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Market Information Services Section  
New Zealand Exchange Limited

Company Announcements Office  
Australian Stock Exchange Limited

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**November 24, 2006**

**THE WAREHOUSE GROUP LIMITED**

**Annual Shareholders' Meeting  
Copy of slides provided**

Attached is a copy of the slides to be given today at The Warehouse Group Limited Annual Shareholders Meeting at 10am.

A copy of the slides will shortly be placed on the company website at [www.thewarehouse.co.nz](http://www.thewarehouse.co.nz)

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***The Warehouse Group Limited***  
***Annual Shareholder Meeting***  
***24 November 2006***

1. Introduction and 2006 results [Keith Smith, Chairman]
2. Strategy overview [Ian Morrice, Group CEO / Gary Rohloff, CEO WSL]
3. Business of the meeting [Keith Smith, Chairman]
  - Receive annual and auditors' reports
  - Re-election of directors
  - Auditors' remuneration
  - Directors' remuneration
  - Other business
4. Refreshments

*Copies of the presentation are available on  
[www.thewarehouse.co.nz](http://www.thewarehouse.co.nz) or by emailing [investor@twl.co.nz](mailto:investor@twl.co.nz)*



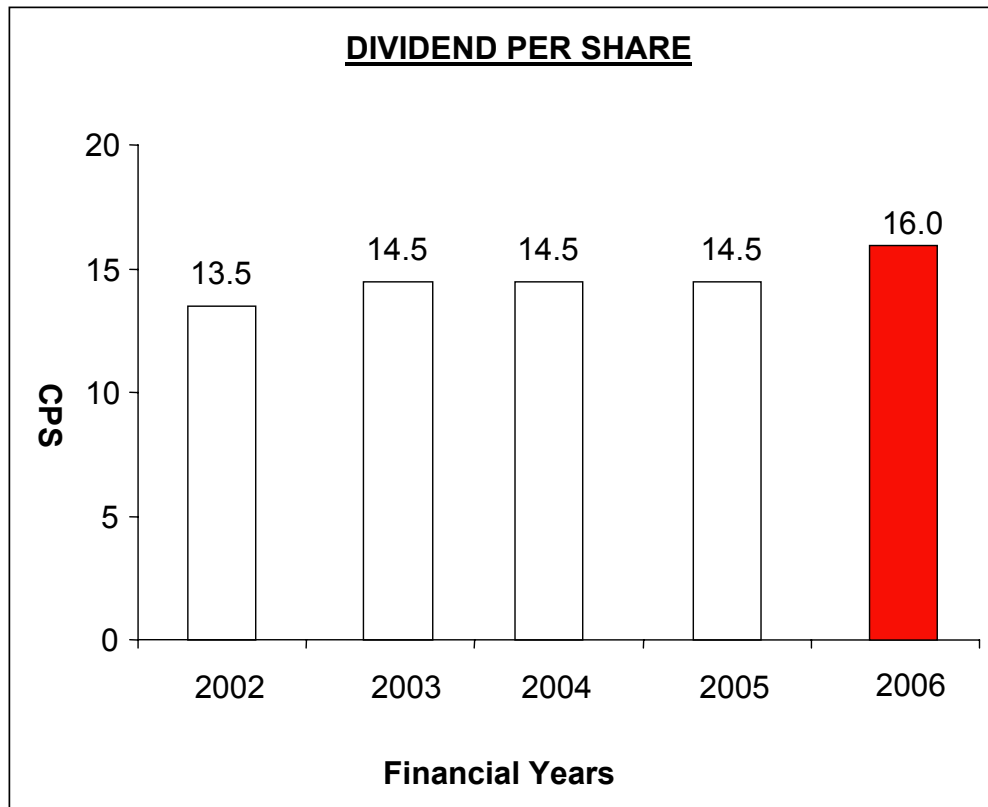
- Record profit of \$96.9m, excluding sale of Australian business
- Including the Australian disposal costs, reported net profit after tax of \$29.3m
- Robust balance sheet – improvement in key ratios
- Focus on developing the New Zealand businesses
- Operations achieved improvements in sales and operating profit
- Demonstrable progress in our three year plan to reinvigorate the Group

