Human Resources & Remuneration
R J Wright	✓(1)	✓(2)	n/a
P A Birtles	n/a	✓	n/a
R A Rowe	n/a	✓	✓
R J Skippen	✓(2)	✓	✓
S A Pitkin	✓	✓	✓(2)
R A Murray	✓(3)	✓(3)	✓(3)

(1) Mr Wright was appointed a member of the Audit and Risk Committee with effect from 29 April 2015, following the resignation of Mr Murray.
(2) Denotes Chair of Committee
(3) Mr Murray was a Director and Committee Member as indicated throughout the reporting period, until his resignation, with effect from 29 April 2015.

Directors' Report (continued)

1. Directors (continued)

1.3 Directorships of listed companies held by members of the Board

Director	Listed Company	Directorship	Key Dates
R J Wright	Super Retail Group Limited	Independent Chair Independent Non-Executive Director	Current, appointed 28 October 2009 Appointed 19 May 2004
	APA Ethane Limited	Chair and Non-Executive Director	Current, appointed 10 July 2008
	Australian Pipe Limited	Independent Non-Executive Director	Current, appointed 10 Feb 2000
	SAI Global Limited	Chair and Non-Executive Director	Former, appointed 17 December 2003 and ceased 29 October 2013
P A Birtles	Super Retail Group Limited	Group Managing Director and Chief Executive Officer	Current, appointed 05 January 2006
	GWA Group Limited	Independent Non-Executive Director	Current, appointed 24 November 2010
R A Rowe	Super Retail Group Limited	Non-Executive Director	Current, appointed 08 April 2004
R J Skippen	Super Retail Group Limited	Independent Non-Executive Director	Current, appointed 16 September 2008
	Slater & Gordon Limited	Independent Chairman and Non-Executive Director	Current, appointed 26 May 2010
	Flexigroup Limited	Independent Non-Executive Director	Current, appointed 20 November 2006
	Emerging Leaders Investment Limited (delisted 19/06/2014)	Non-Executive Director	Former, appointed 12 October 2010 and ceased 15 September 2014
S A Pitkin	Super Retail Group Limited	Independent Non-Executive Director	Current, appointed 01 July 2010
	Billabong International Limited	Independent Non-Executive Director	Current, appointed 28 February 2012
	Echo Entertainment Group Limited	Independent Non-Executive Director	Current, appointed 31 July 2014
	IPH Limited	Independent Non-Executive Director	Current, appointed 23 September 2014
R A Murray	Super Retail Group Limited	Independent Non-Executive Director	Former, appointed 22 April 2013 and ceased 29 April 2015
	Dick Smith Holdings Limited	Independent Chair and Non-Executive Director	Current, appointed 12 August 2014 Chair, appointed 28 February 2015
	Southern Cross Media Group Limited	Independent Non-Executive Director	Current, appointed 01 September 2014
	Metcash Limited	Independent Non-Executive Director	Current, appointed 29 April 2015

1.4 Directors' Meetings

The number of meetings of the Company's Board of Directors and each Board Committee held during the period ended 27 June 2015 is set out below:

			Meetings of Committees					
	Board Meetings		Audit and Risk		Nomination		Human Resources and Remuneration	
	Attended	Held(1)	Attended	Held(1)	Attended	Held(1)	Attended	Held(1)
R J Wright	9	9	1	1	1	1	n/a	n/a
P A Birtles	9	9	n/a	n/a	1	1	n/a	n/a
R A Rowe	9	9	n/a	n/a	1	1	2	2
R J Skippen	9	9	4	4	1	1	2	2
S A Pitkin	9	9	4	4	1	1	2	2
R A Murray	7	8	3	3	1	1	2	2

(1)Number of meeting held during the time the Director held office during the year.

1. Directors (continued)

1.5 Directors' Interests

The relevant interest of each Director in shares and options over such instruments issued by the companies within the Group and other related bodies corporate, as notified by the Directors to the Australian Securities Exchange (ASX) in accordance with section 205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

Director	Number of Ordinary Shares	Options over Ordinary Shares
R J Wright	78,175	-
P A Birtles	1,424,246	-
R A Rowe	57,047,015	-
R J Skippen	-	-
S A Pitkin	26,453	-
R A Murray	n/a	n/a

2. Company Secretary

The Company Secretary (and Chief Legal and Property Officer) 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.

3. Operating and Financial Review

3.1 Overview of the Group

The Group is a for-profit entity and is primarily involved in the retail industry. Founded in 1972, as an automotive accessories mail order business which evolved into Supercheap Auto, the Group has grown through both organic growth and mergers and acquisitions evolving its principal activities to include:

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

3.2 Review of Financial Condition

(a) Group Results

The Group has delivered strong sales growth of 7.1% from its continuing operations while it has undertaken significant restructuring activity to address performance issues in a number of the smaller businesses during the year. Whilst these restructuring activities have a material impact on the reported statutory results for the Group, the financial performance for future periods are expected to improve. The total restructuring impact this financial year is $12.8 million (before tax) including costs to restructure the Ray's Outdoors and Workout World businesses. The FCO Fishing Camping Outdoors (FCO) business was closed in May 2015 and an associated loss of $16.2 million has been recognised as discontinued operations.

For the 52 weeks to 27 June 2015 total sales for the Group increased 7.1% to $2,238.7 million. Net profit after tax attributable to members was $81.1 million compared to $108.4 million in the prior period. After excluding discontinued operations and restructuring activities, the normalised net profit after tax was $106.3 million compared to $112.2 million in the previous comparative period. The table below provides the reconciliation to the statutory profit:

	2015 $m	2014 $m
Profit for the period	**76.9**	**108.4**
Loss for the period attributable to non-controlling interests	4.2	-
Profit for the period attributable to members of Super Retail Group Limited	81.1	108.4
Loss from discontinued operations	16.2	3.8
Profit for the period attributable to members of Super Retail Group Limited from continuing operations	97.3	112.2
Business restructuring costs	9.0	-
Normalised net profit after tax	**106.3**	**112.2**
Business restructuring costs comprise:		
- Ray's Outdoors	10.3	-
- Workout World	2.5	-
- Tax benefit	(3.8)	-
Total business restructuring costs	9.0	-

3. Operating and Financial Review (continued)

3.2 Review of Financial Condition (continued)

(a) Group Results (continued)

Overall sales growth was delivered in each division. In the Auto Retailing Division, new stores sales growth and like for like sales growth was supported by an increase in gross margin. The Leisure Retailing Division also delivered solid overall sales growth although this was driven by new store openings slightly offset by a small decline in like for like sales. Gross margins in the Leisure Retailing Division were below the prior comparative period. Sports Retailing reported sales increased due to strong underlying like for like sales growth and new store growth. Included in the Sports Retailing results is the full year results of the Infinite Retail Pty Ltd (Infinite Retail) (formerly VBM Retail Pty Ltd) business. In July 2014 the Group took a 50.05% controlling interest in Infinite Retail resulting in consolidation of the entities results and net assets. The entity had been equity accounted in the prior comparative period.

The Group has continued to invest in the development of its businesses and supporting capability with $33.1 million in information technology projects, supply chain development projects and general capital expenditure and $38.8 million capital expenditure on new stores and refurbishment programs. $18.2 million of operating costs have been incurred associated with multi-channel and group projects.

Group net debt at $378.9 million was $3.7 million below the prior year reflecting the investment in the Group's strong underlying operating cash flow performance and continued investment in the store network and multi-channel projects.

(b) Auto Retailing

Divisional sales at $854.3 million were 4.4% higher than the prior comparative period with like for like sales growth being 2.2%. Segment EBIT at $96.0 million was 1.6% higher than the comparative period.

Like for like sales growth of 2.2% was driven by an increase in average unit value. Gross margin improved by a further 20 percentage points, again driven by ranging and sourcing initiatives. Operating costs as a percentage of sales increased 30 percentage points, due to higher store operating expenses.

Membership of the Supercheap Auto Club Plus increased to 1.35 million by June 2015, with active members (members that have purchased in the last 12 months) totalling over one million. Sales attributable to club members are increasing and club members continue to have higher average transaction values than non-club members.

The business has continued to focus on sales and margin growth with particular focus on store refurbishment, ranging initiatives, private brand development, partnering with the world's best automotive brands and team engagement.

All the major product categories, with the exception of the tools categories, delivered positive growth during the year with particularly strong growth being achieved in the power, car care, paint and panel and spare parts categories. Like for like sales growth was achieved in New Zealand and all Australian states, except Queensland.

The business opened nine new stores during the year, while 29 stores were refurbished including two converted to superstores. At the end of June there were 300 stores across Australia and New Zealand with the business targeting an additional 40 stores over the next 3 years.

Over the last two years the business has continued to test and refine its store of the future concept which is designed to create a more engaging interactive shopping experience for the customer. The concept had been successfully tested and is now deployed to 36 stores in the store network and the business is planning to refurbish around 65 stores in the new format in the coming year.

The trial of a new trade supply business, Auto Trade Direct (ATD) in the North Island of New Zealand has been completed. This business supplies auto parts and accessories to auto mechanics from a number of hub stores and directly from its distribution centre and from trade partners. The ATD business is being fully integrated into the Supercheap retail trade offer. This will allow an extension of the Auto Trade Direct business into the Australian market over the next year to provide a stronger trade offering to existing and new trade customers.

(c) Leisure Retailing

The Group undertook a strategic review of the Ray's Outdoors and FCO businesses during the year. It was determined to undertake a repositioning of the Ray's Outdoors business and to close the FCO business. The Group ceased trading FCO in New Zealand in May 2015. This business is now accounted for as discontinued operations. As a consequence the Leisure Division comparatives have been restated to exclude the FCO business.

Divisional sales at $543.2 million were 2.4% higher with like for like sales across the division 0.6% lower than the prior comparative period.

3. Operating and Financial Review (continued)

3.2 Review of Financial Condition (continued)

(c) Leisure Retailing (continued)

The Leisure Segment EBIT result at $32.3 million was $5.9 million below the prior comparative period. Segment EBIT margin was 5.9%, which was 130 percentage points lower than the prior comparative period. This decline reflected a decrease in gross margin, and higher depreciation costs associated with new store rollout and the division's share of the investment in the Group's development programs.

The BCF business was impacted by the weaker Queensland retail market but delivered solid like for like sales growth in the second half of the year as the sales cannibalisation experienced in the 2014 calendar year was largely eliminated. Positive like for like sales growth was delivered in the second half supported by positive like for like growth in customer transactions with higher units per transaction and average unit values compared to the prior corresponding period. The strongest recovery has been in boating and camping while the fishing category remains more subdued.

The BCF club loyalty program continued to grow in the financial year with active membership totalling over nine hundred thousand members. The BCF club membership group have higher levels of visitation, average transaction value and engagement than other customers. Increasing engagement with our BCF club members has been a key focus for the business for last year and for the year ahead.

The business opened three new stores during the year taking total store numbers to 117. BCF expects to reach 137 stores in the next four years. The business has continued to refine its store of the future concept initiating a pilot store to test a new format and a large refurbishment program is planned for the 2016 financial year.

During the year the business commenced the conversion of trade partners from direct to store product delivery to direct delivery into the Group distribution centres. This initiative will be continue in the 2016 financial year. Inventory performance within BCF remains a key focus to improve inventory investment without impacting the customer experience.

As outlined earlier a review of the Ray's Outdoors business was completed in the year with a decision made to reposition the business to focus on 'an outdoor adventure for all' retailing offer built around a wide range of quality outdoor products at constant fair value. The repositioning will involve changes to the Ray's Outdoors brand, product range, store format, customer service experience and website. Pilot stores are in development to trial the new Ray's Outdoors format and will be launched in the second quarter of the 2016 financial year.

A restructuring cost has been incurred in the 2015 financial year to close four stores, accelerate clearance of the existing range of stock that does not meet the future business model and undertake activities to support the brand re-positioning including new website development.

As expected the Ray's Outdoors gross margin was lower than the prior comparative period due to the inventory clearance program, which is expected to be completed by the end of August 2015. Gross margins will continue to be lower in the first half of the 2016 financial year due to the inventory clearance activity, and are expect to lift in the second half due to a cleaner stock position and improvements associated with the re-positioning. Four stores were closed during the year. At the end of June 2015 the Ray's Outdoor network comprised 53 stores. The business is targeting to re-position the store network with all stores to be subject to refurbishment or relocation and to grow the store network to 66 stores within four years.

As outlined earlier, a review of the FCO business was completed this year. The review identified that it was unlikely the business would achieve the Group's return on capital targets within a reasonable time period. As a consequence, in February 2015 the Group announced its intention to close the business, which ceased trading in May 2015.

In April 2015, Anthony Heragthy commenced in the role of Managing Director - Leisure Division. His broad experience in customer and brand strategies will be important to improving the performance of Leisure Retailing.

(d) Sports Retailing

Divisional sales at $835.0 million were 13.8% higher than the prior period and Segment EBIT at $65.6 million was 4.5% higher than the prior period. As outlined earlier the Group increased its investment in Infinite Retail to a controlling interest, which resulted in consolidation of the entity's' results and net assets.

Like for like sales growth for Rebel and Amart Sports was 6.6%, driven by increases in customer transactions, units sold and unit value. Rebel and Amart Sports gross margins declined 100 percentage points reflecting strong growth in low margin categories (eg. fitness technologies), promotional activity and first half clearance of excess inventory. Rebel and Amart Sports operating costs as a percentage of sales were 120 percentage points favourable to the prior corresponding period. Overall the Rebel and Amart Sports EBIT contribution increased $7.6 million to $73.8 million representing an EBIT margin of 9.4%, 20 percentage points higher than the prior corresponding period.

3. Operating and Financial Review (continued)

3.2 Review of Financial Condition (continued)

(d) Sports Retailing (continued)

Like for like sale growth was achieved in all categories with Clothing, Footwear and Cycling all over indexing. Hard goods sales growth was softer due to negative growth from fitness equipment. In the Hard Goods category, strong sales growth was achieved in the technology category (which includes heart rate monitors) at lower gross margins, bringing the overall category gross margin performance down compared to the prior comparative period.

Rebel Active and Team Amart loyalty programs have grown strongly in the year with active members now totalling 1.28 million and 0.54 million respectively. This represents an increase in active members of 79% and 37% respectively. Members of the loyalty programs have higher average transaction values and higher visitation levels.

The division has continued to build the Amart Sports network in Victoria and New South Wales with six new stores opened during the year. Additionally two Amart Sports stores were closed. One Rebel store was closed and one store was converted to an Amart Sports store and a further seven stores were refurbished. At the end of June there were 90 Rebel stores and 56 Amart Sports stores.

Sports Retailing inventory closed the 2015 financial year at $161.8 million, reflecting an increase on the prior year of 4.8% on a per store basis for the Rebel and Amart Sports businesses. This is attributable to increased private and exclusive brand sourcing with longer inventory lead times. Total inventory also increased due to the consolidation of the Infinite Retail business.

In May 2015, the Group announced the restructuring of the Workout World business to more closely integrate it with the Rebel business. This has resulted in the closure of five stores in May 2015 with a further five stores to be closed in the 2016 financial year. At the end of June 2015 there were 17 Workout World stores. The store closures and associated restructuring costs incurred in the financial year totalled $2.5 million. The Workout World business lost circa $5 million during the financial year. It is expected that the restructuring will reduce this loss to breakeven in the 2016 financial year.

In July 2014 the Group took a 50.05% controlling interest in Infinite Retail. Infinite Retail operates the Fangear.com website, a number of other merchandising websites and event activity for major sporting codes. Integration of the business has commenced generating additional costs and adjustments which have resulted in a share of losses of $3.6 million.

(e) Group Costs

Group costs for the period were $23.7 million, including $5.5 million in public company costs and $5.8 million in costs associated with other projects. Group costs also include $12.4 million of costs associated with the Group's multi-channel development programs and unutilised distribution centre space.

(f) Review of Financial Position

Cash flow from operations was $182.0 million, an increase of $14.8 million on the prior comparative period, primarily due to improved working capital management. Total inventory investment across the Group at the end of June was $505.6 million, an increase of $15.5 million compared to the prior comparative period.

Group capital expenditure was $71.9 million which included $38.8 million in new and refurbished store fit out, and $33.1 million in information technology projects, supply chain development projects and general capital expenditure.

At the end of June, Group Net Debt was $378.9 million, which was comfortably within the Group's facility limits. The Group remains within its banking covenants.

(g) 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 or segment level;
- develop excellence in sourcing, brand development and supply chain management;
- operate more efficiently;
- leverage common business systems across the Group; and
- attract, engage and retain a passionate, capable and engaged team.

3. Operating and Financial Review (continued)

3.2 Review of Financial Condition (continued)

(g) Group Strategy (continued)

The Group is aiming to achieve long term sustainable advantage by exceling in six areas:
- understanding our customers;
- engaging and inspiring our customers across all channels;
- developing innovative and relevant solutions;
- building leading private and exclusive brands;
- optimising our supply chain; and
- engaging and developing our team.

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

The growth and development of the Group's existing businesses
- new store development;
- development of an engaging and interactive integrated store and on-line experience;
- development of customer loyalty programs;
- development of informative and targeted marketing;
- range and solution development;
- private and exclusive brand development.

The development of the Group customer analysis and insight capabilities
- development of CRM analytics;
- development of direct marketing driven by customer analytics;
- development of automated customer response marketing.

The development of the Group's supply chain and inventory management capabilities
- development of the distribution centre network including new facilities in Northern Brisbane;
- development of off shore consolidation centres and faster response supply methods;
- implementation of demand planning, replenishment and assortment systems;
- development of inventory management systems.

Increasing the efficiency and productivity of the Group's operations
- right sizing of the store portfolio;
- group procurement synergies;
- productivity focus;
- management systems.

Engaging our team and developing their capabilities
- team engagement focus;
- learning and development programs;
- performance management and succession planning;
- developing the team member value proposition;
- safety focus;
- diversity focus.

Opportunities for growth in leisure retail categories through organic development or acquisition
- development 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 $100.0 million in the 2016 financial year associated with the development programs across the Group.

3. Operating and Financial Review (continued)

3.2 Review of Financial Condition (continued)

(h) 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 retailers' inward investment into Australasia which expose the Group to a new higher level of competition. Therefore the Group has to increasingly benchmark its customer offering 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.
- **Digital disruption** - The ever increasing pace of change driven by technology advances creates opportunities and challenges including the development of digital marketing and sales channels. Digital disruption requires new and agile forms of development and consequentially impact on the Group's business models and ways of working. 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. With digitally enabled 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 have 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 2016 financial 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 75.4% up from below 59% 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.
- **Stakeholder sustainability expectations** - 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 and sustainable business practices. On-going review of changes to regulation and stakeholder sustainability expectations 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.
- **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 - Summary of Significant Accounting Policies, included in the Notes to the Consolidated Financial Statements.
- **Change management risk** - The Group is undertaking a significant period of change through the execution of the Group's strategic initiatives. The program of initiatives to build capability has involved and will continue to involve broad organisational, process and systems changes transforming current work practices for many team members. The requirement is to develop multi-channel capabilities quickly and cost effectively. To leverage the capital investments made it is necessary to implement new logistics networks and methods and effective inventory management. The effective analysis of data to drive decisions and an information technology platform that supports digital capability and growth are key foundational requirements. This brings substantial change management execution risk that needs to be carefully managed to deliver underlying benefits from the strategic programs. Management and development of the organisation's change management capability is a key focus of the Senior Executives of the Group.

3. Operating and Financial Review (continued)

3.2 Review of Financial Condition (continued)

(i) Sustainability

Sustainability is strongly linked to our business strategy and is a long-term priority for the Group.

During the 2015 financial year we continued to take steps to limit the environmental impact of our business operations and meet our legal, social and ethical obligations.

This year we have included our sustainability performance, in accordance with the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines, in our annual Corporate Review. The publication provides an overview of our performance and risk mitigation strategies in the areas that are most material to the long-term sustainability of our business:

- Environmental footprint;
- Ethical supply chain management;
- Product material stewardship;
- Resource consumption and efficiency measures;
- Community impacts and contributions.

