

***2005 Annual General Meeting  
Managing Director's Presentation***

20 October 2005

**Bob Thorn** – Managing Director



# *The Presentation*

- 1. 2004-05 Performance Highlights**
- 2. Key Business Highlights**
- 3. Future Plans**
- 4. Outlook for 05-06**
- 5. 1<sup>st</sup> Quarter Trading Update**



## 1. 2004-05 Performance Highlights — RESULTS

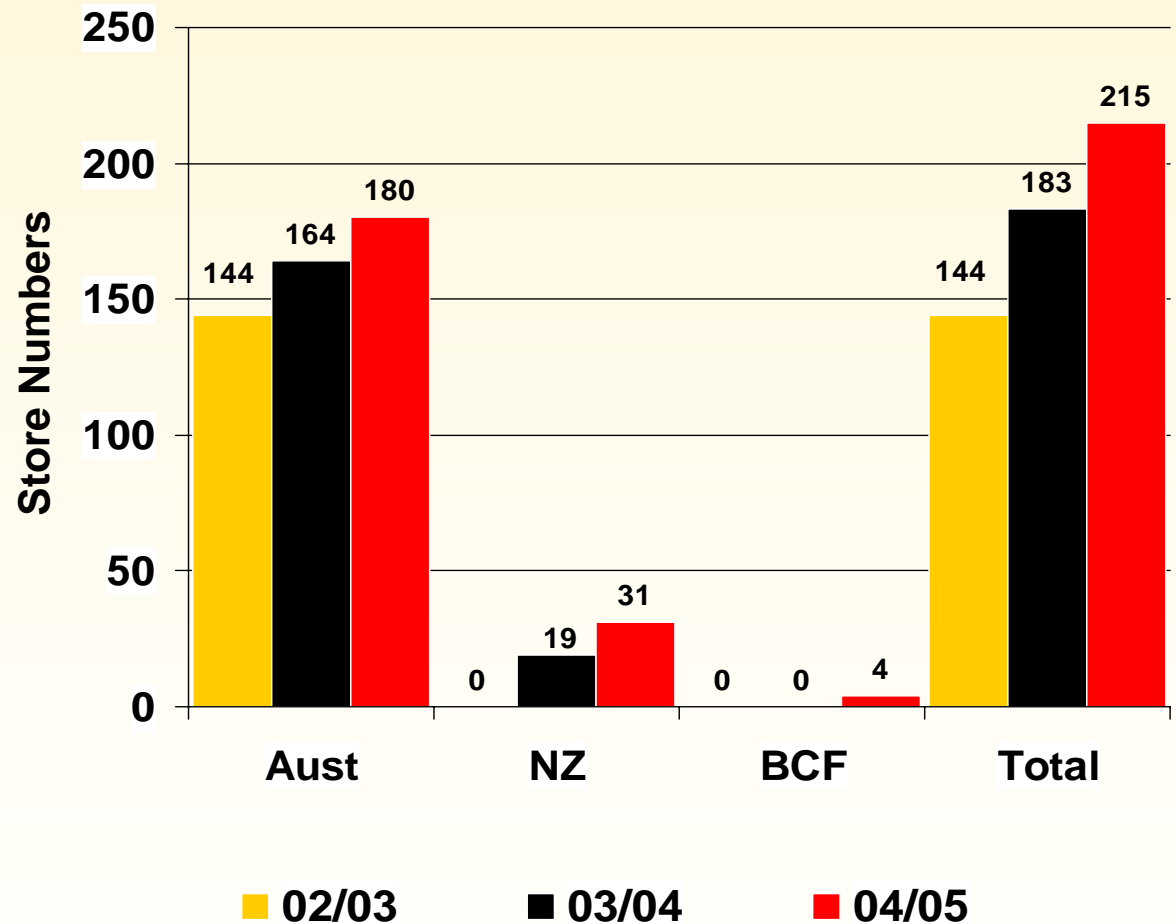
- Group sales up 22.8% on LY
- GP\$ up 24.7% on LY
- EBITA beats prospectus by 6.2%
- NPAT (pre specific items) up 31.1% on LY & 12.3% ahead of prospectus
- Dividends up 12.1% on prospectus

