



ABN 81 108 676 204

CHAIRMAN'S ADDRESS
ANNUAL GENERAL MEETING - 20 OCTOBER 2005

It has been a rewarding experience for me and my fellow directors to have been able to present the results achieved by Super Cheap Auto Group during its first full year of trading. I am particularly pleased to be able to stand here to-day and say that the company has exceeded its profit forecasts, and is delivering on the promise to grow both the core SCA business, whilst taking the first steps toward developing an entirely new retail opportunity.

Despite the well publicised weakness in consumer spending, we were able to exceed profit forecasts through a combination of good margin and cost management. A short analysis of the results for the financial year have sales up by 22.8% and operating profit before tax by 27.0%. Operating and after tax profits exceeded prospectus forecasts by 6.2% and 6.5% respectively. This was achieved whilst making a substantial capital commitment of \$5.6M to expand the SCA retail network by 28 stores to 211, and \$6.3M to improve the supply chain.

The results achieved during the reporting period proved, yet again, that Bob Thorn and his first class retailing team are able to produce more than sales growth alone. They have lifted sales to new record levels for the group, whilst improving shareholder wealth, and securing a future for the company.

The future includes CampMart. The four CampMart stores were acquired in January. This acquisition delivered on the promise made at the last AGM to seek out other retailing formats which offer the opportunity to enhance the underlying economics of the company and take greater benefit from a team culture which has proven itself capable of delivering a competitive advantage.

The transformation of CampMart into a boating fishing and camping concept through the BCF brand is now well under way. Your board recognises the risks which accompany the investment it is making in this new and untried retail format during a period when retail spending has been unsettled by general economic conditions and consumer fatigue. These risks are being managed through the staged introduction of the BCF format to markets which stretch from Northern NSW, through Queensland and onto Darwin. Success in these markets will provide the information we need to extend the reach of BCF into new markets where seasonal influences on spending will be more obvious.

Finally, Super Cheap Auto Group is an investment in a growth story. I am grateful for the support of a cohesive and unified board which is committed to building the company. We are also grateful for the benefits we gain from a strong management, and a team which enthusiastically engages in the business, and celebrates its successes.

I will now call on your Managing Director, Bob Thorn, to address the Group's operational achievements challenges.