Our Corporate Review is available to view online at www.superretailgroup.com.

(j) Significant Changes in the State of Affairs

During the period, the FCO Operations were closed and the Ray's Outdoors and Workout World businesses were restructured. For further details, refer to note 4(b) and note 34. Discontinued Operations, included in the Notes to the Consolidated Financial Statements.

(k) Matters Subsequent to the End of the Financial Year

Since 27 June 2015 Super Retail Group Limited does not have any matters subsequent to the end of the financial year to be disclosed.

(l) Likely Developments and Future Prospects

Information on likely developments in the operations of the Group is included in this report under this section - Operating and Financial Review. Further information on the expected results of operations has not been included in this Annual Report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

(m) Environmental Regulation

The Group's environmental obligations are regulated under State, Territory and Federal Law. The Group has an Environmental Management System in place and a policy of complying with its environmental performance obligations. All material environmental performance obligations are monitored by the Board. No environmental breaches have been notified to the Group during the period ended 27 June 2015.

4. Remuneration Report - Audited

Contents

Section 1: Remuneration Strategy and Policy

One of the Group's core principles is that the attraction, development, engagement and retention of passionate team members provides 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.

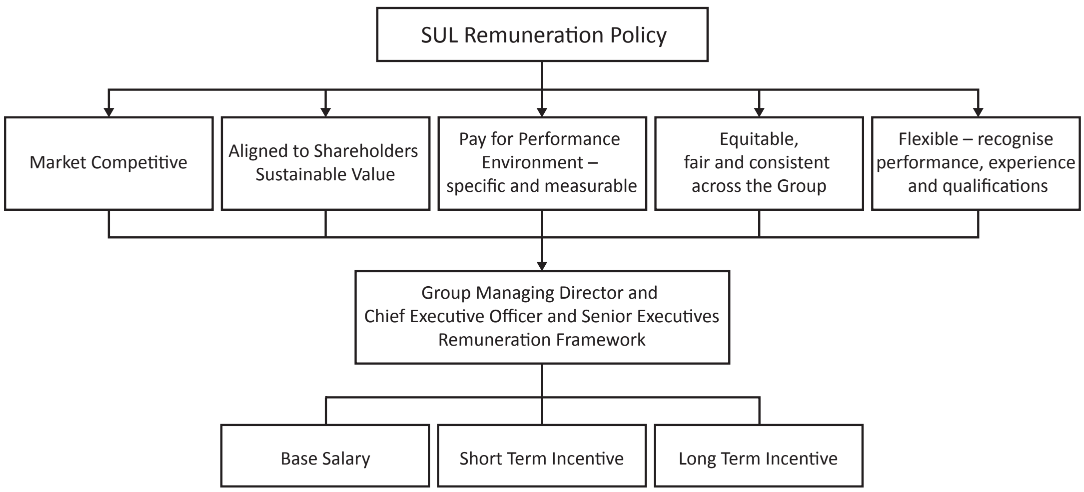
Remuneration and benefits practices are set in the context of an overall policy to provide market competitive remuneration arrangements which support the attraction, development, engagement and retention of passionate team members, and that are aligned with the interests of shareholders.

The 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 Remuneration 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 gender pay equity across the Group through regular analysis and review;
- to provide arrangements with the flexibility to recognise individuals based on performance, experience and qualifications; and
- 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. The Group Managing Director and Chief Executive Officer, and his direct reports (Senior Executives) are remunerated under a Total Reward Structure.



4. Remuneration Report – Audited (continued)

Section 2: 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, high standards of governance and compliance with regulatory standards.

The Committee reviews and recommends to the Board for approval, remuneration arrangements for the Group Managing Director and Chief Executive Officer and other Senior Executives. The Committee reviews the arrangements on an annual basis against the Remuneration Policy, 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 also verifies 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 and 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.

The Committee reviews its Charter at least once in each financial year. The Charter was revised having regard for the ASX Corporate Governance Council, Corporate Governance Principles and recommendations, 3rd edition (ASX Principles) and adopted by the Board in September 2014. The revision provided clarity of the alignment of the Charter with both the ASX Principles and the Company's governance practices.

Section 3: Senior Executive Remuneration Structure

The Senior Executive remuneration structure is reviewed annually by the Human Resources and Remuneration Committee against the Remuneration Policy, external remuneration practices, market expectations and regulatory standards.

The Group Managing Director and Chief Executive Officer, together with the other executive key management personnel, are remunerated under a Total Reward structure consisting of three 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 determined having regard to the seniority of the role, the responsibilities of the role for driving business performance and for developing and implementing business strategy and external remuneration practices.

(a) Key Management Personnel

The names and titles of the Group's key management personnel (KMP) (being those persons having authority and responsibility for planning, directing and controlling the activities of the entity) are set out below. There have been no changes to KMP since the end of the financial year.

Non-Executive Directors

Current:

R J Wright	Chair and Independent Non-Executive Director
R A Rowe	Non-Executive Director
R J Skippen	Independent Non-Executive Director
S A M Pitkin	Independent Non-Executive Director

Former:

R A Murray	Independent Non-Executive Director (ceased 29 April 2015)

4. Remuneration Report – Audited (continued)

Section 3: Senior Executive Remuneration Structure (continued)

(a) Key Management Personnel (continued)

Executive Director

P A Birtles	Group Managing Director and Chief Executive Officer

Other KMP

Current:

D J Burns	Chief Financial Officer
D F Ajala	Managing Director – Commercial
E A Berchtold	Managing Director – Sports Division
C D Wilesmith	Managing Director – Auto Division (commenced as KMP 29 June 2014)
A M Heraghty	Managing Director – Leisure Division (commenced as KMP 27 April 2015)
G G Carroll	Chief Supply Chain Officer

Former:

S J Doyle	Managing Director – Leisure Retailing (ceased as KMP 1 August 2014)

(i) Reward Structure Split

The mix of fixed and at risk components for each of the Group Managing Director and Chief Executive Officer and Executive KMPs disclosed in the Remuneration Report, as a percentage of total target annual remuneration for the 2015 financial year, is as follows:

Figure 1

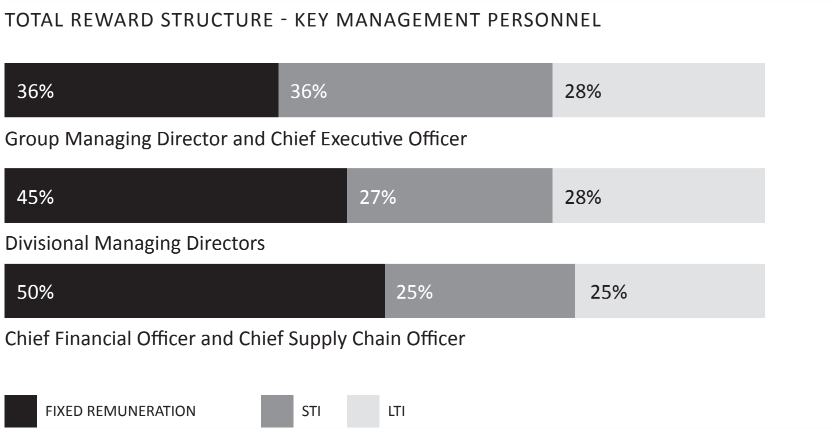


Figure 1 assumes that a full STI is received and that the LTI fully vests – the actual reward is dependent on the achievement of performance targets.

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.

(b) Base Salary Package

The Remuneration Policy provides Executive KMP 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 KMP's performance, skills and experience are also considered in determining the base salary package.

The base salary package comprises base pay and superannuation and may include prescribed non-financial benefits at the Executives' discretion on a salary sacrifice basis. The Group provides superannuation contributions in line with statutory obligations.

Base salary packages are reviewed annually by the Human Resources and Remuneration Committee and recommendations are made to the Board. There is no guaranteed base salary increases in any Executive KMP's service contract. Approved amendments to base salary packages are effective from the commencement of the new financial year.

4. Remuneration Report – Audited (continued)

Section 3: Senior Executive Remuneration Structure (continued)

(b) Base Salary Package (continued)

Market information is sourced from Remuneration Consultants and Salary Surveys and the Company extracts relevant information from listed Annual Reports. In 2015, information has been sourced from Ernst & Young (EY) Remuneration Consultants for KMP. The Board referenced two sets of comparator groups to benchmark salaries, being:

- Market Capitalisation and revenue comparator group: S&P/ASX 200 companies within 50% to 200% of Super Retail Group's 12 month average market capitalisation and within 50% to 200% of Super Retail Group's budgeted sales revenue;
- Market Capitalisation and GICS comparator group: S&P/ASX 200 companies within the 'Consumer Discretionary Sector' Global Industry Classification Standard (GICS) and also within 50% to 200% of Super Retail Group's 12 month average market capitalisation.

This year, the comparator benchmarks show that while we have closed the gap, as in the previous year, the comparator benchmarks disclosed that the base salary packages for the majority of KMP remain below market median. The Board has continued with the strategy commenced in the 2013 financial year, to increase over a three year period, the salaries of KMP to align with the market median. The increases for the Executive KMP (excluding the Group Managing Director and Chief Executive Officer) from 1 July 2015 was set in the range of 4% to 15% which will bring the base salary packages at or near the market median. The base salary increase for Group Managing Director and Chief Executive Officer from 1 July 2015 were set at 2.1% reflecting the lower earnings achieved in the prior financial year.

(c) Short Term Incentive (STI)

The Group Managing Director and Chief Executive Officer and KMP are invited to participate in a short term incentive scheme that provides cash rewards 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 scheme is directly linked to the Group's overall performance and takes into consideration both company performance measures and individual performance targets.

(i) Company Performance Measures
Achievement of company performance measures determines the STI bonus pool from which the Group Managing Director and Chief Executive Officer and Executive KMP are paid.

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.

Should actual profit before tax exceed the profit before tax target, a STI bonus pool is created to a value of 20% of the amount that Company profit before tax exceeds the target. To achieve the maximum bonus potential the actual profit before tax needs to exceed target by 10%.

For the year to 27 June 2015, the profit before tax target was set at $165.6 million, 4.4% higher than the profit before tax achieved in the period to 28 June 2014 of $158.6 million. This target was not achieved.

If the profit target is not met, KMPs can still earn STI up to a value of 10% of their base salary for individual performance, against a set of 12 key performance indicators (KPI) targets that are established at the beginning of the year.

(ii) Individual Performance Measures
Individual performance targets include both Individual KPI targets and Divisional Profit targets. The Group Managing Director and Chief Executive Officer and all Executive KMP are eligible for reward for individual achievement of KPI targets, with Divisional Managing Directors also eligible for reward on divisional performance – refer to section 3(c) – Divisional Profit. Achievement of individual performance targets determines the value of the STI payment rewarded.

Individual KPI Targets
The Human Resources and Remuneration Committee is responsible for setting KPI targets for the Group Managing Director and Chief Executive Officer, with the Group Managing Director and Chief Executive Officer cascading these KPI targets to his Senior Executives as appropriate. These KPI targets cover the achievement of financial and operational results and the successful implementation of strategic and people development initiatives. The KPI targets are consistent with the overall performance targets and objectives set out in the Group's business plan. The level of participation is dependent on the achievement of these KPI targets relevant to their area of responsibility.

4. Remuneration Report – Audited (continued)

Section 3: Senior Executive Remuneration Structure (continued)

(c) Short Term Incentive (STI) (continued)

The KPI targets are divided into the following categories:

	Group Managing Director and Chief Executive Officer	Chief Financial Officer and the Chief Supply Chain Officer	Divisional Managing Directors
Safety	Improvement in Group LTIFR Delivery of Group safety plan.	Improvement in Supply Chain LTIFR (Chief Supply Chain Officer).	Improvement in Divisional LTIFR.
Team	Group organisation and culture review. Group Leadership Team structure review and succession planning.	Two initiatives covering department organisation and team engagement/succession.	One Divisional team engagement initiative.
Operational	n/a	Department operational efficiency initiatives (six for CFO and five for Chief Supply Chain Officer).	Six Divisional financial measures and operational initiatives.
Strategy development and implementation	Group Strategy development and seven Group strategy implementation initiatives, covering Auto Retailing, Leisure Retailing, Sports Retailing, Supply Chain, IT transformation and Customer insights.	Four Departmental strategy implementation initiatives.	Four Divisional strategy implementation initiatives.

The Human Resources and Remuneration Committee is also responsible for assessing whether the KPI targets are achieved and for approving STI payments. The Committee receives reports from management to assist in the assessment.

Divisional Profit
The Divisional Managing Directors are eligible to achieve an additional individual performance related bonus in the form of a Divisional Profit bonus. The maximum opportunity is capped at 30% of base salary, the outcome of which is determined by achieving the divisional profit included in the Group's strategic plan, as approved by the Board. Divisional profit is measured by segment EBIT performance. For the year to 27 June 2015 the divisional profit targets were not met and no Divisional Profit Bonus was paid.

The following table summarises the components of total STI, the maximum STI opportunity and the percentage achieved.

KMP	Maximum STI Opportunity[1]	Components of Total STI					
		Company Measures		Individual Performance			
		Group Profit Opportunity	Achieved	Individual KPIs Opportunity	Achieved	Divisional Profit Opportunity	Achieved
Group Managing Director and Chief Executive Officer	100%	90%	nil	10%	10%	n/a	n/a
Chief Financial Officer and Chief Supply Chain Officer	50%	40%	nil	10%	7.5-10%	n/a	n/a
Divisional Managing Directors	60%	20%	nil	10%	7.5-10%	30%	nil

[1] As a percentage of base salary package.

The Committee has again this year considered the deferral of a portion of the STI award into equity. This has not been introduced due to the Board's assessment that:

- the nature of the business is one where revenue is not dependent on long term contracts;
- the Group has a strong risk management framework;
- STI payment arrangements are not excessive and the Company can demonstrate a clear link between STI payments and the Company performance over a number of years; and
- deferral of STI and part payment in equity may cause confusion between STI and LTI arrangements.

4. Remuneration Report – Audited (continued)

Section 3: Senior Executive Remuneration Structure (continued)

(c) Short Term Incentive (STI) (continued)

(iii) STI Performance Measure Changes for Financial Year 2016
The Human Resources and Remuneration Committee have reviewed the STI arrangement for the 2016 financial year and made changes to further align STI performance with shareholder value and each individual's contribution in delivering the strategic plan. As a result, the performance measures of the STI scheme have changed for the 2016 financial year. The maximum STI pool remains unchanged at 20% of the amount that the actual profit before tax exceeds the profit target approved by the Board. The maximum STI opportunity of the KMP also remains unchanged.

The measures of Group Profit (Net Profit Before Tax) (for all KMP) and Divisional Profit (for Divisional Managing Directors only) shall determine the potential bonus entitlement. The maximum potential bonus entitlement is achieved when the actual profit exceeds the profit target by 10%.

The achievement of individual KPI targets (independent of profit performance) shall determine the proportion of the potential bonus entitlement that will be granted. The individual KPI targets comprises:

Category	# of Performance Goals	Weighting
Safety	2	20%
Team	2	20%
Customer	2	20%
Business Improvement / Financial	4	40%

As the KPI targets are stretch targets – a performance rating of 80% or higher will result in 100% of the potential bonus entitlement being rewarded. This is on the basis that the Safety KPI targets have been fully met. Any shortfall on the Safety KPI targets will be deducted from the 100% potential.

The Human Resources and Remuneration Committee have the authority to adjust the payment to reflect any special circumstances that may have prevented the achievement of the KPI targets.

(d) Long Term Incentive (LTI)

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

In October 2009, the Group's shareholders approved the establishment of the Super Retail Group Limited Performance Rights Plan (Plan). The Plan links the long term remuneration of KMP and Executive Officers with the economic benefit derived by shareholders over a three to five year period. Participation in the Plan is by invitation only as determined by the Board.

The Plan allows for the annual grant of Performance Rights to Executive KMP and other Executives. The grant of Performance Rights entitles the 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 and service conditions as detailed in the Super Retail Employee Performance Rights Plan Rules available on the Group's external website.

The performance conditions were amended as approved at the 2014 Annual General Meeting and will be satisfied if the Group achieves certain earnings per share (EPS) performance hurdle and return on capital (ROC) performance hurdle over a three year period (Performance Period) as determined by the Board.

The EPS Performance Hurdle – Cumulative EPS growth (50% of Grant)
At the end of the Performance Period the cumulative EPS growth of ordinary shares is calculated. If the cumulative EPS growth is equal to 10%, then 50% of the Performance Rights will be available to vest. If the cumulative EPS growth is 15% or better, all the Performance Rights will be available to vest. Between 10% and 15%, Performance Rights will vest on a pro rata basis.

The ROC Performance Hurdle – Averaged ROC (50% of Grant)
At the end of the Performance Period the averaged ROC is calculated. If the averaged ROC is 12%, then 50% of the Performance Rights will be available to vest. If the averaged ROC is 15% or better, all the Performance Rights will be available to vest. Between 12% and 15%, Performance Rights will vest on a pro rata basis.

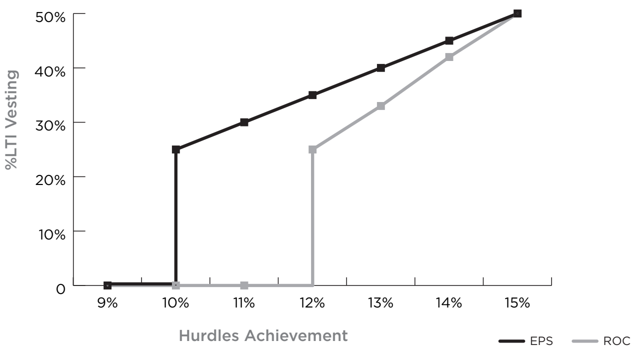
Under these performance hurdles, for the plan to achieve 100% vesting the cumulative EPS growth must be at least 15%, and averaged 15% ROC.

4. Remuneration Report – Audited (continued)

Section 3: Senior Executive Remuneration Structure (continued)

(d) Long Term Incentive (LTI) (continued)

LTI Vested Based on Hurdle Achievement



If the performance conditions are satisfied within the Performance Period, the Performance Rights will vest over the subsequent years in accordance with the following schedule:

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

Participating Executives are prohibited from entering into any hedging arrangements in relation to Performance Rights.

The notional value of Performance Rights granted to Executive KMP and other Executives is determined using the VWAP for SRG shares traded on the ASX on the five trading days from and including the release of the Group's results for the preceding reporting period. The number of Performance Rights granted to each KMP is determined in accordance with the Executive Remuneration Structure outlined above, and have a value of between 50% and 78% of their base salary. The value of Performance Rights for grant purposes may differ from the accounting valuation which considers probability of vesting and other factors.

Executives must be employed at the time of vesting to receive the Performance Rights grant. The Board has discretion to amend the employment requirement based on the circumstances associated with the Executive KMP and other Executives leaving. The Board plans to exercise its discretion where an employee leaves due to retirement, retrenchment or redundancy, or termination by mutual consent. The employee may retain entitlement to a portion of the Performance Rights prorated to reflect the period of service from the start of the Performance Period to the date of departure. After the employees' departure the Performance Rights would only be available to vest to the extent that the performance conditions are met. Where an employee leaves due to resignation or termination with cause, all unvested Performance Rights will lapse.

Section 4: Non-Executive Directors Remuneration Structure

The Group's remuneration strategy is designed to attract and retain experienced, qualified Non-Executive Directors and to remunerate appropriately to reflect the demands which are made on them and the responsibilities of the position. The level of fees are reviewed annually by the Human Resources and Remuneration Committee.

In 2015, 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 Board referenced two sets of comparator groups to benchmark salaries, being:

- Market Capitalisation and revenue comparator group: S&P/ASX 200 companies within 50% to 200% of Super Retail Group's 12 month average market capitalisation and within 50% to 200% of Super Retail Group's budgeted sales revenue;
- Market Capitalisation and GICS comparator group: S&P/ASX 200 companies within the 'Consumer Discretionary Sector' Global Industry Classification Standard (GICS) and also within 50% to 200% of Super Retail Group's 12 month average market capitalisation.

