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ASX / Media Announcement

Super Retail Group confirms completion of Macpac acquisition

Super Retail Group Limited (ASX:SUL) today announced that it completed the acquisition of Macpac on 5 April 2018.

On 20 February 2018, Super Retail Group announced the intended acquisition of Macpac Holdings Pty Limited ("Macpac") for total consideration of NZ$144 million[1]. The acquisition has been fully funded from the Group's debt facilities.

Macpac was founded in 1973 selling hiking packs in Christchurch. It commenced retail operations in 2008. The company today operates as a vertically integrated retailer with 54 stores across Australia and New Zealand offering primarily own branded apparel, equipment and accessories.

Macpac has continued to trade in line with expectations. Macpac's provisional and unaudited management accounts for the year to 31 March 2018 report sales of NZ$97.3 million and EBITDA of NZ$17.2 million. This is consistent with Super Retail Group's estimated pro-forma EBITDA of circa NZ$16 million after normalisations and pro forma cost adjustments. Total and like for like sales growth in the year to 31 March 2018 were 21.2 per cent and 8.6 per cent respectively.

Peter Birtles, Group Managing Director and Chief Executive Officer said that the acquisition of Macpac and integration with the Group's Rays business would act as a platform to grow the Macpac business into the leading outdoor adventure retail specialist across Australia and New Zealand.

"The Macpac business has performed extremely well over recent years, yet there remains a significant opportunity to grow the business in the near future through opening new stores and growing its digital and commercial channels. Following the acquisition, the Group has completed the trial of the Rays business and will integrate its profitable stores into the Macpac business over the coming 12 months."

ENDS

[1] The purchase price is before acquisition costs and is subject to a post completion adjustment based on Macpac's working capital balance as at 31 March 2018.

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