|                              | 04/05<br>Actual | 03/04<br>Actual | %<br>Increase | Prospectus | %<br>Increase |
|------------------------------|-----------------|-----------------|---------------|------------|---------------|
| Store Numbers<br>(SCA only)  | 211             | 183             | 17.5%         | 205        | 4.9%          |
| Sales                        | \$470.1m        | \$382.7m        | <b>22.8%</b>  | \$474.3m   | (0.9)%        |
| Gross Profit                 | \$183.3m        | \$147.0m        | <b>24.7%</b>  | \$183.2m   | -             |
| Gross Profit %               | 39.0%           | 38.4%           | 0.6%pts       | 38.6%      | 0.4%pts       |
| EBITA                        | \$32.5m         | \$25.6m         | <b>27.0%</b>  | \$30.6m    | <b>6.2%</b>   |
| EBITA %                      | 6.9%            | 6.7%            | 0.2%pts       | 6.5%       | 0.4%pts       |
| NPAT (pre<br>specific items) | \$17.3m         | \$13.2m         | <b>31.1%</b>  | \$15.4m    | <b>12.3%</b>  |
| EPS (pre<br>specific items)  | 16.3c           | 12.4c           | 31.5%         | 14.5c      | 12.4%         |
| Dividend                     | 6.5c            | -               | -             | 5.8c       | <b>12.1%</b>  |



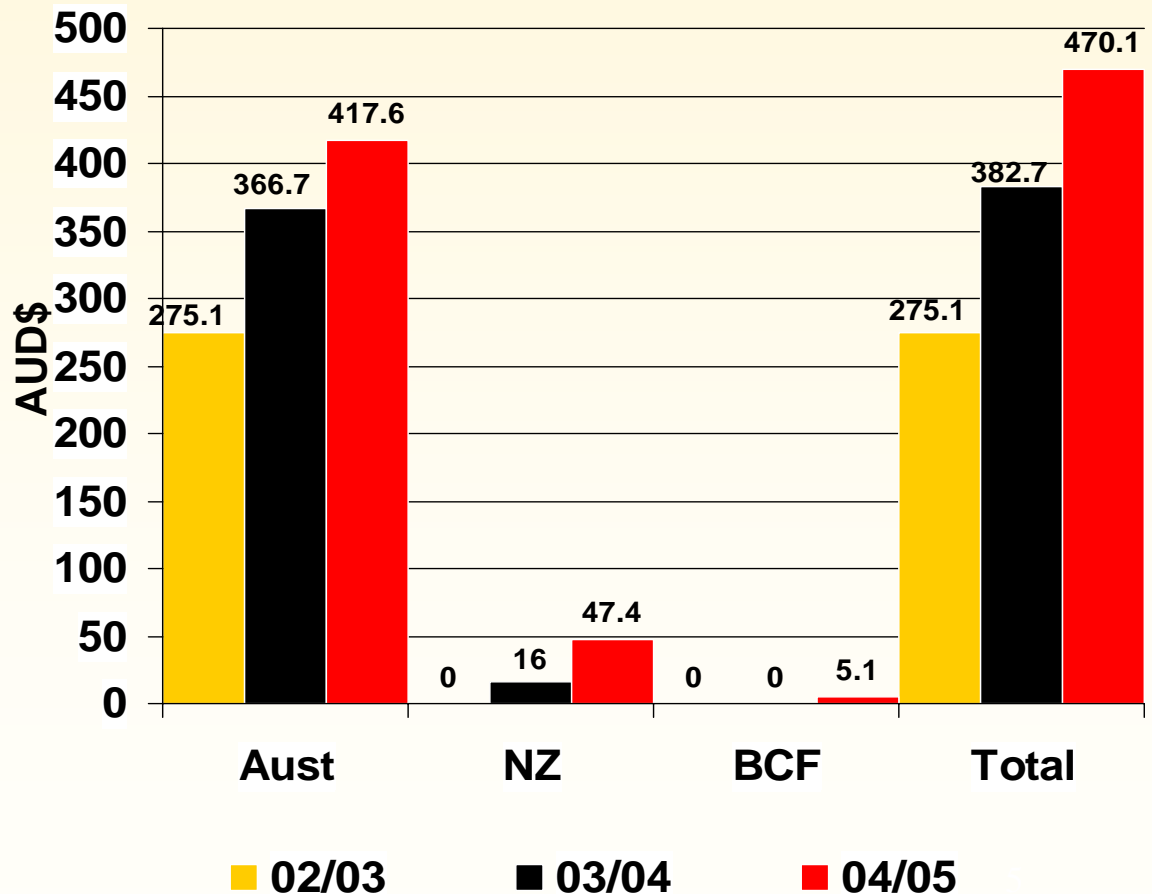
# 1. 2004-05 Performance Highlights - STORE NUMBERS