The Market comparative information provided by Ernst & Young disclosed that the level of fees being paid are in accordance with the Remuneration Policy of paying fees at the median of fees paid to comparative companies. With Director fees now in line with the market median and there will be no increase to Directors fees in the 2016 financial year.

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.

4. Remuneration Report – Audited (continued)

Section 4: Non-Executive Directors Remuneration Structure (continued)

Non-Executive Director Fees are determined within an aggregate Directors' fee pool approved by shareholders. The current fee pool of $1,200,000 per annum was approved at the Annual General Meeting on 23 October 2013. This pool provides the capacity to appoint additional directors to facilitate board succession and regeneration and to apply the Group's remuneration policy. No increase in the pool is proposed for the 2016 financial year.

Non-Executive Directors' fees are inclusive of statutory superannuation contributions. The focus of the Board is on the strategic direction of the Group and the creation of sustainable shareholder value. 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.

(a) Directors' Fees

The fees paid to Non-Executive Directors are set out in the table below and are annual fees, inclusive of superannuation, unless otherwise stated:

	2014	2015(1)	2016
Chairman(2)	280,000	**300,000**	**300,000**
Other Non-Executive Directors	125,000	**135,000**	**135,000**
Chair of the Audit and Risk Committee	25,000	**25,000**	**25,000**
Chair of the Human Resources and Remuneration Committee	20,000	**20,000**	**20,000**
Committee Member(3)	10,000	**10,000**	**10,000**

(1) Reflective of the 2015 Directors' fees increase, effected in July 2014
(2) Committee fees are not paid to the Chairman.
(3) Committee fees are not paid to members of the Nomination Committee.

(b) Minimum Securities Holding Policy

Commencing from the 2016 financial year, the Board has approved a minimum shareholding requirement for Non-Executive Directors to be 100% of base fees, the Group Managing Director and Chief Executive Officer to be 150% of fixed remuneration and for other Executive KMP 100% of fixed remuneration. This is to be achieved by October 2020 or within five years from the commencement of employment. This is to further align the interest of Non-Executive Directors and Executive KMP with those of shareholders.

Section 5: Relationship of Remuneration to Group Performance

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

Financial performance	2010	2011	2012	2013	2014	2015(1)	CAGR(2)
Sales ($m)	938.0	1,092.3	1,654.1	2,020.0	2,112.1	**2,238.7**	19%
Profit before tax ($m)	53.9	77.7	120.1	146.8	158.6	**131.6**	20%
Post Tax ROC (%)	16.8	17.3	15.9	12.6	11.3	**10.6**	
Shareholder value created							
Earnings Per Share (¢)	32.1	40.9	46.4	52.3	55.1	**49.4**	9%
Dividends Per Share (¢)	21.5	29.0	32.0	38.0	40.0	**40.0**	13%
June Share Price ($)	5.27	7.00	7.19	11.97	8.46	**9.40**	12%

(1) Results from continuing operations.
(2) Percentage movement shown is the Compound Annual Growth Rate over the last 5 years.

Remuneration Expense of Key Management Personnel

	2010 $m	2011 $m	2012 $m	2013 $m	2014 $m	2015 $m
Base Salary Package	2.5	2.7	3.1	3.9	4.8	**4.9**
Short Term Incentive	1.2	1.1	1.1	1.5	0.4	**0.4**
Long Term Incentive	0.4	0.7	1.1	1.5	0.4	**0.1**
Total	4.1	4.5	5.3	6.9	5.6	**5.4**

Since 2010 earnings per share has increased by 53.9%, dividends per share have increased by 8.6% and the share price has increased by 7.8% demonstrating a balance between strategic growth and shareholder value.

During the same period, total remuneration paid to KMP has increased by 31.7% whilst total base salary has increased by 96.0%. During this period the number of Executive KMP increased from 5 to 7. The amount of total remuneration is significantly impacted by the value of incentive payments which have varied over the years in line with Group performance.

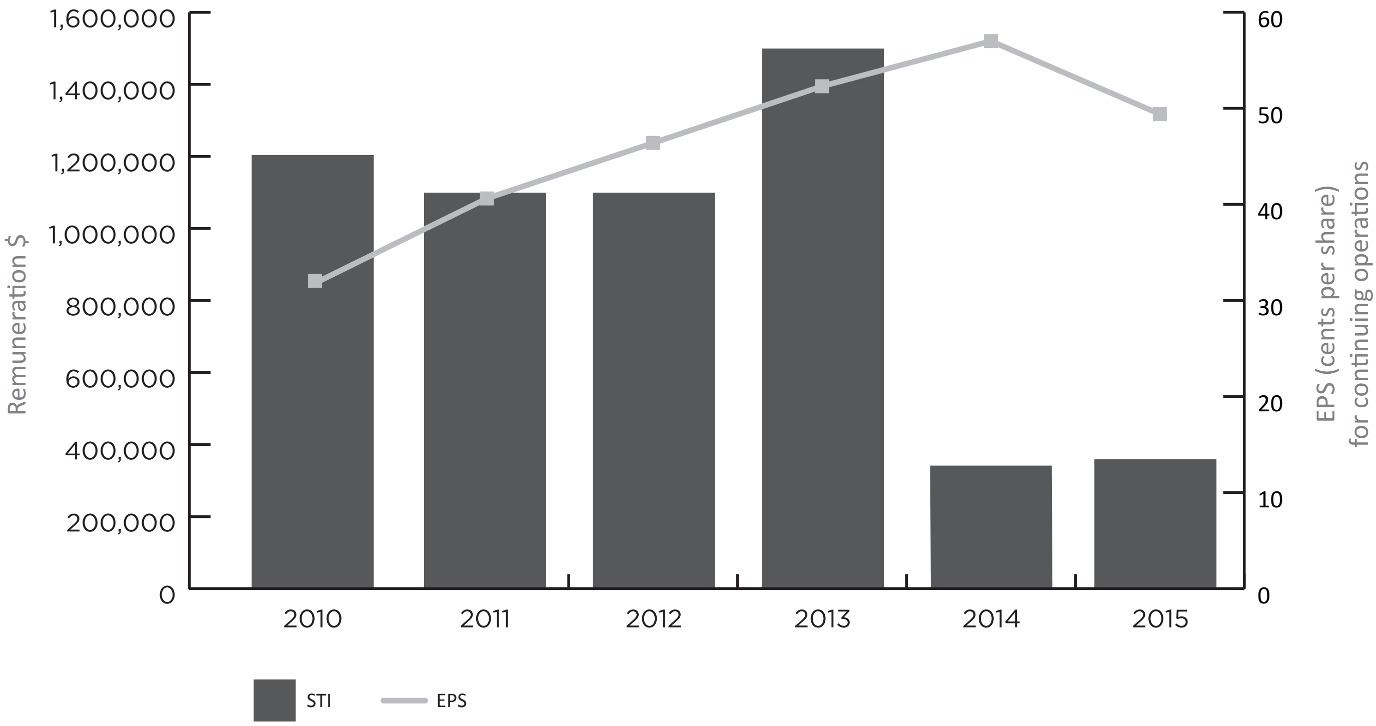
Total remuneration paid to KMP as a proportion of profit before tax was 7.6% in 2010 and had reduced to 4.1% in 2015.

Directors’ Report (continued)

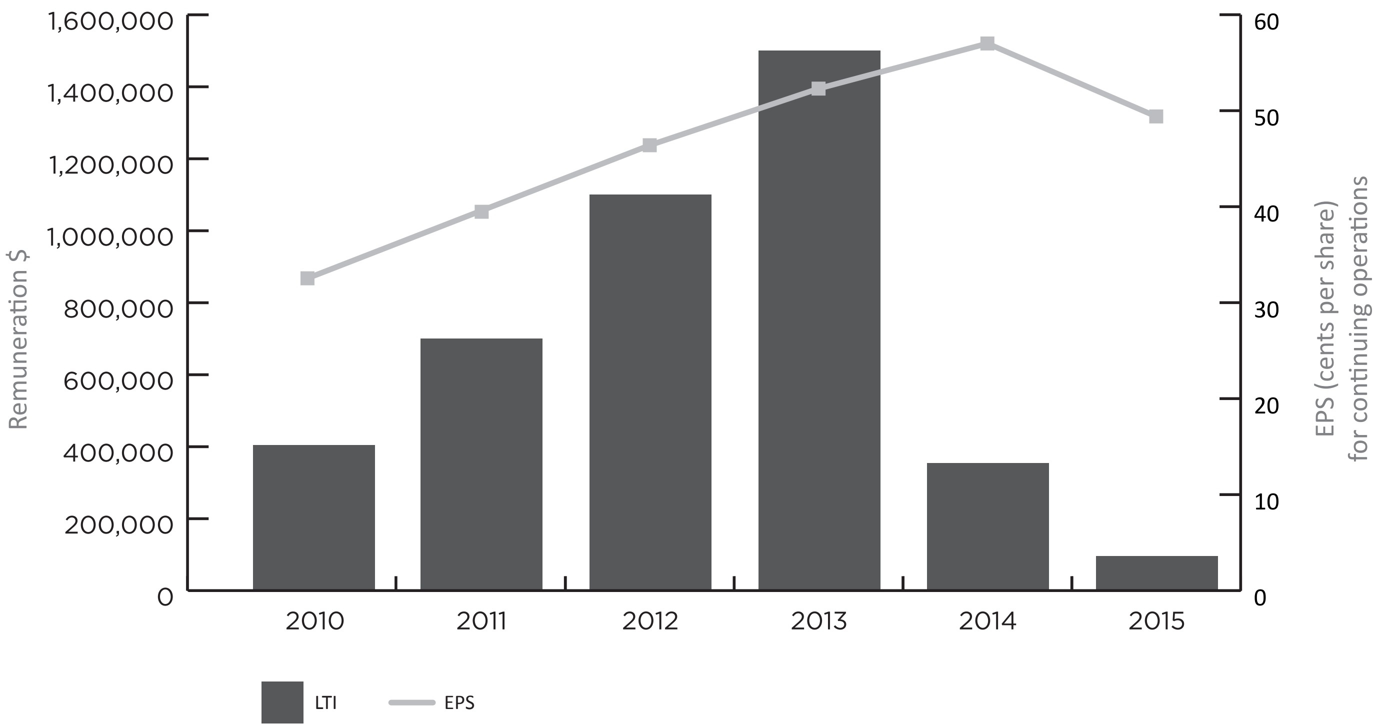
4. Remuneration Report – Audited (continued)

Section 5: Relationship of Remuneration to Group Performance (continued)

KMP STI paid compared to EPS over the last 6 financial years:



KMP LTI expense compared to EPS over the last 6 financial years:



4. Remuneration Report – Audited (continued)

Section 6: Remuneration Outcomes of 2015

Details of the remuneration of the Directors and KMP of the Group are set out in the following tables:

2015	Short-term Benefits			Post-employment		Share-based		
Name	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Termination Benefits $	Performance Rights[1] $	Other[2] $	Total $
Non-Executive Directors								
R J Wright	**281,217**	**-**	**-**	**18,783**	**-**	**-**	**-**	**300,000**
R A Rowe	**116,280**	**-**	**-**	**28,720**	**-**	**-**	**-**	**145,000**
R J Skippen	**155,251**	**-**	**-**	**14,749**	**-**	**-**	**-**	**170,000**
S A Pitkin	**150,685**	**-**	**-**	**14,315**	**-**	**-**	**-**	**165,000**
R A Murray[3]	**117,961**	**-**	**-**	**11,206**	**-**	**-**	**-**	**129,167**
Subtotal	**821,394**	**-**	**-**	**87,773**	**-**	**-**	**-**	**909,167**
Executive Director								
P A Birtles	**1,153,145**	**117,500**	**3,072**	**18,783**	**-**	**145,162**	**52,184**	**1,489,846**
Other KMP								
D J Burns	**581,117**	**60,000**	**100**	**18,783**	**-**	**2,452**	**10,207**	**672,659**
D F Ajala[4]	**401,817**	**58,000**	**-**	**33,183**	**-**	**(7,172)**	**22,398**	**508,226**
E A Berchtold[5]	**490,122**	**42,375**	**27,346**	**18,783**	**-**	**(50,079)**	**(23,091)**	**505,456**
C D Wilesmith[6]	**476,217**	**54,000**	**45,000**	**18,783**	**-**	**(1,587)**	**12,050**	**604,463**
A M Heraghty[7]	**120,499**	**-**	**-**	**4,696**	**-**	**-**	**63,353**	**188,548**
G G Carroll	**481,181**	**37,500**	**36**	**18,783**	**-**	**(18,656)**	**6,155**	**524,999**
S J Doyle[8]	**35,940**	**-**	**-**	**4,696**	**232,004**	**26,413**	**-**	**299,053**
G L Chad[9]	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Subtotal	**3,740,038**	**369,375**	**75,554**	**136,490**	**232,004**	**96,533**	**143,256**	**4,793,250**
Total	**4,561,432**	**369,375**	**75,554**	**224,263**	**232,004**	**96,533**	**143,256**	**5,702,417**

2014	Short-term Benefits			Post-employment		Share-based		
Name	Cash salary and fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Termination Benefits $	Performance Rights[1] $	Other[2] $	Total $
Non-Executive Directors								
R J Wright	262,225	-	-	17,775	-	-	-	280,000
R A Rowe	97,028	-	-	37,972	-	-	-	135,000
R J Skippen	145,200	-	-	14,800	-	-	-	160,000
S A Pitkin	140,663	-	-	14,337	-	-	-	155,000
R A Murray	131,588	-	-	13,412	-	-	-	145,000
Subtotal	**776,704**	**-**	**-**	**98,296**	**-**	**-**	**-**	**875,000**
Executive Director								
P A Birtles	1,119,810	57,000	2,415	17,775	-	254,854	30,778	1,482,632
Other KMP								
D J Burns	512,225	53,000	-	17,775	-	51,977	10,199	645,176
D F Ajala[4]	383,147	86,900	-	25,110	-	46,733	27,078	568,968
E A Berchtold	467,225	51,500	30,000	17,775	-	34,653	23,551	624,704
G G Carroll	442,225	34,500	-	17,775	-	41,896	28,760	565,156
S J Doyle[8]	467,225	36,375	-	17,775	-	(50,039)	8,871	480,207
G L Chad[9]	377,191	42,000	-	23,110	-	(25,542)	11,520	428,279
Subtotal	**3,769,048**	**361,275**	**32,415**	**137,095**	**-**	**354,532**	**140,757**	**4,795,122**
Total	**4,545,752**	**361,275**	**32,415**	**235,391**	**-**	**354,532**	**140,757**	**5,670,122**

(1) As a result of confirming that prior issues of Performance Rights will not vest into shares, the Performance Rights value reflects the reversal of amounts reported in prior periods. This results in certain positions displaying as negative values.
(2) Includes accruals for annual leave and long service leave entitlements.
(3) R A Murray resigned effective 29 April 2015.
(4) D F Ajala performed his role on a part-time basis from 1 September 2013 which is reflected in his adjusted base salary.
(5) E A Berchtold adjusted base salary is reflective of a period of unpaid leave taken during the financial year.
(6) C D Wilesmith commenced as KMP on 29 June 2014.
(7) A M Heraghty commenced with the Group and as KMP on 27 April 2015.
(8) S J Doyle resigned effective 1 August 2014 and ceased as KMP on this date.
(9) G L Chad ceased as KMP on 28 June 2014.

4. Remuneration Report – Audited (continued)

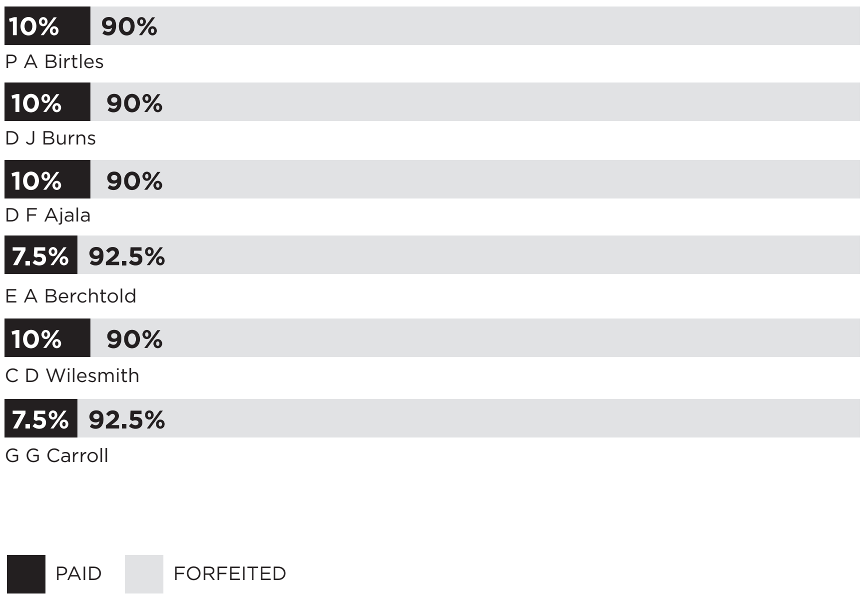
Section 6: Remuneration Outcomes of 2015 (continued)

(a) Remuneration related to performance

Both STI and LTI are awarded based on performance. The achievement rates of both STI and LTI are detailed below, indicating the relative proportions paid and forfeited linked to each performance based remuneration.

(i) Short Term Incentives
STI is dependent on the satisfaction of performance conditions as set out in Section 3(c) - Short Term Incentives. The 2015 STI cash bonus was awarded on 19 August 2015. For each cash bonus included in Section 6 - Remuneration Outcomes of 2015, 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.

STI Achievement 2015



A M Heraghty was not eligible for STI due to length of service.

(ii) Long Term Incentives
LTI is dependent on the satisfaction of performance conditions and service conditions as set out in Section 3(d) - Long Term Incentives.

Performance Rights over equity instruments of Super Retail Group Limited
The movement during the reporting period in the number of performance rights over ordinary shares in the Company held directly or indirectly or beneficially, by each KMP, including their related parties is as per the table over page.

