

THE WAREHOUSE GROUP LIMITED

Minutes of the Annual Meeting of The Warehouse Group Limited held on Friday 25 November 2005 at 10.00am in the Newmarket Room, Ellerslie Convention Centre, Ellerslie, Auckland.

Directors in attendance

K R Smith (Chairman)	I Morrice
J R Avery	R L Challinor
S R Tindall	G Evans
J C Dahlsen	

The meeting opened with a welcome and introduction from Keith Smith, chairman of The Warehouse Group Limited ("the Company")

Notice of Meeting

Moved: Keith Smith

That the Notice of Meeting which was circulated within the statutory period to all shareholders be taken as read:

Seconded: Mr Bob Rowsell

Carried on a show of hands.

The Chairman reported that valid proxies representing 72% of shares had been received.

Apologies

There were no apologies

Minutes of the previous Annual Meeting held on 26 November 2004

Mr Smith advised that the minutes had been approved as a true and correct record by the Directors at the first board meeting following the last annual meeting. The minutes have been posted on the company website in February 2005

Shareholder Questionnaire

The Chairman invited shareholders to complete a shareholder questionnaire that has been distributed to those attending today's meeting.

Annual report

Before moving the receipt of the financial statements, Mr Smith addressed the shareholders providing an overview of the 2004/05 financial year, the sale of the Australian business, international financial reporting standards, leadership and performance in the company and the outlook for the year. The Chairman also commented on the trading for the three months ended 31 October 2005. *(Copies of the presentation were issued to the NZX and ASX and were on the company's website).*

Mr Smith introduced Ian Morrice, Group CEO to shareholders. Mr Morrice commented on the changing retail environment, the four strategic priorities for The Warehouse New Zealand, progress and priorities for Warehouse Stationery and the sale of the Australian business. Ian Morrice also spoke briefly on capital management and the outlook for 2005/06. *(Copies of the presentation were issued to the NZX and ASX and were on the company's website).*

Moved: Keith Smith

That the financial statements, together with the Annual Report and Auditors Report for the year ended 31 July 2005 be received by the meeting.

Seconded: Mr Bob Rowsell

Mr Brian Phippen, a shareholder, commented on the auditors report and the ten-year review in The Warehouse 2005 annual report.

The audit report excludes comment on the 10 year review on page 50 of the 2005 Annual Report. The 10 year review includes numbers that are not inflation adjusted and that as a result did not present a fair picture of earnings and sales trends.

Mr Phippen asked more detail in respect of the Statement of Financial performance in future reports.

Tony Sullivan, a proxy holder on behalf of the NZ Shareholders Association, asked why there were related party transactions in respect of Mr Smith and Mr Avery in relation to BDO Spicers and Hesketh Henry when there were alternative providers of accounting and legal advice.

Mr Smith said TWG use of BDO Spicers mainly related to payroll processing and that TWG use all of the major accounting firms for accounting, tax and other financial advice. Mr Smith noted that he will be retiring as a partner of BDO Spicers at the end of the calendar year. The Chairman also reported that the company uses a number law firms including Hesketh Henry.

Mr Derek Cunning, asked how much the Australian venture had cost and asked who is to blame for the failure. The Chairman said the approximate cost was \$250m. The company sought advice and the board made the final decision to buy into Australia. The company under-estimated the structural issues and competitor risk.

A shareholder, asked that an options or share programme similar to the Executive Share Scheme be available to non-executive team members. The Chairman said the company has a staff purchase scheme operated under DF7 of the Income Tax Act. Approximately 1,500 team member are shareholders in the company.

Mr Bulling asked several questions in relation to director accountability and performance review. He asked why there was no independent involvement including shareholder representation in the director reviews. Mr Smith said the review was done by an outside agency and focused on relationship of directors with management and other board members, time commitment by directors and a commitment to vision and value.

Mr Bulling said the company's financial performance indicated the company was performing poorly and believed the board should focus on key financial indicators when making director assessments.

