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**MEDIA RELEASE**

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**THE WAREHOUSE GROUP LIMITED**

**First Quarter Sales Update**

**Auckland, 13 November 2009** – The Directors of The Warehouse Group Limited reported group sales for the first quarter ended 1 November 2009 of \$362.9 million. Total sales were down 1.0% on the corresponding quarter last year, but after adjusting for the discontinued fresh produce, frozen food and liquor operations, sales were up by 1.2%.

The Warehouse first quarter sales, adjusted for discontinued activities, were up 1.1% to \$317.7 million with same store sales up 0.5%. The quarter includes on-line sales which became transactional in June 2009 and sales from the new Mosgiel store which opened in July 2009.

Mr Morrice said “this was the third consecutive quarter of positive same store sales for The Warehouse. Although August was a solid trading month, September and October were below expectations highlighting a slow start to the sales of seasonal categories.”

Warehouse Stationery’s first quarter sales were up 2.2% to \$45.2 million with same store sales up 3.8% on the corresponding period last year.

Mr Morrice commented “it is pleasing to see Warehouse Stationery now achieving positive sales growth with the turnaround momentum continuing for a second quarter. In the high ticket categories impacted most during the downturn, the first quarter saw positive sales growth in technology and business machines but the market for office furniture remained below last year.”

In relation to market conditions Mr Morrice further commented that “retail demand remains unpredictable despite improving consumer confidence as evident from yesterday’s retail sales statistics. Also evident was the extent to which many specialist retailers who were particularly hard hit in the same quarter last year are seeing increased sales off this low base at the present time.”

The company reaffirmed that although consumer spending was expected to gradually improve, the extent of any improvement was uncertain. However, Mr Morrice expressed confidence going into the second quarter that The Warehouse had a strong product offer in place for the key Christmas trading period.

Second quarter results will be released with the 2010 interim financial results on Friday 12 March 2010. Earnings guidance will be provided at that time.

**ENDS**

**Background: The Warehouse Group Limited**

The Warehouse Group Limited comprises 86 Warehouse stores and 46 Warehouse Stationery stores in New Zealand. The company has a turnover of NZ\$1.7 billion and employs over 8,000 people.

**Investors and Analysts**

*Luke Bunt*  
Chief Financial Officer  
Telephone: +64 21 644 882

**Media**

*Ian Morrice, Group CEO to be contacted*  
via Wendy Irving on +64 9 488 3231

## FIRST QUARTER SALES FOR THE 13 WEEKS ENDED 1 NOVEMBER 2009

### 1.0 Sales summary

FIRST QUARTER SALES (3 AUGUST 2009 to 1 NOVEMBER 2009)	FIRST QUARTER			
	2009/10		2008/09	
	Sales (NZ\$ Million)	Sales (NZ\$ Million)	Change in sales	Change in same store sales
The Warehouse <sup>1</sup>	317.7	322.4	- 1.5 %	+ 0.5 %
Warehouse Stationery	45.2	44.2	+ 2.2 %	+ 3.8 %
<b>Total</b>	362.9	366.6	- 1.0 %	

#### Note 1

Adjusted sales to exclude discontinued fresh produce, frozen food and liquor operations for the first quarter of 2008/09 were \$314.0 million

YTD SALES	YEAR TO DATE			
	2009/10		2008/09	
	Sales (NZ\$ Million)	Sales (NZ\$ Million)	Change in sales	Change in same store sales
The Warehouse	317.7	322.4	- 1.5 %	+ 0.5 %
Warehouse Stationery	45.2	44.2	+ 2.2 %	+ 3.8 %
<b>Total</b>	362.9	366.6	- 1.0 %	

### 2.0 Store numbers

	2009/10		2008/09	
	Start Q1	End Q1	Start Q1	End Q1
The Warehouse	86	86	85	85
Warehouse Stationery	46	46	43	44

### 3.0 Store changes during the quarter

	Replacement stores	New location stores	Extended stores
The Warehouse	-	-	-
Warehouse Stationery	-	-	-

### 4.0 Retail Space

Square metres	2009/10		2008/09	
	Start Q1	End Q1	Start Q1	End Q1
The Warehouse	467,596	467,596	465,530	465,530
Warehouse Stationery	56,388	55,288	56,532	56,317