4. Remuneration Report – Audited (continued)

Section 6: Remuneration Outcomes of 2015 (continued)

(a) Remuneration related to performance (continued)

(ii) Long Term Incentives (continued)

Performance Rights over equity instruments of Super Retail Group Limited (continued)

	Held at 28 June 2014	Commenced as KMP	Granted[(1)]	Vested	Other Changes[(2)]	Ceased as KMP	Held at 27 June 2015[(3)]	Value of Performance Rights granted in year	Financial year in which grant vests[(4)]
2015	**Number**	**Number**	**Number**	**Number**	**Number**	**Number**	**Number**	**$**	**Year**
P A Birtles									
2010	25,000	-	-	(25,000)	-	-	-	n/a	n/a
2011	50,000	-	-	(25,000)	-	-	25,000	n/a	2016
2012[(5)]	100,000	-	-	(31,650)	(36,700)	-	31,650	n/a	2016, 2017
2013[(5)]	110,000	-	-	-	-	-	110,000	n/a	2016, 2017, 2018
2014[(5)]	110,000	-	-	-	-	-	110,000	n/a	2017, 2018, 2019
2015	-	-	100,000	-	-	-	100,000	603,404	2018, 2019, 2020
D J Burns									
2014[(5)]	21,615	-	-	-	-	-	21,615		2017, 2018, 2019
2015	-	-	32,017	-	-	-	32,017	193,192	2018, 2019, 2020
D F Ajala									
2010	9,708	-	-	(9,708)	-	-	-	n/a	n/a
2011	18,162	-	-	(9,081)	-	-	(9,081)	n/a	2016
2012[(5)]	45,977	-	-	(14,552)	(16,874)	-	(14,551)	n/a	2016, 2017
2013[(5)]	37,200	-	-	-	-	-	(37,200)	n/a	2016, 2017, 2018
2014[(5)]	20,047	-	-	-	-	-	(20,047)	n/a	2017, 2018, 2019
2015	-	-	38,515	-	-	-	(38,515)	232,401	2018, 2019, 2020
E A Berchtold									
2013[(5)]	35,712	-	-	-	-	-	35,712		2016, 2017, 2018
2014[(5)]	26,137	-	-	-	-	-	26,137		2017, 2018, 2019
2015	-	-	37,519	-	-		37,519	226,391	2018, 2019, 2020
C D Wilesmith									
2010	n/a	3,365	-	(3,365)	-	-	-	n/a	n/a
2011	n/a	6,290	-	(3,145)	-	-	3,145	n/a	2016
2012[(5)]	n/a	13,699	-	(4,336)	(5,028)	-	4,335	n/a	2016, 2017
2013[(5)]	n/a	11,687	-	-	-	-	11,687	n/a	2016, 2017, 2018
2014[(5)]	n/a	22,838	-	-	-	-	22,838	n/a	2017, 2018, 2019
2015	n/a	-	35,859	-	-	-	35,859	216,375	2018, 2019, 2020
A M Heraghty	n/a	-	-	-	-	-	-	-	
G G Carroll									
2010	6,293	-	-	(6,293)	-	-	-	n/a	n/a
2011	11,544	-	-	(5,772)	-	-	5,772	n/a	2016
2012[(5)]	30,788	-	-	(9,745)	(11,299)	-	9,744	n/a	2016, 2017
2013[(5)]	26,432	-	-	-	-	-	26,432	n/a	2016, 2017, 2018
2014[(5)]	18,760	-	-	-	-	-	18,760	n/a	2017, 2018, 2019
2015	-	-	26,681	-	-	-	26,681	160,994	2018, 2019, 2020
S J Doyle									
2010	8,859	-	-	(8,859)	-	-	n/a	n/a	n/a
2011	16,666	-	-	(8,333)	-	8,333	n/a	n/a	2016
2012[(5)]	42,401	-	-	(13,420)	(15,561)	13,420	n/a	-	2016, 2017

(1) Performance Rights provided as remuneration to each of the KMP of the Group during the financial year.

(2) Other changes represent Performance Rights that lapsed or were forfeited during the financial year.

(3) The maximum possible total financial value in future years is dependent on the Group share price at exercise date, the minimum possible total value is nil.

(4) Performance rights vest progressively three to five years after grant date and have no expiry date. The final tranche of the 2010 grant fully vested on 01 September 2014.

(5) From 22 October 2014, the performance hurdles affecting the total number of performance rights that will vest changed from those at the original grant date from the requirement to achieve both a 10% cumulative earnings per share growth and an average return on capital of more than 15% to those detailed in Section 3(d). This resulted in an additional 269,423 of Performance Rights being vested in the current financial year.

The Performance Rights granted in the current reporting period were valued using a share price of $6.03. The Performance Rights are expensed over a five year period in-line with the vesting conditions of the Performance Rights; refer to Section 3(d) - Long Term Incentives, for details of these vesting conditions. Plan participants may not enter into any transaction designed to remove the at risk aspect of the Performance Rights before they vest. The value at exercise date for Performance Rights is the Group share price. There are no amounts unpaid on the shares issued as a result of the exercise of the options in the 2015 financial year.

4. Remuneration Report – Audited (continued)

Section 6: Remuneration Outcomes of 2015 (continued)

(a) Remuneration related to performance (continued)

(ii) Long Term Incentives (continued)
Option over equity instruments of Super Retail Group Limited

No Options were granted or vested during the financial year.

Section 7: Service Agreements

Remuneration and other terms of employment for KMP 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 Performance Rights Plans and Option Plans. Restraint provisions are detailed in Section 8.

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

Name	Term of Agreement	Commencement Date[(1)]	Review Term[(2)]	Termination payment
P A Birtles	3 years	1 January 2014	Annual	12 months[(3)]
D J Burns	5 years, 10 months	3 December 2012	Annual	6 months[(4)]
D F Ajala	1 years, 7 months	1 May 2015	Annual	6 months[(4)]
E A Berchtold	4 years, 11 months	5 November 2011	Annual	6 months[(4)]
C D Wilesmith	5 years, 3 months	1 July 2013	Annual	6 months[(4)]
A M Heraghty	4 years, 8 months	27 April 2015	Annual	6 months[(3)]
G G Carroll	5 years, 5 months	17 April 2011	Annual	6 months[(4)]

[(1)]Commencement date of service agreement
[(2)]Reviewed annually by the Human Resource and Remuneration Committee.
[(3)]Payment of a termination benefit on early termination by the Company, other than for cause, equal to the base salary for the period detailed.
[(4)]Payment of a termination benefit on early termination by the Company, other than for cause, equal to the base salary for period detailed if the termination is effective more than 12 months before the expiry date, or three months base salary if the termination is effective within 12 months before the expiry date.

Section 8: Period of Restraint

The above KMP have the following post-employment restraints within their service contracts.

After cessation of employment for any reason, for the period set out below, the employee must not compete with the Company's relevant speciality retailing businesses (including direct or indirect involvement as a principal, agent, partner, employee, shareholder, unit holder, director, trustee, beneficiary, manager, contractor, adviser or financier), without first obtaining the consent of the Company in writing.

Ref:	Post-employment Restraints	Period
A	Solicit or compete for the custom of or engage or be involved in any business with any person, firm or corporation who or which was a Customer, supplier, or client of the Company at any time during the 12 months preceding the cessation of the employment with the Company and with whom the Employee had contact with, or gained knowledge of, in the course of carrying out the employee's duties for the Company;	12 months
B	Engage or be involved in any capacity in any entity, firm or corporation which competes with the Company in connection with the said business;	9 months
C	Interfere with, disrupt, attempt to disrupt the relationship, contractual or otherwise, between any member of the Group and any of the Group's customers, suppliers, or potential customers or potential suppliers, with whom the employee had contact with, or gained knowledge of, at any time during the 12 month preceding the cessation of employment in the course of carrying out duties for the Company; or	6 months
D	Induce, encourage or solicit any person who is an employee, contractor or agent of any member of the Group, with whom the employee had contact with during the 12 months preceding the cessation of the employment in the course of carrying out duties for the Company, to terminate their employment or engagement with any member of the Group.	3 months

4. Remuneration Report – Audited (continued)

Section 9: Additional Information

(a) Equity instruments held by KMP

(i) Shares provided on exercise of Performance Rights and Options

The table below lists the ordinary shares in the Company issued during the year as a result of the exercise of Performance Rights. There were no shares issued during the year ended 27 June 2015 on the exercise of Options.

Name[(1)]	Incentive Scheme[(2)]	Number of Ordinary Shares Issued on Exercise of Share Plans During the Year[(3)]	Market Value at Exercise Date[(4)]
P A Birtles	Performance Rights	81,650	605,843
D J Burns	n/a	n/a	n/a
D F Ajala	Performance Rights	33,341	247,398
E A Berchtold	n/a	n/a	n/a
C D Wilesmith	Performance Rights	10,846	80,485
A M Heraghty	n/a	n/a	n/a
G G Carroll	Performance Rights	21,810	161,830
S J Doyle	Performance Rights	30,612	227,148
Total		**178,259**	**1,322,704**

[(1)]D J Burns, E A Berchtold, A M Heraghty were not employees of the Company at the time of the grant of performance rights detailed above and were therefore not eligible to participate in these incentive schemes.
[(2)]Refer to Section 3(d) Long Term Incentives.
[(3)]Both the 2010 and 2011 grants were exercised on 1 September 2014, with the 2012 grant being exercised on 27 November 2014.
[(4)]The value at exercise date for Performance Rights was determined using the Group share price.

(ii) Movement in shares

The movement during the year in the number of ordinary shares in the Company held directly or indirectly or beneficially, by each KMP, including their related parties is as follows:

2015	Held at 28 June 2014	Commenced as KMP	Granted[(1)]	Purchases	In lieu of dividends[(2)]	Sales	Ceased as KMP	Held at 27 June 2015
Non-Executive Directors								
R J Wright	104,926	-	-	-	1,831	-	-	106,757
R A Rowe	59,270,028	-	-	-	13,059	-	-	59,283,087
R J Skippen	-	-	-	-	-	-	-	-
S A Pitkin	26,453	-	-	-	-	-	-	26,453
R A Murray	-	-	-	-	-	-	-	n/a
Executive Director								
P A Birtles	1,392,596	-	81,650	-	-	(50,000)	-	1,424,246
Other KMP								
D J Burns	-	-	-	75	1	-	-	76
D F Ajala	-	-	33,341	-	-	(28,789)	-	4,552
E A Berchtold	-	-	-	-	-	-	-	-
C D Wilesmith	n/a	931	10,846	-	41	(10,799)	-	1,019
A M Heraghty	n/a	-	-	-	-	-	-	-
G G Carroll	90,000	-	21,810	-	-	(21,810)	-	90,000
S J Doyle	53,000	-	30,612	-	-	-	83,612	n/a

[(1)]Granted on exercise of performance rights awarded under the Group's Performance Rights and Options plans.
[(2)]Shareholders are eligible to receive dividends in cash or choose to participate in the dividend reinvestment plan.

(iii) 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:

Grant date	Vesting Date	Value per Performance Right at Grant Date	Number of Performance Rights
1 September 2009	(1)	$5.15	-
1 September 2010	(1)	$5.85	80,980
1 September 2011	(1)	$6.09	131,535
1 September 2012	(1)	$7.95	448,156
1 September 2013	(1)	$10.83	403,999
1 September 2014	(1)	$6.03	561,081
Total			**1,625,751**

[(1)]Performance rights vest progressively three to five years after grant date and have no expiry date. Refer to Section 3(d) Long Term Incentives, for details of these vesting conditions.

Plan participants may not enter into any transaction designed to remove the at risk aspect of Performance Rights.
As at the date of this report there are no remaining unissued ordinary shares of Super Retail Group Limited under Option.

4. Remuneration Report – Audited (continued)

Section 9: Additional Information (continued)

(b) Loans to KMP and their Related Parties

There are no loans to KMP and their related parties as at 27 June 2015 and no loans were made during the financial year.

(c) Other Transactions with KMP

KMP may hold positions in other companies that transacted with the Group in the reporting period. Refer to note 30 to the consolidated financial statements, Related Party Transactions, for further details.

(d) Insurance of Officers

During the financial year, the Group paid a premium of $93,378 (2014: $94,722) to insure the Officers of the Group including 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 Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

5. 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 PricewaterhouseCoopers of the parent entity and its network firms for audit and non-audit services provided during the year is set out below:

	2015 $	2014 $
Audit Services		
PricewaterhouseCoopers Australian firm:		
Remuneration for audit and review services	**473,854**	468,435
Audit of subsidiaries	**20,000**	46,100
Other assurance	**10,000**	10,000
Total remuneration for audit and review services	**503,854**	524,535
Taxation and Other Services		
PricewaterhouseCoopers Australian firm:		
Taxation Services	**124,367**	297,347
Advisory Services	**-**	3,060
Network firms of PricewaterhouseCoopers Australia:		
Taxation Services	**26,025**	65,106
Total remuneration for non-audit services	**150,392**	365,513

Directors' Report (continued)

6. Corporate Governance Statement

The Group's Corporate Governance Statement sets out the corporate governance framework adopted by the Board of Super Retail Group Limited. This statement is publically available on the Super Retail Group external website: http://www.superretailgroup.com.au.

7. 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*.

8. 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 33.

9. Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. 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 dollar.

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

R J Wright
Chairman

P A Birtles
Group Managing Director and
Chief Executive Officer

Brisbane
20 August 2015

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Super Retail Group Limited for the period ended 27 June 2015, 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.

K Challenor

Kim Challenor
Partner
PricewaterhouseCoopers

Brisbane
20 August 2015

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Consolidated Statement of Comprehensive Income

For the period ended 27 June 2015

CONTINUING OPERATIONS	Notes	2015 $m	2014 $m
Revenue from continuing operations	5	**2,238.7**	2,090.1
Other income from continuing operations	6	**2.5**	11.6
Total revenues and other income		**2,241.2**	2,101.7
Expenses			
Cost of sales of goods		**(1,273.3)**	(1,156.4)
Other expenses from ordinary activities			
- selling and distribution		**(290.2)**	(271.6)
- marketing		**(81.9)**	(84.6)
- occupancy		**(186.2)**	(171.3)
- administration		**(256.1)**	(230.6)
Net finance costs	7	**(21.9)**	(24.0)
Share of net loss of associates accounted for using the equity method		**-**	(0.8)
Total expenses		**(2,109.6)**	(1,939.3)
Profit before income tax from continuing operations		**131.6**	162.4
Income tax expense	8	**(38.5)**	(50.2)
Profit for the period from continuing operations		**93.1**	112.2
DISCONTINUED OPERATIONS			
Loss from discontinued operations	34	**(16.2)**	(3.8)
Profit for the period		**76.9**	108.4
Profit for the period is attributable to:			
Owners of Super Retail Group Limited		**81.1**	108.4
Non-controlling interests		**(4.2)**	-
		76.9	108.4
Other comprehensive income			
Items that may be reclassified to profit or loss			
Changes in the fair value of cash flow hedges	22	**6.3**	(6.3)
Exchange differences on translation of foreign operations	22	**(0.6)**	4.3
Other comprehensive income for the period, net of tax		**5.7**	(2.0)
Total comprehensive income for the period		**82.6**	106.4
Total comprehensive income for the period is attributable to:			
Continuing operations		**98.5**	110.2
Discontinued operations		**(15.9)**	(3.8)
		82.6	106.4
Total comprehensive income for the year is attributable to:			
Owners of Super Retail Group Limited		**86.8**	106.4
Non-controlling interests		**(4.2)**	-
		82.6	106.4
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company:		**Cents**	**Cents**
Basic earnings per share	38	**49.4**	57.0
Diluted earnings per share	38	**49.0**	56.5
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share	38	**41.2**	55.1
Diluted earnings per share	38	**40.8**	54.6

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

Consolidated Balance Sheet

As at 27 June 2015

	Notes	2015 $m	2014 $m
ASSETS			
Current assets			
Cash and cash equivalents	9	**13.1**	24.2
Trade and other receivables	10	**29.3**	41.1
Current tax assets	11	**2.9**	-
Derivative financial instruments	24	**6.8**	-
Inventories	12	**505.6**	490.1
Total current assets		**557.7**	555.4
Non-current assets			
Trade and other receivables	10	**-**	3.7
Investments accounted for using the equity method	32	**-**	4.7
Property, plant and equipment	14	**224.1**	197.6
Intangible assets	15	**801.3**	813.4
Total non-current assets		**1,025.4**	1,019.4
Total assets		**1,583.1**	1,574.8
LIABILITIES			
Current liabilities			
Trade and other payables	16	**268.6**	271.4
Interest-bearing liabilities	17	**2.2**	2.7
Current tax liabilities	18	**-**	1.1
Derivative financial instruments	24	**4.1**	6.3
Provisions	19	**48.6**	36.2
Total current liabilities		**323.5**	317.7
Non-current liabilities			
Trade and other payables	16	**36.7**	27.0
Interest-bearing liabilities	17	**389.8**	404.1
Deferred tax liabilities	20	**51.5**	52.6
Provisions	19	**16.3**	13.0
Total non-current liabilities		**494.3**	496.7
Total liabilities		**817.8**	814.4
NET ASSETS		**765.3**	760.4
EQUITY			
Contributed equity	21	**542.3**	542.3
Reserves	22	**13.2**	7.7
Retained earnings	22	**212.8**	210.4
Capital and reserves attributable to owners of Super Retail Group Limited		**768.3**	760.4
Non-controlling interests		**(3.0)**	-
TOTAL EQUITY		**765.3**	760.4

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

Consolidated Statement of Changes in Equity

For the period ended 27 June 2015

	Notes	Contributed Equity $m	Reserves $m	Retained Earnings $m	Total $m	Non-Controlling Interests $m	Total Equity $m
Balance at 29 June 2013		542.3	9.5	179.7	731.5	-	731.5
Profit for the period		-	-	108.4	108.4	-	108.4
Other comprehensive income for the period		-	(2.0)	-	(2.0)	-	(2.0)
Total comprehensive income for the period		-	(2.0)	108.4	106.4	-	106.4
Transactions with owners in their capacity as owners							
Dividends provided for or paid	25	-	-	(77.7)	(77.7)	-	(77.7)
Employee performance rights	22	-	0.2	-	0.2	-	0.2
Acquisition of non-controlling interests		-	-	-	-	-	-
		-	0.2	(77.7)	(77.5)	-	(77.5)
Balance at 28 June 2014		542.3	7.7	210.4	760.4	-	760.4
Profit for the period		**-**	**-**	**81.1**	**81.1**	**(4.2)**	**76.9**
Other comprehensive income for the period		**-**	**5.7**	**-**	**5.7**	**-**	**5.7**
Total comprehensive income for the period		**-**	**5.7**	**81.1**	**86.8**	**(4.2)**	**82.6**
Transactions with owners in their capacity as owners							
Dividends provided for or paid	25	**-**	**-**	**(78.7)**	**(78.7)**	**-**	**(78.7)**
Employee performance rights	22	**-**	**(0.2)**	**-**	**(0.2)**	**-**	**(0.2)**
Acquisition of non-controlling interests		**-**	**-**	**-**	**-**	**1.2**	**1.2**
		-	**(0.2)**	**(78.7)**	**(78.9)**	**1.2**	**(77.7)**
Balance at 27 June 2015		**542.3**	**13.2**	**212.8**	**768.3**	**(3.0)**	**765.3**

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

Consolidated Statement of Cash Flows

For the period ended 27 June 2015

	Notes	2015 $m	2014 $m
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**2,530.0**	2,335.5
Payments to suppliers and employees (inclusive of goods and services tax)		**(2,103.4)**	(1,913.2)
Rental payments			
- external		**(187.4)**	(188.5)
- related parties		**(10.8)**	(11.6)
Income taxes paid		**(46.4)**	(55.0)
Net cash inflow from operating activities	37	**182.0**	167.2
Cash flows from investing activities			
Payments for property, plant and equipment and computer software		**(72.8)**	(111.6)
Proceeds from sale of property, plant and equipment		**0.9**	1.0
Payments for business acquired, net of cash acquired	33	**-**	(4.4)
Loans to related parties		**-**	(3.7)
Net cash (outflow) from investing activities		**(71.9)**	(118.7)
Cash flows from financing activities			
Proceeds from borrowings		**785.4**	894.5
Repayment of borrowings		**(803.5)**	(832.6)
Finance lease payments		**(2.5)**	(3.2)
Interest paid		**(22.1)**	(28.1)
Interest received		**0.3**	0.2
Dividends paid to Company's shareholders	25	**(78.7)**	(77.7)
Net cash (outflow) from financing activities		**(121.1)**	(46.9)
Net (decrease) / increase in cash and cash equivalents		**(11.0)**	1.6
Cash and cash equivalents at the beginning of the period		**24.2**	22.3
Effects of exchange rate changes on cash and cash equivalents		**(0.1)**	0.3
Cash and cash equivalents at end of the period	9	**13.1**	24.2

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

Notes to the Consolidated Financial Statements

For the period ended 27 June 2015

Contents of the notes to the consolidated financial statements

1. Reporting entity

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

The consolidated annual financial report of the Company as at and for the period ended 27 June 2015 comprises: the Company and its subsidiaries (together referred to as the Group, and individually as Group entities).

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

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

2. 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.

(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.*

The consolidated financial statements and accompanying 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 27 June 2015 and the results of its controlled entities for the period then ended. The effects of all transactions between entities in the consolidated entity are fully eliminated.

(i) 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.

(ii) Subsidiaries
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. These are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group (refer note 33 - Business combinations).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, balance sheet and statement of changes in equity respectively.

(iii) *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.

2. Summary of significant accounting policies (continued)

(b) Principles of consolidation (continued)

(iii) *Business combinations (continued)*
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 a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Acquisition-related costs are expensed as incurred.

(iv) Joint arrangements
Under AASB 11 *Joint Arrangements,* investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Super Retail Group Limited only has joint ventures.