Mr Phippen, a shareholder disagreed with the previous comment on the company's performance and commended directors on maintaining the level of dividends. Mr Phippen asked for comment on the comparison between The Warehouse New Zealand and Wal-Mart (USA).

IM said the similarities were they were the biggest non-food operator in their respective markets and they operated large format stores. However the similarities largely ended there. The Warehouse has developed its own business processes and noted that the company's relationship with its employees appeared to be different to that observed in Wal-Mart. Wal-Mart was a source of good retail ideas but The Warehouse operated its own unique business model.

Carried on a show of hands.

Directors and attendees

The chairman introduced the directors and attendees at today's meeting.

Rotation of Directors

Rotation of Directors

Mr Smith passed the chairmanship to Graham Evans as Keith Smith was seeking re-election today. Mr Evans reported that in accordance with the constitution of the company, S R Tindall, K R Smith and J C Dahlsen retire by rotation and all being eligible offered themselves for re-election.

S R Tindall, K R Smith and J C Dahlsen each gave a brief outline of their background and reasons why they were seeking re-election to the Board.

Resolution 1

Moved: Graham Evans:

That Mr Stephen R Tindall, a Director retiring by rotation, be, and is hereby elected a Director of the company.

Seconded: Mr Bob Rowsell

Carried on a show of hands

Resolution 2

Moved: Graham Evans:

That Keith R Smith, a Director retiring by rotation, be, and is hereby elected a Director of the company.

Seconded: Mr Bob Rowsell

Carried on a show of hands

Resolution 3

Moved: Graham Evans:

That Mr John C Dahlsen, a Director retiring by rotation, be, and is hereby elected a Director of the company

Seconded: Mr Bob Rowsell

Carried on a show of hands

Keith Smith resumed the Chair.

Resolution 4 - Auditors

PricewaterhouseCoopers is automatically reappointed as auditor under section 200 of the Companies Act 1993. The resolution tabled authorises the Board to fix the fees and expenses of the auditor.

Moved: Keith Smith

To authorise the Directors to fix the remuneration of PricewaterhouseCoopers as auditor for the ensuing year.

Seconded: Mr Bob Rowsell

Carried on a show of hands

SPECIAL BUSINESS-THE WAREHOUSE GROUP LIMITED EXECUTIVE SHARE SCHEME (“SCHEME”)

In 2004, the Company established The Warehouse Group Limited Executive Share Scheme whereby selected executive employees including executive Directors of the Company or of any subsidiary of the Company were granted a right to be transferred ordinary shares in the Company upon the satisfaction of certain conditions.

Resolutions 5 to 8 relate to the ongoing operation of the Executive Share Scheme approved by shareholders last year. Keith Smith briefly summarised details of the 2004 Scheme and took questions in relation to the Scheme and the financial assistance.

Tony Sullivan commended the company regarding the work done by the management team and asked that Ian Morrice not be a trustee of The Warehouse Management Trustee Company No.2 Limited to avoid a potential conflict in terms of the Scheme.

In response to a question it was reported that the hurdle for the 2006 scheme will be set in September 2006 in relation to the performance shares.

Ordinary resolution relating to approval for the Company to give financial assistance for the purpose of the Scheme:

Resolution 5

Moved: Keith Smith.

That the provision of financial assistance by the Company to The Warehouse Management Trustee Company No. 2 Limited as Trustee of the Scheme, by way of a loan up to a maximum value of \$5,100,000 in 2006 (as set out in the Explanatory Notes accompanying the Notice of Meeting), be approved.

An explanatory note in relation to this resolution accompanies this Notice of Meeting (Note 1, Parts 2 and 3).

Seconded: Mr Bob Rowsell

Carried on a show of hands

Ordinary Resolutions for approval of the issue of equity securities:

Resolution 6

Moved: Keith Smith:

That the issue by the Company to selected executives and executive Directors of rights to acquire up to a maximum of 2,000,000 Shares under the Scheme in 2006 (as set out in the Explanatory Notes accompanying the Notice of Meeting) be approved.