- Strengthened foundations of the business from source to shelf
  
- The Warehouse refresh well underway
  - The Warehouse Extra format launched
  
  - Full grocery offer introduced
  
  - Improvements made in global sourcing and store operations
  
- Warehouse Stationery undergone significant development
  - Further refinement in the product range
  
  - Development of a new store format - template for future store rollout

- Ownership
- Capital management and expenditure
- Significant increase in FY07 Group capital expenditure
- Investment necessary to cement further operational efficiencies

- Three directors are standing for re-election
  - Rob Challinor
  - John Avery
  - Janine Smith





- Total dividends for year 16.0 cps, up 10.3%
- Adjusted 2006 payout 50.6%



- Q1 sales of \$382.4 million up 1.6% on a year ago
- Sales in The Warehouse rose 1.5%
- Sales in Warehouse Stationery rose 2.4%
- Key Christmas and 'Back to School' periods to come



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***The Warehouse New Zealand***  
***Priorities and Progress***

We set out with one simple concept in mind. To put the **customer first** and let everything else, every business activity and consideration, flow from that principle. Within The Warehouse itself we all work together and our **team spirit** comes through because we enjoy being successful and we aim to keep our customers **satisfied**. We regard **employees** as our greatest asset; they choose to stay with us because we care and we take time to recognise individual qualities. The Warehouse is a **way of life** for countless New Zealanders. We make a difference to people's lives, especially family life, by making the desirable **affordable**.

1. Develop our brand
  - The Warehouse brand refresh
  - New brands and house brands
2. Source great product
  - Full credible food offer established
  - Introduced new categories in pharmacy and liquor
3. Leverage our supply chain
  - Shanghai Representative Office delivering improved supply performance
  - Improved stock holdings per SQM
  - Productivity improvements despite increased costs
4. Improve our stores
  - New formats established and performing to expectations – Extra, The Warehouse
  - Revamped Warehouse format in nine out of 85 stores

➤ **Customer focus to refreshing our offer**

# *Warehouse Stationery*

*Priorities and Progress*

# Priorities and Progress

1. Develop our brand
  - New Warehouse Stationery brand developed
2. Source great product
  - Consolidated sales growth in B2B
  - Introduced new categories (e.g. digital kiosks), exited non-core categories (e.g. books)
  - Starting to leverage Shanghai Representative Office
3. Leverage our supply chain
  - Introducing centralised purchasing, WMS, replenishment and financial receipting
  - Further improvements in on-shelf availability
4. Improve our stores
  - New format established and performing to expectations – Wairau Park



- **Consolidation and earnings recovery this year**
- **Investing in core infrastructure**



## *Wairau Park Format Refresh*

- New store format – focusing on improving customer experience and store economics
- Reformatted store opened July 2006 – 1,553 m<sup>2</sup> of retail space
- New features include:
  - Business machine store in store with specialist staff
  - Service desks for technology and furniture, full service copy centre
  - Customer use PC's with live internet, wifi network
- Over 500 new products introduced
- Removed over 3,000 non-core SKUs
- Improved in-store communications, store navigation, space and adjacencies
- **Store performing to expectations – sales, basket size, customer response**



# *The Warehouse Group*

*Focus for FY07-09*

1. Improve sales performance
  - Accelerate format development programme
  - Provide better value through brands, improved house brands, development of categories
  
2. Improve margin performance
  - Drive category management and return on space
  - Leverage benefits of supply chain scale
  
3. Invest to improve customer service
  - Develop IT infrastructure
  - Improve efficiency of stores

- **Patchy consumer demand**
- **Expect real retail sales growth over the next 12 months to be flat**
- **Focused on delivering growth ahead of the market**

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Thank you for attending  
The Warehouse Group Limited  
2006 Annual Shareholder Meeting