Interests in joint ventures are accounted for using the equity method (see (v) below), after initially being recognised at cost in the consolidated balance sheet.

(v) Equity method
Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changes where necessary to ensure consistency with the policies adopted by the Group.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to the owners of Super Retail Group Limited.

(vi) Comparatives
Where applicable, various comparative balances have been reclassified to align with current period presentation. These amendments have no material impact on the consolidated financial statements.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group Managing Director and Chief Executive Officer, 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.

2. Summary of significant accounting policies (continued)

(d) Income tax (continued)

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.

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 account for current and deferred tax amounts under the Separate taxpayer within Group approach in accordance with *AASB Interpretation 1052, Tax Consolidation Accounting*.

(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.

2. Summary of significant accounting policies (continued)

(f) Revenue recognition (continued)

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

(i) 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.

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 balance sheet date.

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 are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets.

2. Summary of significant accounting policies (continued)

(j) Financial assets (continued)

(ii) 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. 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.

(iii) Measurement
At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

(k) Impairment of financial assets

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.

(i) Assets carried at amortised cost
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: hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or 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 hedges
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.

2. Summary of significant accounting policies (continued)

(l) Derivative financial instruments and hedging activities (continued)

(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.

(i) 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:

Plant and equipment	7.5% – 37.5%
Capitalised leased plant and equipment	10% – 37.5%
Motor vehicles	25%
Computer equipment	20% – 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.

2. Summary of significant accounting policies (continued)

(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 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) Intangible assets with indefinite useful lives

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) Other intangible assets

Amortisation is calculated on a straight line basis. The amortisation rates used for each class of intangible assets are as follows:

Computer software	10% – 33.3%
Brand names	Nil to 5%
Supplier agreement	5%

Computer software

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, employee costs and an appropriate portion of relevant overheads. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Group has an intention and ability to use the asset.

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 brand names estimated useful lives, which is 20 years or indefinite.

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.

2. Summary of significant accounting policies (continued)

(q) Intangible assets (continued)

(iv) Research and development

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

(v) 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 payables 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) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore 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 end of the reporting period 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 end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(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.

2. Summary of significant accounting policies (continued)

(v) Employee benefits (continued)

(iv) Share-based payments (continued)
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 and performance rights, 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 and performance rights that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

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. Earnings Per Share).

(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.

2. Summary of significant accounting policies (continued)

(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 27 June 2015, the Group is reporting on the 52 week period that began 29 June 2014 and ended 27 June 2015. For the period to 28 June 2014, the Group is reporting on the 52 week period that began 30 June 2013 and ended 28 June 2014.

(ac) New and amended standards adopted by the Group

The following new accounting standards and amendments to accounting standards became applicable in the current reporting period.

- *AASB 2013-3 Limited amendment of impairment disclosures* amends the disclosures required by *AASB 136 Impairment of Assets,* removing the requirement to disclose the recoverable amount of all cash generating units (CGU) that contain goodwill or identifiable assets with indefinite lives if there has been no impairment, requires disclosure of the recoverable amount of an asset or CGU when an impairment loss has been recognised or reversed and requires detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognised or reversed. The Group has applied the new rules effective 1 July 2014 and has assessed there are no impacts for the Group.
- *AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* amends *AASB 132 Financial Instruments: Presentation* to clarify some of the requirements for offsetting financial assets and financial liabilities in the balance sheet. The Group has applied the new rules effective 1 July 2014 and has assessed there are no significant impacts for the Group.
- *AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* amends chapters 1 and 3 of the IASB's Conceptual Framework for Financial Reporting into the AASB's Framework for the Preparation and Presentation of Financial Statements and removes Australian specific guidance on materiality from *AASB 1031 Materiality*. The Group has applied the new rules effective 1 July 2014 and has assessed there are no significant impacts for the Group.
- *AASB 2014-1 Amendments to Australian Accounting Standards Part A: Annual Improvements 2010-2012, 2011-2013 and 2012-2014 cycles.* In June 2014 the AASB approved a number of amendments to Australian Accounting Standards as a result of the annual improvements project. The Group has applied the new rules effective 1 July 2014 and has assessed there are no significant impacts for the Group.

Certain new accounting standards and interpretations have been published that are not mandatory to the 30 June 2015 reporting period and have not been early adopted by the Group. This includes:

- *AASB 9 Financial Instruments* which addresses the classification, measurement and de-recognition of financial assets and financial liabilities and new rules for hedge accounting. The new standard must be applied for financial years commencing on or after 1 January 2018. The Group has not yet assessed how its own hedging arrangement would be affected by the new rules, and it has not yet decided whether to adopt AASB 9 early. In order to apply the new hedging rules, the Group would have to adopt AASB 9 and the consequential amendments to *AASB 7 Financial Instruments: Disclosures* and *AASB 139 Financial Instruments: Recognition and Measurement* in their entirety.
- *IFRS 15 Revenue from Contracts with Customers* establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. Application of the standard is available for early adoption and is mandatory for annual reporting periods from 1 January 2018.

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 current and deferred tax amounts under the Separate taxpayer within Group approach in accordance with *AASB Interpretation 1052, Tax Consolidation Accounting*.

2. Summary of significant accounting policies (continued)

(ad) Parent entity financial information (continued)

(ii) Tax consolidation legislation (continued)

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.

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 indefinite useful life non-financial assets

The Group tests annually whether indefinite useful life non-financial assets has suffered any impairment, in accordance with the accounting policy stated in note 2(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 15 for details of these assumptions.

(ii) Capitalised software costs and useful lives

The Group has undertaken significant development of software in relation to the multi-channel customer programme and mutli-channel supply chain and inventory programme. The useful lives have been determined based on the intended period of use of this software.

(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.

(iv) Net realisable value

The Group records inventory at net realisable value. This is the estimated selling price in the normal course of business, less the estimated cost of completion and the estimate costs necessary to make the sale.

(v) Long service leave

Judgement is required in determining the following key assumptions used in the calculation of long service leave at balance date.

- Future increase in salaries and wages;
- Future on-cost rates; and
- Experience of employee departures and period of service.

(vi) Surplus Leases

The Group estimates the period that it will take to exit surplus lease space (onerous contracts). It then records a liability for the present value of these future lease payments that the Group is obliged to make for the estimated exit period less estimated future sub-lease revenue.

4. Segment information

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Group Managing Director and Chief Executive Officer that are used to make strategic decisions. No operating segments have been aggregated to form the below reportable operating segments. This results in the following business segments:

Auto: retailing of auto parts and accessories, tools and equipment;
Leisure: retailing of boating, camping, outdoor equipment, fishing equipment and apparel; and
Sports: retailing of sporting equipment, bicycles, bicycle accessories and apparel.

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

Detailed below is the information provided to the Group Managing Director and Chief Executive Officer for reportable segments:

For the period ended 27 June 2015	Auto $m	Leisure $m	Sports $m	Total continuing operations $m	Inter-segment eliminations/ unallocated $m	Consolidated $m
Segment Revenue and Other Income						
External segment revenue	**854.3**	**543.2**	**835.0**	**2,232.5**	**8.2**	**2,240.7**
Inter segment sales	**-**	**-**	**-**	**-**	**(2.0)**	**(2.0)**
Other income	**0.7**	**-**	**0.9**	**1.6**	**0.9**	**2.5**
Total segment revenue and other income	**855.0**	**543.2**	**835.9**	**2,234.1**	**7.1**	**2,241.2**
Segment EBITDA(1)	**119.4**	**48.8**	**85.8**	**254.0**	**(23.0)**	**231.0**
Segment depreciation and amortisation(2)	**(23.4)**	**(16.5)**	**(20.2)**	**(60.1)**	**(0.7)**	**(60.8)**
Segment EBIT result	**96.0**	**32.3**	**65.6**	**193.9**	**(23.7)**	**170.2**
Net finance costs(3)						**(21.6)**
Total segment NPBT						**148.6**
Segment income tax expense(4)						**(42.3)**
Normalised NPAT						**106.3**
Other items not included in the total segment NPAT(5)						**(9.0)**
Loss from discontinuing operations						**(16.2)**
Profit for the period attributable to:						
Owners of Super Retail Group Limited						**81.1**
Non-controlling interests						**(4.2)**
Profit for the period						**76.9**

For the period ended 28 June 2014	Auto $m	Leisure $m	Sports $m	Total continuing operations $m	Inter-segment eliminations/ unallocated $m	Consolidated $m
Segment Revenue and Other Income						
External segment revenue	818.2	530.5	734.0	2,082.7	8.5	2,091.2
Inter segment sales	-	-	-	-	(1.1)	(1.1)
Other income	1.5	-	0.6	2.1	9.5	11.6
Total segment revenue and other income	819.7	530.5	734.6	2,084.8	16.9	2,101.7
Segment EBITDA(1)	115.7	52.1	80.6	248.4	(8.1)	240.3
Segment depreciation and amortisation(2)	(21.2)	(13.9)	(17.8)	(52.9)	(1.0)	(53.9)
Segment EBIT result	94.5	38.2	62.8	195.5	(9.1)	186.4
Net finance costs(3)						(24.0)
Total segment NPBT						162.4
Segment income tax expense(4)						(50.2)
Normalised NPAT						112.2
Other items not included in the total segment NPAT(5)						-
Loss from discontinuing operations						(3.8)
Profit for the period attributable to:						
Owners of Super Retail Group Limited						108.4
Non-controlling interests						-
Profit for the period						108.4

(1) Adjusted for business restructuring costs for continuing operations and discontinuing operations (2014: nil).

(2) Adjusted for expenses pertaining to discontinued operations of $5.9 million (2014: nil) and business restructuring costs for continuing operations of $0.4m (2014: nil).

(3) Adjusted for non-controlling interest (NCI) interest of $0.3 million (2014: nil).

(4) Segment income tax expense of $42.3 million excludes $3.8 million relating to the tax effect of business restructuring costs with a value of $12.8 million, refer to note 4(b)(i) Business restructuring (2014: nil).

(5) Includes $12.8 million of business restructuring costs, the related income tax effect of $3.8 million (2014: nil).

4. Segment information (continued)

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

(i) *Business restructuring*

During the period ended 27 June 2015, Super Retail Group Limited conducted a strategic review of the Ray's Outdoors, FCO Fishing Camping Outdoors (FCO), and Workout World businesses.

Leisure - Ray's Outdoors

The strategic review of Ray's Outdoors determined to reposition Ray's Outdoors from a broad camping and outdoor offering to 'an outdoor adventure for all' retail offering, focusing on providing a wide range of quality outdoor products at constant fair value. $10.3 million of restructuring expenses have been incurred during the period, with five stores being closed or downsized, and the commencement of clearance of inventory lines that have been identified to be exited under the new strategic direction. As at the end of the financial year, provisions recorded in the consolidated balance sheet in relation to this activity comprise $2.7 million for inventories, $0.4 million for property, plant and equipment, $2.2 million for onerous leases.

Leisure - Fishing Camping Outdoors

The Group has exited the FCO business with all 13 stores closed by the end of the financial year incurring a loss from operations for the financial year of $16.2 million - $14.1 million loss generated from trading in the second half of the financial year. As at the end of the financial year, provisions recorded in the consolidated balance sheet in relation to this activity comprise $5.5 million for onerous leases, $0.5 for make good provisions and other accruals of $0.6 million. Refer to note 34. Discontinued Operations.

Sports - Workout World

A plan has been developed to integrate the Workout World stores into the Rebel business with a combined buying and marketing team. Workout World will be rebranded as a fitness brand. $2.5 million of restructuring expenses have been incurred during the period with five stores closed at the end of the financial year and another five to close in the 2016 financial year. As at the end of the financial year, provisions recorded in the consolidated balance sheet in relation to this activity comprise $0.4 million for inventories and $1.0 million for onerous leases.

(c) Other information

Revenue is attributable to the country where the sale of goods has transacted. The consolidated entity's divisions are operated in two main geographical areas with the following areas of operation:

Australia; the home country of the parent entity.

Auto: retailing of auto parts and accessories, tools and equipment;
Leisure: retailing of boating, camping, outdoor equipment, fishing equipment and apparel; and
Sports: retailing of sporting equipment, bicycles, bicycle accessories and apparel.

New Zealand

Auto: retailing of auto parts and accessories, tools and equipment;
Leisure: retailing of boating, camping, outdoor equipment, fishing equipment and apparel, which forms part of discontinued operations, refer to note 34 - Discontinued operations.

(i) Total revenue and other income from continuing operations

	2015 $m	2014 $m
Australia	**2,146.1**	2,002.7
New Zealand	**95.1**	99.0
	2,241.2	2,101.7

5. Revenue from continuing operations

	2015 $m	2014 $m
From continuing operations:		
Sale of goods	**2,238.7**	2,090.1

6. Other income from continuing operations

	2015 $m	2014 $m
Insurance claims	**0.8**	1.2
Sundry income	**1.1**	0.9
Net imported goods tax refund and revenue adjustments	**-**	9.5
Fair value gain on gain of control in investee – refer note 33(a)	**0.6**	-
	2.5	11.6

7. Expenses from continuing operations

	2015 $m	2014 $m
Profit before income tax from continuing operations includes the following specific gains and expenses:		
Expenses		
Net loss on disposal of property, plant and equipment	**0.4**	0.8
Depreciation		
Plant and equipment	**34.1**	32.8
Motor vehicles	**0.1**	0.2
Computer systems	**9.2**	8.5
Total depreciation[1]	**43.4**	41.5

[1] An additional $5.9 million depreciation expense pertains to discontinued operations (2014: $1.0 million).

	2015 $m	2014 $m
Amortisation		
Computer software	**17.3**	12.3
Brand name and supplier agreement	**0.5**	0.1
Total amortisation	**17.8**	12.4
Net finance costs		
Interest and finance charges	**22.2**	24.5
Interest revenue	**(0.3)**	(0.5)
Net finance costs	**21.9**	24.0
Employee benefits expense		
Superannuation	**30.5**	27.0
Salaries and wages	**397.2**	357.5
Total employee benefits expense	**427.7**	384.5
Rental expense relating to operating leases		
Lease expenses	**203.2**	181.0
Equipment hire	**10.1**	11.0
Total rental expense relating to operating leases[2]	**213.3**	192.0

[2] An additional $9.0 million rental expense pertains to discontinued operations (2014: $3.9 million).

	2015 $m	2014 $m
Foreign exchange gains and losses		
Net foreign exchange loss	**1.7**	1.0

8. Income tax expense

	2015 $m	2014 $m
(a) Income tax expense		
Current tax expense	**41.3**	44.3
Deferred tax (benefit) / expense	**(4.2)**	1.6
Adjustments to tax expense of prior periods	**1.4**	4.3
	38.5	50.2
Deferred income tax (revenue) / expense included in income tax expense comprises:		
(Increase) in deferred tax assets (note 13)	**(9.2)**	(1.3)
Increase in deferred tax liabilities (note 20)	**5.0**	2.9
	(4.2)	1.6

8. Income tax expense (continued)

(b) Numerical reconciliation of income tax expense to prima facie tax payable	2015 $m	2014 $m
Profit before income tax from continuing operations	**131.6**	162.4
Tax at the Australian tax rate of 30% (2014: 30%)	**39.5**	48.7
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Tax consolidation adjustments regarding NZ branches	**(2.2)**	(3.5)
Research and development credits and sundry items	**(0.5)**	(2.2)
	36.8	43.0
Difference in overseas tax rates	**(0.1)**	(0.5)
Derecognition of tax losses and deferred tax assets	**2.9**	3.4
Previously unrecognised tax losses now recouped to reduce tax expense	**(0.4)**	-
Adjustments to tax expense of prior periods	**(0.7)**	4.3
Income tax expense	**38.5**	50.2

(c) 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 20)	**3.1**	(2.3)
	3.1	(2.3)
Tax expenses / (income) relating to items of other comprehensive income		
Cash flow hedges	**2.7**	(1.0)
	2.7	(1.0)

(d) 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 2(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. Cash and cash equivalents

	2015 $m	2014 $m
Cash at bank and in hand	**13.1**	24.2

10. Trade and other receivables

	2015	2014
Current	**$m**	**$m**
Trade receivables	**12.8**	28.9
Provision for impairment of receivables	**(0.3)**	(0.5)
Net trade receivables	**12.5**	28.4
Other receivables	**7.8**	6.1
Prepayments	**9.0**	6.6
Net current trade and other receivables	**29.3**	41.1
Non-current		
Trade receivables due from related parties - associate	**-**	3.7
Total non-current trade and other receivables	**-**	3.7

(a) Impaired trade receivables

As at 27 June 2015 current trade receivables of the Group with a nominal value of $0.3 million (2014: $0.5 million) were impaired and provided for. The individually impaired receivables mainly relate to wholesalers with whom the Group no longer trade.

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

	2015	2014
	$m	**$m**
Opening balance	**(0.5)**	(0.2)
Provision for impairment recognised during the period	**(0.7)**	(0.3)
Receivables written off during the year as uncollectable	**0.9**	-
Closing balance	**(0.3)**	(0.5)

The creation and release of the provision for the impaired receivables has been included in administration expenses within the consolidated 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 at 27 June 2015, trade receivables of $6.3 million (2014: $7.5 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:

	2015	2014
	$m	**$m**
30 to 60 days	**3.1**	4.2
60 to 90 days	**1.3**	1.3
90 days and over	**1.9**	2.0
	6.3	7.5

11. Current tax assets

	2015 $m	2014 $m
Income tax receivable	**2.9**	-

12. Inventories

	2015 $m	2014 $m
Finished goods, at lower of cost or net realisable value	**505.6**	490.1

(a) Inventory expense

Inventories recognised as expense during the period ended 27 June 2015 amounted to $1,222.7 million (2014: $1,118.5 million).

Write-downs of inventories to net realisable value recognised as an expense during the period ended 27 June 2015 amounted to $6.3 million (2014: reversal of write-downs recognised as a reduction in expenses of $0.4 million). This expense has been included in cost of sales of goods within the consolidated statement of comprehensive income.

13. Deferred tax assets

	2015 $m	2014 $m
The balance comprises temporary differences attributable to:		
Amounts recognised in profit or loss		
Provisions	**26.1**	21.4
Accruals and prepayments	**1.5**	1.5
Depreciation	**12.8**	8.3
Tax losses	**1.3**	-
Sundry temporary differences	**1.3**	2.6
	43.0	33.8
Amounts recognised directly in equity		
Cash flow hedges	**-**	1.9
Share placement costs	**0.4**	0.8
	43.4	36.5
Set off with deferred tax liabilities (note 20)	**(43.4)**	(36.5)
Net deferred tax assets	**-**	-
Movements:		
Opening balance	**36.5**	34.7
Credited to the income statement	**9.2**	1.3
(Charged) / credited to equity	**(2.3)**	0.5
Closing balance	**43.4**	36.5
Deferred tax assets to be recovered after more than 12 months	**30.2**	20.2
Deferred tax assets to be recovered within 12 months	**13.2**	16.3
	43.4	36.5

14. Property, plant and equipment

	2015 $m	2014 $m
Plant and equipment, at cost	**360.7**	306.8
Less accumulated depreciation	**(161.2)**	(133.9)
Net plant and equipment	**199.5**	172.9
Motor vehicles, at cost	**0.5**	0.5
Less accumulated depreciation	**(0.3)**	(0.4)
Net motor vehicles	**0.2**	0.1
Computer equipment, at cost	**83.9**	76.8
Less accumulated depreciation	**(59.5)**	(52.2)
Net computer equipment	**24.4**	24.6
Total net property, plant and equipment	**224.1**	197.6

(a) Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

2015	Plant and equipment $m	Motor vehicles $m	Computer equipment $m	Total $m
Carrying amounts at 28 June 2014	172.9	0.1	24.6	197.6
Additions	50.5	0.1	9.8	60.4
Disposals	(0.3)	(0.1)	(0.1)	(0.5)
Acquisition of subsidiary	0.4	0.2	0.1	0.7
Depreciation(1)	(39.2)	(0.1)	(10.0)	(49.3)
Transfers between asset class(2)	15.6	-	-	15.6
Foreign currency exchange differences	(0.4)	-	-	(0.4)
Carrying amounts at 27 June 2015	199.5	0.2	24.4	224.1
2014				
Carrying amounts at 29 June 2013	170.7	0.5	21.4	192.6
Additions	35.3	-	11.9	47.2
Disposals	(1.1)	(0.2)	(0.1)	(1.4)
Acquisition of subsidiary	-	-	-	-
Depreciation(1)	(33.5)	(0.2)	(8.8)	(42.5)
Transfers between asset class(2)	-	-	-	-
Foreign currency exchange differences	1.5	-	0.2	1.7
Carrying amounts at 28 June 2014	172.9	0.1	24.6	197.6

(1) Depreciation of $43.4 million (2014: $41.5 million) is included in administration expenses in the consolidated statement of comprehensive income relating to continuing operations. Total depreciation for the Group including discontinued operations is $49.3 million (2014: $42.5 million).
(2) Transfers relates to amounts for computer hardware disclosed within Intangible Assets work-in-progress at 28 June 2014, which were capitalised as Plant and Equipment assets during the 2015 financial year.