- 28 new SCA stores opened in the 04-05 year
- Australia - 16 SCA stores opened
- New Zealand – 12 SCA stores opened
- New Zealand - opened 31 stores in less than 19 months
- 4 existing CampMart stores



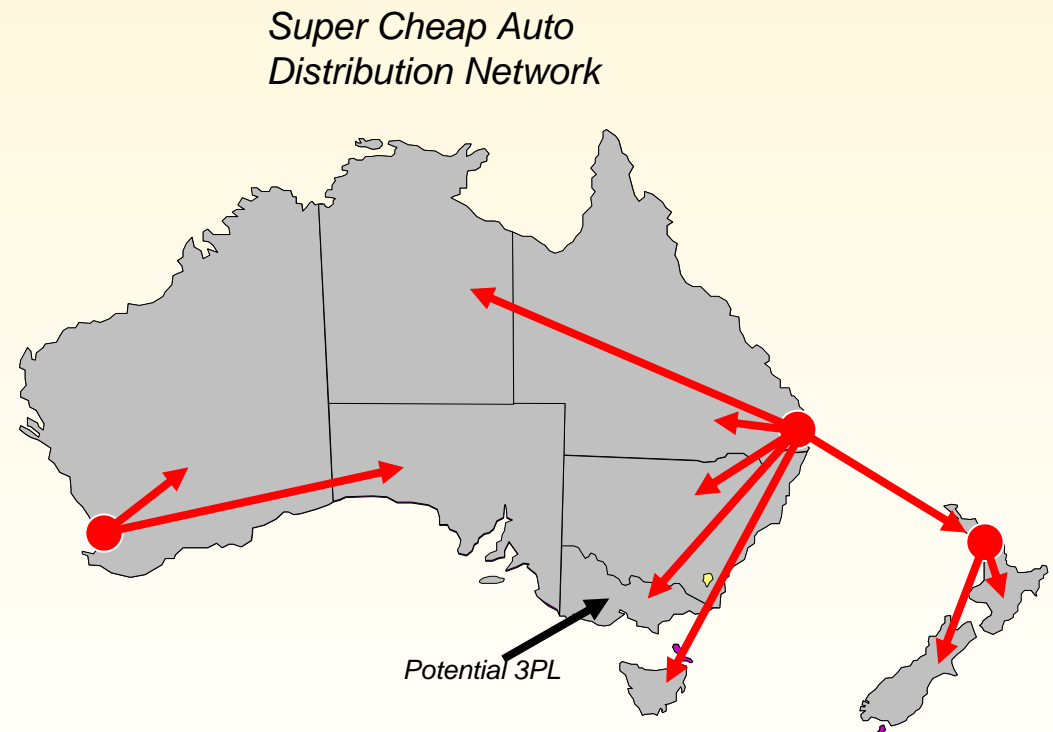
## 1. 2004 - 05 Performance Highlights — SALES

- Total Group sales – \$470.1m
- Total Sales growth – 22.8%
- Super Cheap Auto like for like growth – +3.7% across Australian stores
- BCF (CampMart) only traded for 5 months



## 2. Key Business Highlights – SUPPLY CHAIN

- Supply Chain costs in line with forecasts
- Lawnton DC extension completed – increased capacity for '05-'06
- 3PL facilities used to manage peak demand
- Investigation underway into new China consolidation processes
- Review underway on the placement of DC's and future capacity requirements



