
Market Information Services Section
New Zealand Exchange Limited

Company Announcements Office
Australian Stock Exchange Limited

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THE WAREHOUSE GROUP LIMITED

Trading Update

The directors of The Warehouse Group Limited (the "Group") report that same store sales for The Warehouse Limited during November and December 2006 were 2.3% ahead of the same period last year with total sales for the first half of the financial year ended 28 January 2007 expected to be 2.9% ahead of the same period last year. Operating margins for the first half at The Warehouse Limited are expected to be maintained at levels similar to the same period last year.

"Our trading result over the total Christmas period was our best for three years but still below our own expectations. The Christmas rush arrived very late in December and demand remains patchy with key seasonal categories such as apparel continuing to be very difficult," said Group CEO Ian Morrice.

Group Net Profit After Tax (NPAT) for continuing businesses for the first half is forecast to be similar to that achieved in the corresponding period last year (\$59.1m). First half NPAT will be affected by lower contribution from property disposals and joint venture activities and additional employee compensation costs associated with expensing share rights in alignment with NZIFRS.

Full details of The Warehouse Group Limited second quarter sales and financial results for the first half ended 28 January 2007 will be released in March 2007.

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