Finance Leases

The carrying value of computer equipment held under finance leases as at 27 June 2015 was $2.6 million (2014: $5.1million). Finance leases with a value of $0.2 million were acquired on acquisition of subsidiary during the financial year. There were no other additions during the year. Leased assets are pledged as security for the related finance lease liability.

15. Intangible assets

	2015 $m	2014 $m
Goodwill, at cost	**449.7**	443.5
Less accumulated impairment charge	**(2.1)**	(2.1)
Net goodwill	**447.6**	441.4
Computer software, at cost	**147.7**	149.4
Less accumulated amortisation	**(60.6)**	(44.5)
Net computer software	**87.1**	104.9
Brand names, at cost	**267.5**	267.5
Less accumulated amortisation	**(0.9)**	(0.7)
Net brand names	**266.6**	266.8
Supplier agreement, at cost	**0.4**	0.4
Less accumulated amortisation	**(0.4)**	(0.1)
Net supplier agreements	**-**	0.3
Total net intangible assets	**801.3**	813.4

(a) Reconciliations

Reconciliations of the carrying amounts for each class of intangible asset are set out below:

	Goodwill $m	Computer Software $m	Brand Name $m	Supplier Agreement $m	Totals $m
2015					
Carrying amounts at 28 June 2014	441.4	104.9	266.8	0.3	813.4
Additions	-	14.8	-	-	14.8
Acquisition of business	6.2	0.4	-	-	6.6
Deconsolidation as required under AASB11	-	-	-	-	-
Disposals	-	(0.1)	-	-	(0.1)
Amortisation charge(1)	-	(17.3)	(0.2)	(0.3)	(17.8)
Transfers between asset class(2)	-	(15.6)	-	-	(15.6)
Carrying amounts at 27 June 2015	447.6	87.1	266.6	-	801.3

	Goodwill $m	Computer Software $m	Brand Name $m	Supplier Agreement $m	Totals $m
2014					
Carrying amounts at 29 June 2013	443.5	59.0	266.9	0.3	769.7
Additions - internally developed	-	58.6	-	-	58.6
Acquisition of business	2.4	-	-	-	2.4
Deconsolidation as required under AASB11	(4.5)	-	-	-	(4.5)
Disposals	-	(0.4)	-	-	(0.4)
Amortisation charge(1)	-	(12.3)	(0.1)	-	(12.4)
Transfers between asset class(2)	-	-	-	-	-
Carrying amounts at 28 June 2014	441.4	104.9	266.8	0.3	813.4

(1) Amortisation of $17.8 million (2014: $12.4 million) is included in administration expenses in the consolidated statement of comprehensive income relating to continuing operations. There was nil (2014: nil) amortisation expense included in discontinued operations.
(2) Transfers relates to amounts disclosed within computer software work-in-progress at 28 June 2014, which were capitalised as Plant and Equipment assets during the 2015 financial year.

15. Intangible assets (continued)

(b) 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.

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

CGU	2015 $m	2014 $m
Auto	**45.3**	45.3
Leisure	**25.1**	24.8
Sports	**376.5**	371.3
Group	**0.7**	-
Total	**447.6**	441.4

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial business plans 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.

Key assumptions used for value-in-use calculations

Management have consistently applied two key assumptions in the value-in-use analysis across each business segment CGU, a pre-tax discount rate of 14.0% (2014: 14.0%) and terminal growth rate of 3.0% (2014: 3.0%). Budgeted gross margin is determined 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 recoverable amount of the Group's goodwill currently exceeds its carrying value.

(c) Impairment tests for the useful life for brands

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 brands; and
- there are currently no legal, technical or commercial factors indicating that the life should be considered limited.

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

The carrying values of the purchased brand names are:

Brand	2015 $m	2014 $m
Rebel Sport	**209.0**	209.0
Amart Sports	**36.0**	36.0
Ray's Outdoors	**20.0**	20.0
Goldcross Cycles	**1.6**	1.8
Total	**266.6**	266.8

Key assumptions used for value-in-use calculations

Management have consistently applied two key assumptions in the value-in-use analysis across each brand, a pre-tax discount rate of 14.0% (2014: 14.0%) and terminal growth rate of 3.0% (2014: 3.0%). Budgeted gross margin is determined 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 recoverable amount of the Group's brand names currently exceeds its carrying value. The Ray's Outdoors brand name recoverable amount exceeds its carrying value by $20.7 million (2014: $10.8 million). The recoverable amount is sensitive to future sales growth which relies on the execution of the repositioning strategy. The current business plan assumes an average sales growth over the next five years of 4.5%. If the average sales growth for this period is 3.6% the recoverable amount would equal its carrying value.

16. Trade and other payables

	2015	2014
Current	**$m**	**$m**
Trade payables	**194.9**	204.8
Other payables	**70.1**	63.3
Straight line lease adjustment	**3.6**	3.3
Total current trade and other payables	**268.6**	271.4
Non-current		
Straight line lease adjustment	**36.7**	27.0
Total non-current trade and other payables	**36.7**	27.0

17. Interest-bearing liabilities

	2015	2014
Current	**$m**	**$m**
Finance leases - secured by leased asset	**1.6**	2.7
Bank debt funding facility - secured	**0.6**	-
Total current interest-bearing liabilities	**2.2**	2.7
Non-current		
Finance lease - secured by leased asset	**1.0**	2.4
Bank debt funding facility - secured	**0.1**	-
Bank debt funding facility - unsecured[1]	**387.8**	401.7
Loan from related party - unsecured	**0.9**	-
Total non-current interest-bearing liabilities	**389.8**	404.1

[1]Net of borrowing costs capitalised of $1.7 million (2014: $1.8 million).

18. Current tax liabilities

	2015	2014
	$m	**$m**
Income tax payable	**-**	1.1

19. Provisions

	2015	2014
Current	**$m**	**$m**
Employee benefits[a]	**37.9**	32.9
Surplus leases[b]	**7.2**	1.3
Make good provision[c]	**1.5**	1.1
Put option provision[d]	**-**	0.5
Other provisions[e]	**2.0**	0.4
Total current provisions	**48.6**	36.2
Non-current		
Employee benefits[a]	**7.6**	7.0
Surplus leases[b]	**2.2**	-
Make good provision[c]	**6.5**	6.0
Total non-current provisions	**16.3**	13.0

(a) Employee benefits
Provisions for employee benefits includes accrued annual leave, long service leave and accrued bonuses.

(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.

19. Provisions (continued)

(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 Group had acquired an initial 50% shareholding in Oceania Bicycles Pty Ltd on 23 June 2008. On acquisition a put option liability was recognised, reflecting an estimate of the potential obligation under the put agreement. This liability was extinguished through the Deed of Settlement and Release on 25 June 2015, when the Group acquired the 50% non-controlling interest shareholding. Refer to note 33(c) - Business combinations.

(e) Other provisions

The current provision for other items includes the provision for store refunds.

(f) Movement in provisions

Movements in each class of provision during the period, except for employee benefits and other, are set out below:

2015	**Surplus leases $m**	**Make good $m**	**Put option $m**	**Total $m**
Opening balance as at 28 June 2014	1.3	7.1	0.5	8.9
Provisions made	8.7	1.4	-	10.1
Indexing of provisions	-	0.5	-	0.5
Provisions used	(0.6)	(1.0)	(0.5)	(2.1)
Closing balance as at 27 June 2015	**9.4**	**8.0**	**-**	**17.4**

20. Deferred tax liabilities

	2015 $m	**2014 $m**
The balance comprises temporary differences attributable to:		
Amounts recognised in profit or loss		
Brand values	**80.0**	80.3
Depreciation	**14.1**	8.8
	94.1	89.1
Amounts recognised directly in equity		
Cash flow hedges	**0.8**	-
	94.9	89.1
Set-off of deferred tax assets (note 13)	**(43.4)**	(36.5)
Net deferred tax liabilities	**51.5**	52.6
Movements:		
Opening balance	**89.1**	88.2
Charged to the income statement	**5.0**	2.9
Charged / (credited) to equity	**0.8**	(2.0)
Closing balance	**94.9**	89.1
Deferred tax liabilities to be settled after more than 12 months	**94.1**	89.1
Deferred tax liabilities to be settled within 12 months	**0.8**	-
	94.9	89.1

21. Contributed equity

(a) Share capital

	2015 $m	2014 $m
Ordinary shares fully paid (197,030,571 ordinary shares as at 27 June 2015)	**542.3**	542.3

(i) Movement in ordinary share capital	Number of Shares	Issue Price	$m
Opening Balance 29 June 2013	196,472,812		542.3
Shares issued under performance rights	258,808	-	-
Balance 28 June 2014	196,731,620		542.3
Shares issued under performance rights	298,951	-	-
Closing balance 27 June 2015	**197,030,571**		**542.3**

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

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.

Performance rights over 579,192 (2014: 469,920) ordinary shares were issued during the period with 298,951 (2014: 258,808) performance rights vesting during the period. Under the share option plan, nil (2014: nil) ordinary shares were issued during the period. Information relating to performance rights and options outstanding at the end of the financial period are set out in Note 39 - Share-based Payments.

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.

22. Reserves and retained earnings

	2015 $m	2014 $m
(a) Reserves		
Foreign currency translation reserve	**3.5**	4.1
Share based payments reserve	**7.8**	8.0
Hedging reserve	**1.9**	(4.4)
Total	**13.2**	7.7
(i) Movements		
Foreign currency translation reserve		
Balance at the beginning of the financial period	**4.1**	(0.2)
Net exchange difference on translation of foreign controlled entities	**(0.6)**	4.3
Balance at the end of the financial period	**3.5**	4.1
Share based payments reserve		
Balance at the beginning of the financial period	**8.0**	7.8
Options and performance rights expense	**(0.2)**	0.2
Balance at the end of the financial period	**7.8**	8.0
Hedging reserve		
Balance at the beginning of the financial period	**(4.4)**	1.9
Revaluation – gross	**9.0**	(9.3)
Deferred tax	**(2.7)**	3.0
Balance at the end of the financial period	**1.9**	(4.4)

22. Reserves and retained earnings (continued)

(a) Reserves (continued)

(ii) Nature and purpose of reserves

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 2(l). Amounts are recognised in profit and loss when the associated hedged transaction affects profit and loss.

Share-based payments reserve

The share-based payments reserve is used to recognise the grant date fair value of options and performance rights issued.

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 2(e). The reserve is recognised in profit and loss when the net investment is disposed of.

(b) Retained earnings

	2015 $m	2014 $m
Balance at the beginning of the financial period	**210.4**	179.7
Net profit for the period attributable to owners of Super Retail Group Limited	**81.1**	108.4
Dividends paid	**(78.7)**	(77.7)
Retained profits at the end of the financial period	**212.8**	210.4

23. Financial assets and financial liabilities

(a) Financial instruments

The Group holds the following financial instruments:

Financial assets	Notes	Derivatives used for hedging $m	Financial assets at amortised cost $m	Total $m
2015				
Cash and cash equivalents	9	**-**	**13.1**	**13.1**
Trade and other receivables	10	**-**	**29.3**	**29.3**
Derivative financial instruments	24	**6.8**	**-**	**6.8**
Total		**6.8**	**42.4**	**49.2**
2014				
Cash and cash equivalents	9	-	24.2	24.2
Trade and other receivables	10	-	41.1	41.1
Derivative financial instruments	24	-	-	-
Total		-	65.3	65.3

Financial liabilities	Notes	Derivatives used for hedging $m	Financial liabilities at amortised cost $m	Total $m
2015				
Trade and other payables	16	**-**	**305.3**	**305.3**
Interest-bearing liabilities	17	**-**	**392.0**	**392.0**
Derivative financial instruments	24	**4.1**	**-**	**4.1**
Total		**4.1**	**697.3**	**701.4**
2014				
Trade and other payables	16	-	298.4	298.4
Interest-bearing liabilities	17	-	406.8	406.8
Derivative financial instruments	24	6.3	-	6.3
Total		6.3	705.2	711.5

The Group's exposure to various risks associated with the financial instruments is discussed in note 24. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

23. Financial assets and financial liabilities (continued)

(b) Recognised fair value measurements

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet 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.

2015	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Derivatives used for hedging	**-**	**6.8**	**-**	**6.8**
Total	**-**	**6.8**	**-**	**6.8**
Financial liabilities				
Derivatives used for hedging	**-**	**4.1**	**-**	**4.1**
Total	**-**	**4.1**	**-**	**4.1**

2014	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Derivatives used for hedging	-	-	-	-
Total	-	-	-	-
Financial liabilities				
Derivatives used for hedging	-	6.3	-	6.3
Total	-	6.3	-	6.3

There were no transfers between any levels for recurring fair value measurements during the year. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: 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.

Level 2: 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 which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments;
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date;
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

24. Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

	Market risk		Credit risk	Liquidity risk
	Foreign exchange	Interest rate		
Exposure arising from	Future commercial transactions Recognised financial assets and liabilities not denominated in AUD	Long-term borrowings at variable rates	Cash and cash equivalents, trade and other receivables and derivative financial instruments	Borrowings and other liabilities
Measurement	Cash flow forecasting Sensitivity analysis	Sensitivity analysis	Aging analysis Credit ratings	Credit limits and retention of title over goods sold
Management	Forward foreign exchange contracts and options	Interest rate swaps	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Group's risk management is carried out by the finance department under policies approved by the Board of Directors. The finance department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Derivative Financial Instruments

Derivative Financial Instruments are only used for economic hedging purposes and not as trading or speculative instruments. The Group has the following derivative financial instruments:

	2015 $m	2014 $m
Current assets		
Forward foreign exchange contracts – cash flow hedges	**6.8**	-
Total current derivative financial instrument assets	**6.8**	-
Current liabilities		
Forward foreign exchange contracts – cash flow hedges	**-**	4.0
Interest rate swap contracts – cash flow hedges	**4.1**	2.3
Total current derivative financial instrument liabilities	**4.1**	6.3

(i) Classification of derivatives
Derivatives are classified as held for trading and accounted for at fair value through profit or loss unless they are designated as hedges. They are presented as current assets or liabilities if they are expected to be settled within 12 months after the end of the reporting period.

The Group's accounting policy for its cash flow hedges is set out in note 2(l). For hedged forecast transactions that result in the recognition of a non-financial asset, the Group has elected to include related hedging gains and losses in the initial measurement of the cost of the asset.

(ii) Fair value measurement
For information about the methods and assumptions used in determining the fair value of derivatives please refer to note 2(m).

24. Financial risk management (continued)

(b) Market risk

(i) Foreign exchange risk

Group companies are required to hedge their foreign exchange risk exposure using forward contracts transacted with the finance department.

The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures to the United States dollar (USD) and Chinese Yuan (CNY).

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 50% and 75% of anticipated foreign currency purchases for the subsequent 4 months and up to 50% of anticipated foreign currency purchases for the following 5 to 12 month period.

Instruments used by the Group
The economic entity retails products including some that have been imported from Asia, with contract pricing denominated in USD. In order to protect against exchange rate movements, the economic entity has entered into forward exchange rate contracts to purchase USD. The contracts are timed to mature in line with forecasted payments for imports and cover forecast purchases for the subsequent twelve months, on a rolling basis. The Group does not currently enter into forward exchange rate contracts to purchase CNY.

Exposure
The Group's exposure to foreign currency risk at the end of the reporting period was as follows:

	2015 USD $m	2014 USD $m
Trade receivables	**1.5**	1.4
Trade payables	**8.0**	10.4
Forward exchange contract - foreign currency (cash flow hedges)		
Buy United States dollars and sell Australian dollars with maturity		
- 0 to 4 months	**54.0**	66.5
- 5 to 12 months	**80.0**	30.0
	134.0	96.5

	2015 CNY $m	2014 CNY $m
Trade receivables	**0.2**	n/a
Trade payables	**3.9**	n/a

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 consolidated balance sheet by the related amount deferred in equity. In the year ended 27 June 2015, no hedges were designated as ineffective (2014: 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:

	2015 $m	2014 $m
- unrealised gains / (losses) on USD foreign exchange contracts	**6.8**	(4.0)
- unrealised (losses) on interest rate swaps	**(4.1)**	(2.3)
Total unrealised gains / (losses)	**2.7**	(6.3)

24. Financial risk management (continued)

(b) Market risk (continued)

(i) Foreign exchange risk (continued)

Group sensitivity

Based on the financial instruments held at 27 June 2015, 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 $11.9 million lower/$14.5 million higher (2014: $8.0 million lower/$9.8 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) Cashflow and fair value interest rate risk

Instruments used by the Group - interest rate swap contracts

Bank loans of the economic entity currently bear an average variable interest rate of 3.49% (2014: 4.25%). 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 receivables or other payables.

At period end, the Group was a party to multiple interest rate swaps for a total nominal value of $175.0 million (2014: $120.0 million). The Group also has $75.0 million (2014: $80.0 million) interest rate swaps in place for future periods up until November 2016 at an average rate of 3.56%.

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 on the current debt balance cover approximately 45% (2014: 30%) of the loan principal outstanding. The average fixed interest rate is 3.37% (2014: 4.39%).

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:

			Fixed interest maturing in				
	Notes	Floating interest rate $m	1 year or less $m	Over 1 to 5 years $m	More than 5 years $m	Non-interest bearing $m	Total $m
2015							
Financial assets							
Cash and cash equivalents	9	11.4	-	-	-	1.7	13.1
Trade and other receivables	10	-	-	-	-	29.3	29.3
Total financial assets		11.4	-	-	-	31.0	42.4
Weighted average rate of interest		*2.00%*					
Financial liabilities							
Trade and other payables	16	-	-	-	-	305.3	305.3
Interest-bearing liabilities	17	389.4	1.6	1.0	-	-	392.0
Provisions (employee benefits)	19	-	-	-	-	45.5	45.5
Total financial liabilities		389.4	1.6	1.0	-	350.8	742.8
Weighted average rate of interest		*3.49%*					
Net financial (liabilities) / assets		(378.0)	(1.6)	(1.0)	-	(319.8)	(700.4)

24. Financial risk management (continued)

(b) Market risk (continued)

(ii) Cashflow and fair value interest rate risk(continued)

	Notes	Floating interest rate $m	Fixed interest maturing in: 1 year or less $m	Over 1 to 5 years $m	More than 5 years $m	Non-interest bearing $m	Total $m
2014							
Financial assets							
Cash and cash equivalents	9	22.6	-	-	-	1.6	24.2
Trade and other receivables	10	-	-	3.7	-	41.1	44.8
Total financial assets		22.6	-	3.7	-	42.7	69.0
Weighted average rate of interest		*2.50%*					
Financial liabilities							
Trade and other payables	16	-	-	-	-	298.4	298.4
Interest-bearing liabilities	17	401.7	2.7	2.4	-	-	406.8
Provisions (employee benefits)	19	-	-	-	-	39.9	39.9
Total financial liabilities		401.7	2.7	2.4	-	338.3	745.1
Weighted average rate of interest		*4.25%*					
Net financial (liabilities) / assets		(379.1)	(2.7)	1.3	-	(295.6)	(676.1)

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 the 2015 and 2014 financial years, 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:

	2015 $m	2014 $m
Bank overdrafts and bank loans	**390.2**	403.5
Interest rate swaps	**175.0**	120.0

An analysis by maturities is provided in note 24(d).