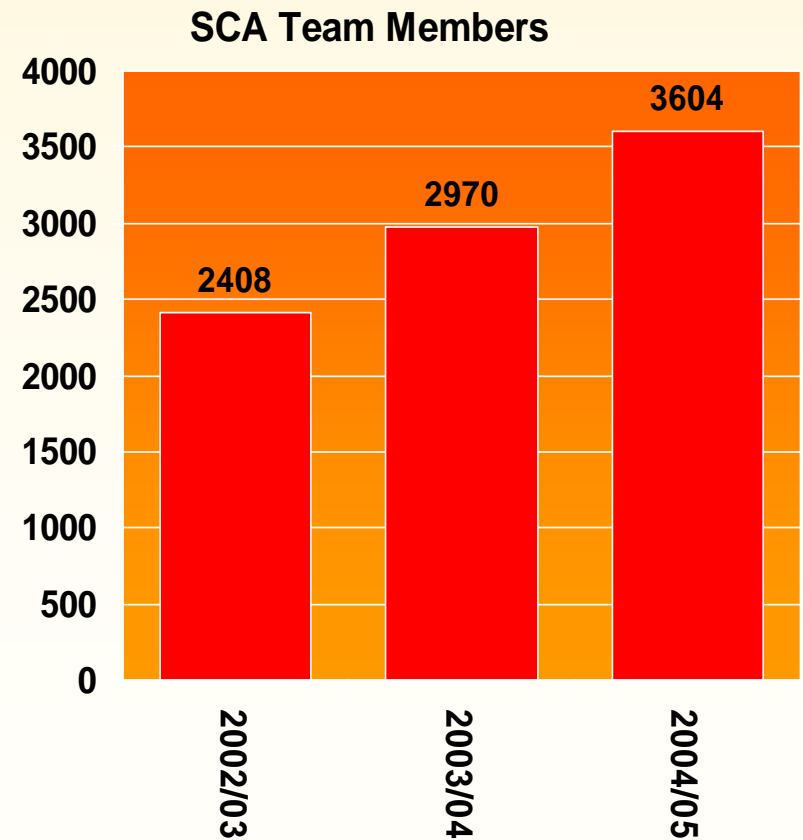
## *2. Key Business Highlights – BUSINESS SYSTEMS*

- **Demand planning and forecasting system implementation commenced**
- **Improved Disaster Recovery Planning initiatives being implemented**
- **SAP effectively manages new businesses. i.e. BCF, SCA NZ, and CampMart acquisitions**
- **Future SAP enhancements planned to meet business requirements - Data Warehousing, CRM, Merchandise Assortment Planning**



## 2. Key Business Highlights - PEOPLE

- The SCA Culture continues to set us apart
- Team member numbers pass 3500
- Appointment of Pam Pugsley as GM of Retail Operations
- Appointment of David Ajala as GM of Merchandising
- Appointment of Steve Doyle as GM of BCF
- Appointment of Graham Chad as GM of Supply Chain



## *2. Key Business Highlights - MARKETING*

- **Customer research completed for Australian and NZ market**
- **48% unprompted brand awareness in New Zealand**
- **Increased advertising expenditure due to tougher retail trading**
- **GP margin improvement through product mix management**
- **New 2 car V8 SCA Race Team sponsorship for 2005 season**
- **Increased awareness in NZ with Greg Murphy as lead driver for SCARR**
- **“Super Cheap Auto Bathurst 1000” naming rights secured for 3 years with a 3 year option**



## *2. Key Business Highlights – COST MANAGEMENT*

- **Effective cost control under tougher second half trading conditions**
- **Ability to manage and adjust expenditure to meet trading demands e.g. increase in advertising expenditure while maintaining overall costs and GP margin**
- **Communications and Head Office wage costs created savings**
- **Supply Chain and BST Consultancy costs reduced through building increased internal capabilities**



## *2. Key Business Highlight – New BCF Concept*

- **CampMart business acquired in Jan '05**
- **New BCF Management Structure created in May '05. The Team led by Steve Doyle**
- **Launch of BCF concept in July '05 to market and Vendors... enthusiastically received**
- **Announcement of expansion plans to 14 stores by June '06 (10 new stores)**
- **Sales potential per store of \$5m - \$6m on maturity (3 years)**
- **Market size estimate - \$1.8Bn to \$2.0Bn in 2005**
- **Potential for 60 stores across Australia and New Zealand**
- **\$27.5m investment in 2005/06**
- **Business successfully launched on 15 October**