An explanatory note in relation to this resolution accompanies this Notice of Meeting (Note 1, Parts 2 and 5).

Seconded: Mr Bob Rowsell

Carried on a show of hands

Resolution 7

Moved: Keith Smith

That the acquisition of securities (as summarised in the Explanatory Notes accompanying the Notice of Meeting) under the Scheme by Ian Rognvald Morrice, a Director of the Company, be approved.

Seconded: Mr Bob Rowsell

Carried on a show of hands

Resolution 8

Keith Smith told shareholders at the time the Notice of Meeting was sent to shareholders; Ian Tsicalas was a director of TWG. However, as announced yesterday, as a result of selling our Australian business Ian Tsicalas resigned as a director of TWG effective immediately. Until 27th November 2005, Ian Tsicalas remains as an employee of TWAL and could still participate in the Executive Share Scheme. However, for the purposes of the ASX Listing Rules, specific shareholder approval for his participation in the Scheme is still required as Ian Tsicalas is considered to be a related party of the Company for a period of six months after his resignation.

As for other executive employees, Ian Tsicalas' entitlements under the Scheme will be determined by the Remuneration, Talent and Nomination Committee of the Board and in accordance with the deed governing the Scheme.

Moved: Keith Smith:

That resolution 8 is amended as follows "To approve the acquisition of securities (as summarised in the Explanatory Note accompanying the Notice of Meeting and as amended by information provided at this meeting) under the Scheme by Ian Tsicalas."

Seconded: Mr Bob Rowsell

Carried on a show of hands

Resolution 9

The Chairman recorded that the company has received a Shareholder Proposal on Directors' commitments, put forward by Mr Graeme Bulling. The proposed resolution is an ordinary resolution in accordance with clause 25.1 of the Company's constitution and clause 9 of the first schedule to the Companies Act 1993.

A statement of the Board's view in response to this shareholder proposal was accompanied the Notice of Meeting sent to all shareholders and was summarised briefly by the Chairman. The Board of the company does not support the proposed resolution.

The Chairman invited Mr Bulling to speak in favour of his resolution. Mr Bulling said the proposal focused on the value of transparency and accountability of director performance.

Moved: Graeme Bulling:

That the Board of Directors develop an objective, and where possible, measurable policy and set of guidelines regarding the total acceptable workload that Directors may have, and that the policy be presented to shareholders in the Notice of Meeting for the next annual meeting of the Company for their consideration at that meeting.

An explanatory note in relation to this resolution accompanies this Notice of Meeting (Note 2, Part 1). A statement of the Board in response to this shareholder proposal also accompanies this Notice of Meeting (Note 2, Part 2).

Seconded: Mr Keith Smith

Mr Hugh Morris, a shareholder recorded his confidence in directors while Mr Stephen Tindall spoke in support of the rigor of the director review process.

Defeated on a show of hands

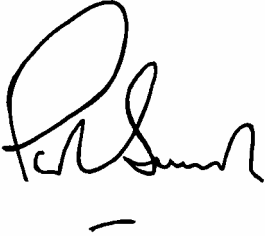
Mr Smith thanked Mr Bulling for raising this issue with all shareholders.

General Business

Julian Brook, a shareholder, asked about the drinking board game recently advertised by The Warehouse New Zealand and the performance of the jewellery category. Ian Morrice said the drinking board game had been withdrawn from stores as the product did not keeping with the family character of Warehouse stores.

Mr Smith thanked the shareholders for their attendance and declared the meeting closed at 12.22pm.

Signed a true and correct record

A handwritten signature in black ink, appearing to read 'Keith Smith', written over a horizontal line.

Keith Smith, Chairman
The Warehouse Group Limited

Dated: 2 February 2006