The Group risk management policy is to maintain fixed interest rate hedges of approximately 45% of anticipated debt levels over a 3 year period. The Group utilises interest rate swaps to hedge its interest rate exposure on borrowings.

As at 27 June 2015, 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 $1.7 million lower/higher (2014: $1.9 million lower/higher), mainly as a result of higher/lower interest expense on bank loans.

(c) Credit risk

Credit risk arises from cash and cash equivalents, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions.

(i) Risk management

Credit risk is managed on a Group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by wholesale customers is regularly monitored by line management.

Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

24. Financial risk management (continued)

(c) Credit risk (continued)

(ii) Security

For wholesale customers without credit rating, the Group generally retains title over the goods sold until full payment is received, thus limiting the loss from a possible default to the profit margin made on the sale. For some trade receivables the Group may also obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, finance department maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents (note 9) on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these.

(i) Financing arrangements

Unrestricted access was available at balance date to the following lines of credit:	2015 $m	2014 $m
Total facilities		
- bank debt funding facility	**615.0**	580.0
- multi-option facility (including indemnity/guarantee)	**20.0**	20.0
Total	**635.0**	600.0
Facilities used at balance date		
- bank debt funding facility	**389.5**	403.5
- multi-option facility (including indemnity/guarantee)	**4.8**	6.6
Total	**394.3**	410.1
Unused balance of facilities at balance date		
- bank debt funding facility	**225.5**	176.5
- multi-option facility (including indemnity/guarantee)	**15.2**	13.4
Total	**240.7**	189.9

Current interest rates on bank loans of the economic entity are 3.19% - 3.68% (2014: 3.83% - 4.52%).

24. Financial risk management (continued)

(d) Liquidity risk (continued)

(ii) Maturities of financial liabilities
The following tables analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:
- all non-derivative financial liabilities; and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For interest rate swaps the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

2015	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 and other payables	265.0	-	-	-	-	265.0	265.0
Interest-bearing liabilities[(1)]	7.4	6.8	101.8	313.2	-	429.2	390.2
Finance lease liabilities	0.9	0.7	1.0	-	-	2.6	2.6
Total non-derivatives	273.3	7.5	102.8	313.2	-	696.8	657.8
Derivatives							
Net settled (Interest Rate Swaps)	1.1	1.0	1.9	0.6	-	4.6	4.1
Forward exchange contracts used for hedging:							
Gross settled							
- (inflow)	(112.9)	(61.0)	-	-	-	(173.9)	(6.8)
- outflow	108.3	60.5	-	-	-	168.8	-
Total derivatives	(3.5)	0.5	1.9	0.6	-	(0.5)	(2.7)

[(1)]Excludes finance leases.

2014	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	268.1	-	-	-	-	268.1	268.1
Interest-bearing liabilities[(1)]	8.6	8.6	89.3	349.5	-	456.0	403.5
Finance lease liabilities	1.5	1.2	1.6	0.8	-	5.1	5.1
Total non-derivatives	278.2	9.8	90.9	350.3	-	729.2	676.7
Derivatives							
Net settled (Interest Rate Swaps)	0.9	0.5	1.0	0.3	-	2.7	2.3
Forward exchange contracts used for hedging:							
Gross settled							
- (inflow)	(70.5)	(31.8)	-	-	-	(102.3)	4.0
- outflow	74.0	33.6	-	-	-	107.6	-
Total derivatives	4.4	2.3	1.0	0.3	-	8.0	6.3

[(1)]Excludes finance leases.

25. Capital management

(a) 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 maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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 consolidated balance sheet (including non-controlling interests) plus net debt.

During 2015 the Group's strategy, which was unchanged from 2014, 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 27 June 2015 and 28 June 2014 were as follows:

	2015 $m	2014 $m
Total borrowings	**392.0**	406.8
Less: Cash & cash equivalents	**(13.1)**	(24.2)
Net Debt	**378.9**	382.6
Total Equity	**765.3**	760.4
Total Capital	**1,144.2**	1,143.0
Gearing Ratio	**33.1%**	33.5%

The Group monitors ongoing capital on the basis of the fixed charge cover ratio. The ratio is calculated as earnings before net finance costs, income tax, depreciation, amortisation and store and rental expense divided by fixed charge obligations (being finance costs and store and distribution centre 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 2015 the Group's strategy, which was unchanged from 2014, was to maintain a fixed charge cover ratio of around 2.0 times. The fixed charge cover ratios at 27 June 2015 and 28 June 2014 were as follows:

	2015(1) $m	2014 $m
Profit attributable to Owners of Super Retail Group Limited	**81.1**	108.4
Add: Taxation expense	**38.5**	50.2
Net finance costs	**21.9**	24.0
Depreciation and amortisation	**67.1**	54.9
Rental expense	**222.3**	196.2
EBITDAR	**430.9**	433.7
Net finance costs	**21.9**	24.0
Rental expense	**222.3**	196.2
Fixed charges	**244.2**	220.2
Fixed charge cover ratio	**1.76**	1.97

(1) Includes continuing and discontinued operations.

Fixed charge cover ratio from normalised net profit after tax	**1.89**	2.00

(i) Loan Covenants

Financial covenants are provided by Super Retail Group Limited with respect to leverage, gearing, fixed charges coverage and shareholder funds. The Group has complied with the financial covenants of its borrowing facilities during the 2015 and 2014 financial years. There are no assets pledged as security in relation to the unsecured debt in the 2015 financial year (2014: nil).

25. Capital management (continued)

(b) Dividends

	2015 $m	2014 $m
Ordinary shares		
Dividends paid by Super Retail Group Limited during the 2015 financial year were as follows:		
Interim dividend for the period ended 27 December 2014 of 18.5 cents (2014: 18.5 cents per share) paid on 2 April 2015. Fully franked based on tax paid @ 30%	**36.5**	36.4
Final dividend for the period ended 28 June 2014 of 21.5 cents per share (2013: 21.0 cents per share) paid on 2 October 2014. Fully franked based on tax paid @ 30%	**42.2**	41.3
Total dividends provided and paid	**78.7**	77.7
Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment plan were as follows:		
- paid in cash	**74.6**	71.9
- satisfied by issue of shares purchased on market	**4.1**	5.8
	78.7	77.7
Dividends not recognised at year end		
Subsequent to year end, the Directors have declared the payment of a final dividend of 21.5 cents per ordinary share (2014: 21.5 cents per ordinary share), fully franked based on tax paid at 30%.		
The aggregate amount of the dividend expected to be paid on 02 October 2015, out of retained profits at 27 June 2015, but not recognised as a liability at year end, is	**42.4**	42.2
Franking credits		
The franked portions of dividends paid after 27 June 2015 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 27 June 2015.		
Franking credits remaining at balance date available for dividends declared after the current balance date based on a tax rate of 30%	**106.7**	98.3

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 will be a reduction in the franking account of $18,154,960 (2014: $18,127,414). The recommended dividend has not been recognised as a liability at year end.

26. Key management personnel disclosures

(a) Key management personnel compensation

	2015 $	2014 $
Short-term employee benefits	**5,098,434**	5,030,056
Long-term employee benefits	**51,183**	50,143
Post-employment benefits	**224,263**	235,391
Share based payments	**96,533**	354,532
Termination benefits	**232,004**	-
	5,702,417	5,670,122

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

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:

Amounts paid to key management personnel as shareholders	2015 $	2014 $
Dividends	**23,192,162**	23,175,389

27. 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.

	2015 $	2014 $
(a) PricewaterhouseCoopers Australia		
(i) Assurance services		
Audit and review of financial statements	**473,854**	468,435
Audit and review of subsidiaries	**20,000**	46,100
Other assurance	**10,000**	10,000
Total remuneration for audit and other assurance services	**503,854**	524,535
(ii) Taxation services		
Tax compliance services, including review of Company income tax returns	**101,692**	295,207
Customs Advice	**22,675**	2,140
Total remuneration for taxation services	**124,367**	297,347
(iii) Other services		
Business Consulting	**-**	3,060
Total remuneration for advisory services	**-**	3,060
Total remuneration of PricewaterhouseCoopers Australia	**628,221**	824,942
(b) Network firms of PricewaterhouseCoopers Australia		
(i) Taxation services		
Tax compliance services, including review of Company income tax returns	**26,025**	65,106
Total remuneration for taxation services	**26,025**	65,106
Total remuneration of network firms of PricewaterhouseCoopers Australia	**26,025**	65,106
Total auditors' remuneration	**654,246**	890,048

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.

28. Contingencies

	2015 $m	2014 $m
Guarantees		
Guarantees issued by the bankers of the Group in support of various rental arrangements for certain retail outlets and support of banking arrangements for associates.		
The maximum future rental payments guaranteed amount to:	**5.3**	7.1

From time to time the Group is subject to legal claims as a result of its operations. An immaterial contingent liability may exist for any exposure over and above current provisioning levels.

29. Commitments

	2015 $m	2014 $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	**4.5**	5.9
Total capital commitments	**4.5**	5.9
Lease commitments		
Commitments in relation to operating lease payments for property and motor vehicles under non-cancellable operating leases are payable as follows:		
Within one year	**193.0**	181.6
Later than one year but not later than five years	**561.5**	531.7
Later than five years	**201.0**	159.3
Less lease straight lining adjustment (note 16)	**(40.3)**	(30.3)
Total lease commitments	**915.2**	842.3
Future minimum lease payments expected to be received in relation to non-cancellable sub-leases of operating leases	**0.2**	0.9

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.

Finance leases

The Group leases various plant and equipment with a carrying amount of $2.6m (2014: $5.1m) under finance leases expiring within one to three years.

	2015 $m	2014 $m
Commitments in relation to finance leases are payable as follows:		
Within one year	**1.8**	3.0
Later than one year but not later than five years	**1.0**	2.6
Minimum lease payments	**2.8**	5.6
Future finance charges	**(0.2)**	(0.5)
Total lease liabilities	**2.6**	5.1
Representing lease liabilities:		
Current (note 17)	**1.6**	2.7
Non-current (note 17)	**1.0**	2.4
	2.6	5.1

30. 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 31.

(c) Key Management Personnel
Disclosures relating to key management personnel are set out in note 26.

(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 Pitkin, R A Murray and P A Birtles. R A Murray resigned, effective 29 April 2015.

(e) Amounts due from related parties
Amounts due from Directors of the consolidated entity and their director-related entities are shown below in note 30(f).

(f) Loans to / (from) Related Parties

	2015 $	**2014 $**
Loans to / (from) Related Parties		
Loan from related parties(1)	**(955,687)**	-
Loan to related parties(2)	**50,000**	-

(1)Loan from Sports and Entertainment Limited (SEL), an entity with a non-controlling interest in Infinite Retail Pty Ltd, a controlled entity of the Group. The loan is deemed to be on an arms-length basis, attracting interest at a rate of 6.9%
(2)Loan to James Woodford Pty Ltd, an entity with a non-controlling interest in Youcamp Pty Ltd, a controlled entity of the Group. The loan was extended as part of the Group's acquisition arrangements with Youcamp Pty Ltd, refer to note 33(d) - Business combinations.

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

	2015 $	**2014 $**
Purchase of goods and services		
Store lease payment(1)	**11,087,692**	11,575,217
Inventories(2)	**2,237,048**	n/a
Royalties for brand name(3)	**486,157**	n/a
Management fees(4)	**275,000**	n/a
Finance costs(5)	**158,102**	n/a
Consideration paid for acquisition of controlled entity(6)	**464,500**	n/a

(1) Rent on properties, with rates which are deemed to be on an arms-length basis. Rent payable at year-end was nil (2014: nil).
(2) Inventories sourced from Velocity Brand Management Pty Ltd (VBML) a sports licensing agency and it's operating entities Velocity Brand Management NZ Limited and VBM Manufacturing Pty Ltd which are deemed to be on an arms-length basis.
(3) Royalties are payable to VBML which are deemed to be on an arms-length basis.
(4) Management services are provided by VBML which are determined to be on an arms-length basis.
(5) Interest paid and accrued relating to the related party loan to SEL at a rate of 6.9% (2014: n/a), in addition to motor vehicle finance lease charges paid to VBML at a rate of 6.22% (2014: n/a), These transactions are determined to be on an arms-length basis.
(6) To acquire the remaining 50% non-controlling interest shareholding in Oceania Bicycles Pty Ltd, see note 33(c) - Business combinations.

31. Investments in controlled entities

The Group's subsidiaries at 27 June 2015 are set out below. Unless otherwise stated, they have share capital consisting of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation is also their principal place of business.

Name of Entity	Country of Incorporation	Principal Activities	Equity Holding 2015 %	Equity Holding 2014 %
A-Mart All Sports Pty Ltd[(1)]	Australia	Sports retail	100	100
Auto Trade Direct (NZ) Limited	New Zealand	Auto retail	100	100
Auto Trade Direct Pty Ltd[(1)]	Australia	Auto retail	100	100
BCF New Zealand Limited	New Zealand	Leisure retail	100	100
Coyote Retail Investments Pty Limited[(1)]	Australia	Sports retail	100	100
Coyote Retail Pty Limited[(1)]	Australia	Sports retail	100	100
FCO New Zealand Limited	New Zealand	Leisure retail	100	100
Fixed Price Car Service Australia Pty Ltd[(2)]	Australia	Auto services	51	n/a
Foghorn Holdings Pty Ltd[(1)]	Australia	Sports retail	100	100
Goldcross Cycles Pty Ltd[(1)]	Australia	Sports retail	100	100
Infinite Retail Pty Ltd[(3)]	Australia	Sports retail	50.05	n/a
VBM Retail (HK) Limited[(4)]	Hong Kong	Sports retail	50.05	n/a
Infinite Retail UK Limited[(4)]	United Kingdom	Sports retail	50.05	n/a
VBM Retail NZ Limited[(4)]	New Zealand	Sports retail	50.05	n/a
Oceania Bicycles Pty Ltd[(5)]	Australia	Sports retail	100	50
Oceania Bicycles Limited[(6)]	New Zealand	Sports retail	100	50
Quinns Rock Pty Ltd[(1)]	Australia	Sports retail	100	100
Ray's Outdoors New Zealand Limited	New Zealand	Leisure retail	100	100
Ray's Outdoors Pty Ltd[(1)]	Australia	Leisure retail	100	100
Rebel Group Limited[(1)]	Australia	Sports retail	100	100
Rebel Management Services Pty Limited[(1)]	Australia	Sports retail	100	100
Rebel Sport Limited[(1)]	Australia	Sports retail	100	100
Rebel Wholesale Pty Limited[(1)]	Australia	Sports retail	100	100
Rebelsport.com Pty Limited[(1)]	Australia	Sports retail	100	100
SCA Equity Plan Pty Ltd	Australia	Investments	100	100
SRG Leisure Retail Pty Ltd[(1)]	Australia	Leisure retail	100	100
SRGS (New Zealand) Limited	New Zealand	Product acquisition and distribution	100	100
SRGS Pty Ltd[(1)]	Australia	Product acquisition and distribution	100	100
Super Cheap Auto (New Zealand) Pty Ltd	New Zealand	Auto retail	100	100
Super Cheap Auto Pty Ltd[(1)]	Australia	Auto retail	100	100
Super Retail Commercial Pty Ltd[(1)]	Australia	Auto retail	100	100
Super Retail Group Services (New Zealand) Limited	New Zealand	Support services	100	100
Super Retail Group Services Pty Ltd[(1)]	Australia	Support services	100	100
Super Retail Group Trading (Shanghai) Ltd	China	Product sourcing	100	100
Youcamp Pty Ltd[(7)]	Australia	Leisure services	51	n/a

(1) 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.
(2) The Group acquired a 51% shareholding in Fixed Price Car Service Australia Pty Ltd. Refer to note 33(b) - Business combinations.
(3) On 14 July 2014, an additional 2 shares were acquired, resulting in the ownership interest in Infinite Retail Pty Ltd (formerly known as VBM Retail Pty Ltd) increasing to 50.05%. The entity changed from being an associate to a controlled entity. Refer to note 33(a) - Business combinations.
(4) Investment is held directly by Infinite Retail Pty Ltd.
(5) On 25 June 2015, the Group acquired the remaining 50% non-controlling interest shareholding, resulting in the ownership interest in these entities increasing to 100%. Refer to note 33(c) of the consolidated financial statements, Business Combinations.
(6) Investment is held directly by Oceania Bicycles Pty Ltd.
(7) The Group acquired a 51% controlling shareholding in Youcamp Pty Ltd. Refer to note 33(d) - Business combinations.

32. Interests in associates

In the prior financial year, the Group held a direct interest in the entity detailed below, the share capital of which consisting solely of ordinary shares. The country of incorporation or registration is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held. The entity is a private entity with no quoted price available.

Name of Entity	Place of business/ country of incorporation	Nature of relationship	Measurement method	% of ownership interest 2015 %	2014 %
Infinite Retail Pty Ltd[(1)]	Australia	Associate	Equity method	n/a[(2)]	50

(1) Formerly known as VBM Retail Pty Ltd.
(2) Refer Note 33(a) – business combinations.

33. Business combinations

During the financial year, the Group entered into several strategic business combination transactions, enhancing the Group's diverse business segment portfolio. The details of each business combination, consideration paid, net assets acquired, and provisional goodwill assumed are outlined below. Entities acquired include:

- Infinite Retail Pty Ltd (Infinite Retail)
- Fixed Price Car Service Australia Pty Ltd (FPCS)
- Oceania Bicycles Pty Ltd (Oceania)
- Youcamp Pty Ltd (Youcamp)

2015	Infinite Retail[(a)] $m	FPCS[(b)] $m	Oceania[(c)] $m	Youcamp[(d)] $m	Total $m
(i) Consideration					
Cash paid	**-**	**1.5**	**0.5**	**0.5**	**2.5**
Fair value of the Group's previous equity accounted holding	**5.3**	**-**	**-**	**-**	**5.3**
Fair value of non-controlling interest previous equity accounted holding	**5.3**	**1.5**	**-**	**0.5**	**7.3**
Total consideration	**10.6**	**3.0**	**0.5**	**1.0**	**15.1**
(ii) Net assets					
ASSETS					
Cash and cash equivalents	**0.5**	**1.5**	**-**	**0.5**	**2.5**
Trade and other receivables	**3.4**	**-**	**-**	**-**	**3.4**
Inventories	**6.9**	**-**	**-**	**-**	**6.9**
Total current assets	**10.8**	**1.5**	**-**	**0.5**	**12.8**
Property, plant & equipment	**1.0**	**-**	**-**	**-**	**1.0**
Intangible assets	**-**	**0.2**	**-**	**-**	**0.2**
Total non-current assets	**1.0**	**0.2**	**-**	**-**	**1.2**
Total assets	**11.8**	**1.7**	**-**	**0.5**	**14.0**
LIABILITIES					
Trade and other payables	**5.7**	**-**	**-**	**-**	**5.7**
Provisions	**0.1**	**-**	**-**	**-**	**0.1**
Total current liabilities	**5.8**	**-**	**-**	**-**	**5.8**
Interest-bearing liabilities	**5.8**	**-**	**-**	**-**	**5.8**
Total non-current liabilities	**5.8**	**-**	**-**	**-**	**5.8**
Total liabilities	**11.6**	**-**	**-**	**-**	**11.6**
NET ASSETS	**0.2**	**1.7**	**-**	**0.5**	**2.4**
(iii) Goodwill					
Total consideration	**10.6**	**3.0**	**0.5**	**1.0**	**15.1**
Fair value of net identifiable assets acquired	**(0.2)**	**(1.7)**	**-**	**(0.5)**	**(2.4)**
Fair value of put option liability extinguished[(1)]	**-**	**-**	**(0.5)**	**-**	**(0.5)**
Provisional goodwill	**10.4**	**1.3**	**-**	**0.5**	**12.2**
Attributable to the Group	**5.2**	**0.7**	**-**	**0.3**	**6.2**
Attributable to non-controlling interests	**5.2**	**0.6**	**-**	**0.2**	**6.0**

(1) On acquisition of Oceania in 2008 a put option liability was recognised, reflecting an estimate of the potential obligation under the put agreement. This liability was extinguished as part of the wider business combination transaction. Refer to note 33(c) - Business combinations for further detail.