**BOATING ■ CAMPING ■ FISHING**

### *3. Future Plans*

- Our PRIMARY goal ..... 300 Super Cheap Auto stores across Australia and NZ
- 60 BCF stores across Australia and New Zealand
- Plan for 20-25 SCA stores and 10 new BCF in '05-06
- New Zealand SCA expansion to continue based on results, impact on competitors and market research
- SCA to place increased emphasis on our “Core Auto Product” offer
- New TV campaign to leverage off V8 motor-sport and Super Cheap Auto Bathurst 1000 involvement in 2005
- Continued emphasis on Supply Chain cost management and efficiencies
- Initiatives planned to maintain and improve COGS and vendor terms



## *4. Outlook for 2005 -'06*

- **LFL growth in the range 3% to 4% given the competitive position and general retail environment**
- **Increased advertising media weight in second quarter to align with motor-sport and “SCA Bathurst 1000” initiatives.**
  - ◆ **First quarter LFL sales flat**
  - ◆ **Stronger second quarter sales expectation**
- **New SCA stores estimated to deliver approx \$1.8m for first full year trading**
- **Super Cheap Auto EBITA margin around 7% based on current Australian accounting standards**
- **In line with Launch announcement, BCF expected EBITA circa \$1m (before launch costs). Launch costs in 05-06 estimated \$5m to be expensed.**



## 4. Outlook for 2005 -'06 – SCA New Stores

- **Current store numbers - 217**
- **4 Super Cheap Auto stores opened during 1<sup>st</sup> quarter:**
  - ◆ **Woolston (NZ)**
  - ◆ **Dapto (NSW)**
  - ◆ **Horsham (Vic)**
  - ◆ **Narre Warren (Vic)**
- **Super Cheap Auto stores scheduled for the 2<sup>nd</sup> quarter:**
  - ◆ **Whitford (WA) – now open**
  - ◆ **Botany (NZ) – now open**
  - ◆ **North Parramatta (NSW)**
  - ◆ **Cannington (WA)**
  - ◆ **Blenheim (NZ)**
  - ◆ **Levin (NZ)**
  - ◆ **Victoria Point (Qld)**
  - ◆ **Moree (NSW)**
- **Bathurst track store operated during Super Cheap Auto 1000**
- **On track for 223 stores trading by Christmas '05**
- **Target 230 to 235 stores by June '06**



## 4. Outlook for 2005 -'06 – BCF New Stores

- **Current store numbers – 8**
- **2 BCF stores opened during 1<sup>st</sup> quarter:**
  - ◆ **Labrador**
  - ◆ **Maroochydore**
- **6 BCF stores scheduled for the 2<sup>nd</sup> quarter:**
  - ◆ **Cannon Hill – now open**
  - ◆ **Browns Plains – now open**
  - ◆ **Toowoomba – now open**
  - ◆ **Mackay**
  - ◆ **Townsville**
  - ◆ **Cairns**
- **3 CampMart stores converted to BCF**
  - ◆ **Keperra store to be relocated to larger premises**
- **On track for 12 stores trading by Christmas '05**
- **Target 14 stores trading by June '06**



## 5. 1<sup>st</sup> Quarter Trading Update – 13 weeks to 1 October 2005

- **SCA Group sales - \$118.2m – 9.7% higher than the comparative period**
- **Super Cheap Auto sales - \$115.1m**
- **Super Cheap Auto total sales growth:**
  - ◆ **Australia - 4.7%**
  - ◆ **New Zealand - 29.6%**
  - ◆ **Total - 6.8%**
- **Super Cheap Auto like for like sales growth**
  - ◆ **Australia - 0.4%**
  - ◆ **New Zealand - (9.3%) – (impacted by cannibalisation)**
  - ◆ **Total - (0.4%) – (flat in line with outlook statement)**
- **BCF (Camp Mart) sales - \$3.1m - in line with expectations**
  - ◆ **Strong launch of BCF on weekend of 15 & 16 October**
- **Gross Margins and Expenses in line with expectations**

