
Market Information Services Section
New Zealand Exchange Limited

Company Announcements Office
ASX Limited

7 January 2008

THE WAREHOUSE GROUP LIMITED

Trading Update

The directors of The Warehouse Group Limited advise that both total sales and same store sales for The Warehouse in November and December were relatively flat compared to the same period last year.

Chief Executive Officer, Ian Morrice, commented that “sales performance for the second quarter to date highlighted a patchy and unpredictable retail environment with the Christmas rush arriving very late in December. Sales performance in seasonal categories has been mixed but apparel remains a stand-out category for us this year with customers continuing to respond well to our significantly improved offer. The consumer electronics and appliances categories however remain particularly difficult due to a marked increase in competitor intensity.”

Group Net Profit After Tax for the first half of the financial year ending 27 January 2008 is expected to be similar to that achieved in the corresponding period last year (\$60.1 million), including a release of warranty provisions of up to \$5 million associated with the sale of The Warehouse Australia in 2005, which lapsed during the period.

The company remains cautious in its outlook and believes retail spending patterns will be unpredictable for some time. An update to previous guidance on full year profit expectations will be given at the time of the 2008 interim financial results release on Friday, 14 March 2008.

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