

Business Profile

Year Ended July 2002	Warehouse New Zealand	Warehouse Stationery	Warehouse Australia	Warehouse Group
Sales (\$m)	\$1,261.6	\$124.4	\$476.0	\$1,862
Operating Profit (\$m)	\$140.1	\$4.2	\$2.6	\$147.0
Store Numbers	78	36	120	234
Retail area at year end (m ²)	330,343	40,406	191,341	562,090
Team members	6,604	749	4,635	11,988

In New Zealand, The Warehouse is a leading non-food retailer, offering value for money and a product range which is both accessible and exciting to those who require functionality at affordable prices. The growth of The Warehouse, in both sales and floor space over the last 20 years, far exceeds that of any other non-food retailer in New Zealand.

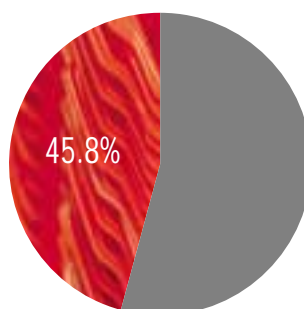
In addition to the 78 The Warehouse stores, subsidiary company Warehouse Stationery has 36 stores throughout New Zealand. Our business to business e-commerce channel was launched in 2001 and allows customers to access the small-to-medium size enterprise market via the internet, a call centre or a Warehouse Stationery sales representative.

In August 2000, The Warehouse purchased an Australian bargain store chain which then traded as "Clints Crazy Bargains" and "Silly Solly's". The chain now has 120 stores throughout New South Wales, Queensland, Victoria and the ACT. The vision of The Warehouse is to use our experience, proven processes and technology to develop this part of our organisation into an Australian retail force proportional to The Warehouse in New Zealand.

Market and Market Share

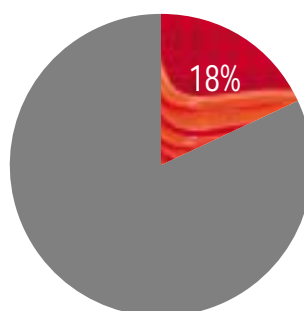
The Warehouse New Zealand

For the year ended 31 July 2002, nominal total national New Zealand retail sales rose 7.5 percent excluding motor vehicle and motor vehicle servicing, while the department store sector grew by 2.5 percent during the same period. The Warehouse's share of the department store sector was 45.8 percent for the year ended 31 July 2002, a rise of 2.4 percentage points from 2001.



Warehouse Stationery

The stationery sector has an estimated size of \$700 million and Warehouse Stationery has an estimated share of 18 percent.



The Warehouse Australia

The "Bargain Sector" has an estimated market size of A\$2 billion. The discount department store and bargain sector is growing faster than the traditional department store sector. The Warehouse Australia has an estimated market share of 20 percent. Nominal Australian retail sales grew 6.5 percent for the year ended 31 July 2002.

The Australian bargain sector remains fragmented despite recent consolidation.