33. Business combinations (continued)

(a) Infinite Retail Pty Ltd

On 14 July 2014, an additional 2 shares were acquired, increasing the ownership from 50% to 50.05%, for a cash consideration of $5,300 per share. Infinite Retail Pty Ltd (Infinite Retail) is a sports merchandising business specialist. The entity changed from being an associate to a controlled entity in accordance with *AASB 10 Consolidated Financial Statements*.

As at the acquisition date, 14 July 2014, the Group elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets. The previously held interests were fair valued and formed part of the consideration transferred. The Group recognised a gain of $0.6 million as a result of measuring at fair value it 50% equity interest in Infinite Retail Pty Ltd held before the business combination. The gain is included in other income in the Group's statement of comprehensive income for the year ended 27 June 2015.

The goodwill is attributable mainly to the licensing and brand management programs developed in Australia, New Zealand and internationally and the synergies expected to be achieved from integrating the businesses into the Group's existing Sporting Business. Goodwill will not be deductible for tax purposes.

The acquired business contributed revenues of $29.1 million for the period 14 July 2014 to 27 June 2015 and a loss after tax of $3.9 million attributable to the Owners of Super Retail Group Limited. Included in the Sports Division segment result is a loss of $3.6 million. The Group has accounted for the entity as if it had been acquired on 29 June 2014, based on insignificant net trading during the period from 29 June 2014 to 14 July 2014.

(b) Fixed Price Car Service Australia Pty Ltd

On 24 December 2014, the Group acquired a 51% shareholding in Fixed Price Car Service Australia Pty Ltd, an online car servicing solution, for a cash consideration of $1.5 million.

The Group elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets. The goodwill is attributable mainly to the internally developed software and access to management, which is not separately recognised. Goodwill will not be deductible for tax purposes.

The acquired business contributed revenues of $0.1 million for the period 24 December 2014 to 27 June 2015 and a loss after tax of $0.3 million attributable to the Owners of Super Retail Group Limited. As the acquired business was non-trading prior to the acquisition date, these results are reflective of the contribution to the Group's results as if it the acquisition date had been 29 June 2014.

(c) Oceania Bicycles Pty Ltd

On 25 June 2015, the Group entered into a Deed of Settlement and Release to acquire the remaining 50% non-controlling interest shareholding in Oceania Bicycles Pty Ltd (Oceania), an Australian bicycle, parts and accessories distributor, for a cash consideration of $0.5 million, resulting in the ownership interest in this entity increasing to 100%. Oceania Bicycles Limited is a subsidiary of Oceania Bicycles Pty Ltd and as such, 100% ownership interest was also gained of this entity as part of this transaction.

The Group had acquired an initial 50% shareholding in Oceania on 23 June 2008. The Group had elected to deem control had passed on acquisition due to the provisions of a put agreement on the remaining 50% shares, entered into at this date. As such the Group consolidated 100% of their results and net assets since acquisition date. No additional net assets were recognised at 25 June 2015.

(d) Youcamp Pty Ltd

On 24 June 2015, the Group completed the acquisition of a 51% shareholding in Youcamp Pty Ltd, an online accommodation solution connecting a community of private landowners and customers, for a cash consideration of $0.5 million.

The Group elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree's identifiable net assets. The goodwill is attributable mainly to access to management which is not separately recognised. Goodwill will not be deductible for tax purposes.

The acquired business contributed revenues of $nil million for the period 24 June 2015 to 27 June 2015 and a profit after tax of $nil million to the Group's results. As the acquired business was non-trading prior to the acquisition date, these results are reflective of the contribution to the Group's results as if it the acquisition date had been 29 June 2014.

(e) Prior year comparatives

On 22 November 2013 a 100% interest in the business net assets of fitness retailer, Workout World was acquired for a cash consideration of $4.4 million. Net assets of $2.0 million were acquired, with Goodwill of $2.4 million recognised. Refer to the Super Retail Group Limited 2014 Annual Report, publically available on the Group's external website:http://www.superretailgroup.com.au/.

34. Discontinued operations

(a) Description

On 19 February 2015 the Group announced the decision to exit the FCO business with an objective of ceasing operations by the end of the financial year. As at the end of the financial year, all stores had ceased trading.

(b) Financial performance and cash flow information

	2015 $m	2014 $m
Revenue	**31.2**	23.4
Expenses	**(47.4)**	(27.2)
Loss before income tax of discontinued operations	**(16.2)**	(3.8)
Income tax expense / (benefit)	**-**	-
Loss after income tax of discontinued operations	**(16.2)**	(3.8)
Net cash (outflow) / inflow from operating activities	**(0.5)**	0.4
Net (decrease) / increase in cash generated by the division	**(0.5)**	0.4

35. Net tangible asset backing

	2015 Cents	2014 Cents
Net tangible asset per ordinary share	**$0.22**	$0.14

Net tangible asset per ordinary share is calculated based on Net Assets of $765.3 million (2014: $760.4 million) less intangible assets of $801.3 million (2014: $813.4 million) adjusted for the associated deferred tax liability of $80.1 million (2014: $80.1 million). The number of shares used in the calculation was 197,030,571 (2014: 196,731,620).

36. Deed of cross guarantee

Super Retail Group Limited, A-Mart All Sports Pty Ltd, Auto Trade Direct Pty Ltd, Coyote Retail Investments Pty Limited, Coyote Retail Pty Limited, Foghorn Holdings Pty Ltd, Goldcross Cycles Pty Ltd, Quinns Rock Pty Ltd, Ray's Outdoors Pty Ltd, Rebel Group Limited, Rebel Management Services Pty Limited, Rebel Sport Limited, Rebel Wholesale Pty Limited, Rebelsport.com Pty Limited, SCA Equity Plan Pty Ltd, SRG Leisure Retail Pty Ltd, SRGS Pty Ltd, Super Cheap Auto Pty Ltd, Super Retail Commercial Pty Ltd and Super Retail Group Services Pty Ltd are parties to a Deed of Cross Guarantee under which each company guarantees the debts of the others. 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) issued by the Australian Securities and Investments Commission.

(a) Consolidated Comprehensive Income Statement and 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 comprehensive income statement and a summary of movements in consolidated retained earnings for the period ended 27 June 2015 of the Closed Group.

Consolidated Comprehensive Income Statement	2015 $m	2014 $m
Revenue from continuing operations	**2,110.9**	1,997.2
Other income from continuing operations	**11.3**	0.9
Total revenues and other income	**2,122.2**	1,998.1
Cost of sales of goods	**(1,184.3)**	(1,100.7)
Other expenses from ordinary activities		
- selling and distribution	**(276.6)**	(259.3)
- marketing	**(77.1)**	(81.4)
- occupancy	**(178.2)**	(164.2)
- administration	**(230.9)**	(224.1)
Impairment of related party loans	**(36.2)**	-
Net finance costs	**(19.1)**	(22.3)
Total expenses	**(2,002.4)**	(1,852.0)
Profit before income tax	**119.8**	146.1
Income tax expense	**(38.2)**	(45.7)
Profit for the period	**81.6**	100.4

36. Deed of cross guarantee (continued)

(a) Consolidated Comprehensive Income Statement and Summary of Movements in Consolidated Retained Earnings

	2015	2014
Statement of comprehensive income	**$m**	**$m**
Profit for the period	**81.6**	100.4
Other comprehensive income		
Items that may be reclassified to profit or loss		
Changes in the fair value of cash flow hedges	**6.3**	(6.3)
Other comprehensive income for the period, net of tax	**6.3**	(6.3)
Total comprehensive income for the period	**87.9**	94.1
Summary of movements in consolidated retained earnings		
Retained profits at the beginning of the financial period	**200.9**	178.2
Profit for the period	**81.6**	100.4
Dividends paid	**(78.7)**	(77.7)
Retained profits at the end of the financial period	**203.8**	200.9

(b) Consolidated Balance Sheet

Set out below is a consolidated balance sheet as at 27 June 2015 of the Closed Group.

ASSETS	**2015**	**2014**
Current assets	**$m**	**$m**
Cash and cash equivalents	**4.6**	16.7
Trade and other receivables	**38.7**	40.5
Current tax assets	**2.9**	0.9
Derivative financial instruments	**6.8**	-
Inventories	**469.6**	451.7
Total current assets	**522.6**	509.8
Non-current assets		
Other financial assets	**18.9**	14.7
Property, plant and equipment	**211.0**	194.2
Intangible assets	**792.1**	798.6
Total non-current assets	**1,022.0**	1,007.5
Total assets	**1,544.6**	1,517.3
LIABILITIES		
Current liabilities		
Trade and other payables	**249.3**	230.7
Interest-bearing liabilities	**1.4**	1.2
Derivative financial instruments	**4.1**	6.3
Provisions	**40.7**	36.0
Total non-current liabilities	**295.5**	274.2
Non-current liabilities		
Trade and other payables	**35.8**	23.3
Interest-bearing liabilities	**388.6**	404.9
Deferred tax liabilities	**53.7**	52.9
Provisions	**15.2**	11.5
Total non-current liabilities	**493.3**	492.6
Total liabilities	**788.8**	766.8
NET ASSETS	**755.8**	750.5
EQUITY		
Contributed equity	**542.3**	542.3
Reserves	**9.7**	7.3
Retained profits	**203.8**	200.9
TOTAL EQUITY	**755.8**	750.5

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

	2015 $m[1]	2014 $m
Profit from ordinary activities after related income tax	**81.1**	108.4
Depreciation and amortisation	**67.1**	54.9
Net gain on sale of non-current assets	**(0.6)**	0.8
Non-cash employee benefits (benefit)/expense/share based payments	**(0.2)**	0.2
Movement in provision for bad debt	**0.2**	(0.3)
Fair value gain on acquisition of associate	**(0.6)**	-
Profit for the period attributable to non-controlling interests	**(4.2)**	-
Net finance costs	**21.9**	24.0
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	**15.5**	(19.0)
- (increase) / decrease in net current tax asset	**(4.0)**	2.7
- (increase) / decrease in inventories	**(15.5)**	(34.6)
- (decrease) / increase in payables	**6.7**	28.3
- (decrease) / increase in provisions	**15.7**	2.8
- (decrease) / increase in deferred tax liability	**(1.1)**	(1.0)
Net cash inflow from operating activities	**182.0**	167.2

[1] Continuing and discontinued operations results.

38. Earnings per share

	2015 Cents	2014 Cents
(a) Basic earnings per share		
From continuing operations attributable to the ordinary equity holders of the company	**49.4**	57.0
From discontinued operations	**(8.2)**	(1.9)
Total basic earnings per share attributable to the ordinary equity holders of the company	**41.2**	55.1
(b) Diluted earnings per share		
From continuing operations attributable to the ordinary equity holders of the company	**49.0**	56.5
From discontinued operations	**(8.2)**	(1.9)
Total diluted earnings per share attributable to the ordinary equity holders of the company	**40.8**	54.6
(c) Normalised earnings per share[1]		
From continuing operations attributable to the ordinary equity holders of the company	**54.0**	57.0

[1] Normalised profit per share attributable to ordinary equity holders is $106.3 million (2014: $112.2 million) – note 4(b).

(d) Weighted average number of shares used as the denominator	2015 Number	2014 Number
Weighted average number of shares used as the denominator in calculating basic EPS	**196,944,779**	196,685,531
Adjustments for calculation of diluted earnings per share options	**1,617,360**	1,701,570
Weighted average potential ordinary shares used as the denominator in calculating diluted earnings per share	**198,562,139**	198,387,101

(e) Reconciliations of earnings used in calculating earnings per share	2015 $m	2014 $m
Basic earnings and diluted earnings per share		
Profit attributable to the ordinary equity holders of the company used in EPS		
From continuing operations	**97.3**	112.2
From discontinued operations	**(16.2)**	(3.8)
	81.1	108.4

(f) Information concerning the classification of securities

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)**
2015						
1 September 2009	**83,421**	**-**	**(83,421)**	**-**	**-**	**-**
1 September 2010	**171,058**	**-**	**(82,389)**	**(7,689)**	**80,980**	**80,980**
1 September 2011	**443,152**	**-**	**(133,141)**	**(178,476)**	**131,535**	**131,535**
1 September 2012	**534,019**	**-**	**-**	**(85,863)**	**448,156**	**448,156**
1 September 2013	**469,920**	**-**	**-**	**(65,921)**	**403,999**	**403,999**
1 September 2014	**-**	**579,192**	**-**	**(18,111)**	**561,081**	**561,081**
	1,701,570	**579,192**	**(298,951)**	**(356,060)**	**1,625,751**	**1,625,751**
2014						
1 September 2009	169,842	-	(84,920)	(1,501)	83,421	83,421
1 September 2010	347,758	-	(173,888)	(2,812)	171,058	171,058
1 September 2011	448,151	-	-	(4,999)	443,152	443,152
1 September 2012	544,019	-	-	(10,000)	534,019	534,019
1 September 2013	-	469,920	-	-	469,920	469,920
	1,509,770	469,920	(258,808)	(19,312)	1,701,570	1,701,570

(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 Retail Group (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 the ASX for official quotation of Shares issued on the exercise of the options.

There were no options granted under the Option Plan during the 2015 financial year (2014: 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.

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.

At any one time, the total number of options on issue under the Performance Rights or 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.

Expenses arising from share based payments transactions:	**2015 $m**	**2014 $m**
Executive Performance Rights	**(0.2)**	0.2

40. Events occurring after balance date

No matter or circumstance has arisen since 27 June 2015 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:

	2015 $m	Restated[1] 2014 $m
Balance Sheet		
Current assets	**392.5**	456.3
Total assets	**1,176.6**	1,237.7
Current liabilities	**190.7**	191.2
Total liabilities	**578.3**	588.2
Total Equity		
Contributed equity	**542.3**	542.3
Reserves		
- share-based payments	**7.8**	8.0
- cash flow hedges	**(2.9)**	(1.6)
Retained earnings	**51.1**	100.8
	598.3	649.5
Profit for the year	**29.0**	64.1
Total comprehensive income	**29.0**	64.1

[1]The 2014 comparative results have been restated to reflect a change in the Group's accounting policy regarding the method adopted for measuring the current and deferred tax amounts. The Group considers it more appropriate to apply the *Separate taxpayer within Group* approach, rather than the *Stand-Alone Taxpayer* approach previously applied, in accordance with *AASB Interpretation 1052, Tax Consolidation Accounting*. In addition, the accounting treatment of derivative financial instruments which are ineffective for the parent entity, but effective for the Group, have been revised, with the ineffectiveness recorded in the statement of comprehensive income. These changes have been applied retrospectively, with a life-to-date adjustment impacting the 2014 comparative position of current tax assets, \$76.2 million, retained earnings, \$76.2 million, profit for the year, \$19.8 million and total comprehensive income \$19.8 million. These changes impact the parent entity financial information only.

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 34 to 82 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 27 June 2015 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 2(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 Group 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 2015

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 consolidated balance sheet as at 27 June 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period ended 27 June 2015, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Super Retail Group Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled 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 2, 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. Those 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
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T +61 7 3257 5000, F +61 7 3257 5999, www.pwc.com.au

pwc

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 27 June 2015 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*.

(b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration Report

We have audited the remuneration report included in pages 17 to 31 of the directors' report for the period ended 27 June 2015. 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 27 June 2015 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

K Challenor

Kim Challenor
Partner

Brisbane
20 August 2015

Shareholder Information

For the period ended 27 June 2015

The shareholder information set out below was applicable as at 18 August 2015.

Number of Shareholders
There were 7,669 shareholders, holding 197,030,571 fully paid ordinary shares.

A. Distribution of equity securities

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

Range	Ordinary Shareholders	Performance Rights & Option holders
1-1000	3,773	-
1,001-5,000	3,115	15
5,001-10,000	450	8
10,001-100,000	290	41
100,001 and over	41	2
Total	7,669	66

There were 509 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	57,047,015	28.95%
J P MORGAN NOMINEES AUSTRALIA LIMITED	30,568,108	15.51%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	25,305,617	12.84%
NATIONAL NOMINEES LIMITED	22,397,651	11.37%
BNP PARIBAS NOMS PTY LTD	8,652,976	4.39%
CITICORP NOMINEES PTY LIMITED	8,175,932	4.15%
RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED	7,603,647	3.86%
UBS NOMINEES PTY LTD	3,100,892	1.57%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,475,843	0.75%
RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED	940,165	0.48%
AVANTEOS INVESTEMENTS LIMITED	859,563	0.44%
RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED	851,519	0.43%
AMP LIFE LIMITED	847,967	0.43%
CITICORP NOMINEES PTY LIMITED	787,018	0.40%
MR PETER ALAN BIRTLES	675,000	0.34%
MR PETER ALAN BIRTLES	665,000	0.34%
EQUITAS NOMINEES PTY LIMITED	575,577	0.29%
MR ROBERT EDWARD THORN	566,281	0.29%
EQUITAS NOMINEES PTY LIMITED	561,898	0.29%
EQUITAS NOMINEES PTY LIMITED	547,135	0.28%
	172,204,804	**87.40%**

Shareholder Information (continued)

For the period ended 27 June 2015

C. Substantial Shareholdings

As at 18 August 2015, there are four substantial shareholders that the Company is aware of:

Name	Ordinary shares Number held	Percentage of issued shares	Date of most Recent notice
SCA FT PTY LTD	56,954,670	28.99%	02/08/2013
PERPETUAL LIMITED	15,937,197	8.09%	12/08/2015
GOLDMAN SACHS GROUP	20,016,437	10.17%	28/10/2014
ELLERSTON CAPITAL LIMITED	13,996,824	7.10%	24/06/2015

D. Unquoted Equity Securities

As at 18 August 2015, there were 1,625,751 unlisted performance rights, granted to 66 holders, over unissued ordinary shares in the Company.

E. Voting rights

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

a) Ordinary Shares
On a show of hands at a General Meeting of the Company, every member present in person or by proxy shall have one vote and upon poll each person present in person or by proxy shall have one vote for each ordinary share held.

b) Options and Performance Rights
Performance Rights and Options do not have any voting rights.

F. Market buy-back

There is currently no on market buy-back.

CORPORATE DIRECTORY

Name of Entity
SUPER RETAIL GROUP LIMITED

ABN
81 108 676 204

Company Secretary
Mr Robert Dawkins

Principal Registered Office
751 Gympie Road
LAWNTON QLD 4501 Australia
Telephone +61 7 3482 7900
Facsimile +61 7 3205 8522

Share Registry
Link Market Services
Level 12, 680 George Street
SYDNEY NSW 2000 Australia
Telephone 1300 554 474
+61 2 8280 7100
www.linkmarketservices.com.au

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

Solicitors
King & Wood Mallesons

Auditors
PricewaterhouseCoopers

Website Address
www.superretailgroup.com.au

Key Dates for Shareholders

Event	Date[1]
Annual General Meeting[2]	Wednesday, 21 October 2015
Final Dividend Ex-Date	Friday, 28 August 2015
Final Dividend Record Date	Tuesday, 1 September 2015
DRP Election Date	Wednesday, 2 September 2015
Final Dividend Payment Date	Friday, 2 October 2015
Interim Results Announcement	Thursday, 25 February 2016
Interim Dividend Ex-Date	Friday, 4 March 2016
Interim Dividend Record Date	Tuesday, 8 March 2016
DRP Election Date	Wednesday, 9 March 2016
Interim Dividend Payment Date	Friday, 8 April 2016

[1] If there are any changes to these dates, the Australian Securities Exchange will be notified accordingly.
[2] The 2015 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.

Super Retail Group

www.superretailgroup.com

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