
MEDIA RELEASE

THE WAREHOUSE GROUP LIMITED

Third Quarter Sales Update

Auckland, 18 May 2010 – The Directors of The Warehouse Group Limited reported sales for the third quarter ended 2 May 2010 of \$376.0 million, down 1.9% on the corresponding period last year.

Group sales for the financial year to date were \$1.29 billion, down 0.9% on the same period last year.

The Red Sheds achieved third quarter sales of \$323.8 million, down 2.6% compared to the third quarter last year and year to date sales of \$1.14 billion, down 1.8%. On a like for like basis, adjusting for the timing effects of last year's 53rd trading week, third quarter same store sales was down 3.3%.

Commenting on sales performance for the quarter, Group Chief Executive Officer, Ian Morrice says "the sales shortfall against the third quarter last year was almost entirely due to a continued contraction in the music and DVD market and a very slow start to winter with unseasonably warm weather impacting key categories such as winter apparel and heating".

Mr Morrice said the April trading month in particular highlighted that the market remained unpredictable but Easter trading in March had been solid and customers were responding well to growth initiatives in categories such as footwear, sporting goods and jewellery.

Warehouse Stationery had third quarter sales of \$52.2 million, up 2.2% compared to the third quarter last year and year to date sales of \$148.4 million up 6.3%. On a like for like basis after adjusting for the timing effects of last year's 53rd trading week and the timing of "back to school" in particular, third quarter same store sales was up 11.2%.

Mr Morrice said "the Warehouse Stationery result was an excellent one, particularly in the present climate and further reinforced the company's view that the turn around being achieved by the business is sustainable".

Subject to any material adverse change in expected trading conditions, the Directors remain of the view that adjusted NPAT for the full year will be similar to adjusted NPAT for F09.

ENDS

Background: The Warehouse Group Limited

The Warehouse Group Limited comprises 87 Warehouse stores and 47 Warehouse Stationery stores in New Zealand. The company has a turnover of NZ\$1.7 billion and employs over 8,000 people.

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Quarterly Sales Information

Reporting Period	1 February 2010 to 2 May 2010
Previous Reporting Period	26 January 2009 to 26 April 2009

Quarterly sales information:

Third quarter sales (1 February 2010 to 2 May 2010)	Sales 2010 (NZ\$ Million)	Sales 2009 (NZ\$ Million)	Change in sales	Change in same store sales
The Warehouse	323.8	332.4	- 2.6 %	- 3.6 %
Warehouse Stationery	52.2	51.1	+ 2.2 %	+ 4.4 %

The Warehouse Q3 'like for like' same store sales were - 3.3 %

Warehouse Stationery Q3 'like for like' same store sales were + 11.2 %

Year to date sales (3 August 2009 to 2 May 2010)	Sales 2010 (NZ\$ Million)	Sales 2009 (NZ\$ Million)	Change in sales	Change in same store sales
The Warehouse	1,144.9	1,166.2	- 1.8 %	- 1.6 %
Warehouse Stationery	148.4	139.6	+ 6.3 %	+ 8.6 %

The Warehouse YTD 'like for like' same store sales were - 1.8 %

Warehouse Stationery YTD 'like for like' same store sales were + 8.6 %

Store Numbers	The Warehouse		Warehouse Stationery	
	2010	2009	2010	2009
Start Quarter 3	86	85	47	43
End Quarter 3	87	85	47	46

Store footprint (Square Metres)	The Warehouse		Warehouse Stationery	
	2010	2009	2010	2009
Start Quarter 3	467,596	465,530	56,101	56,532
End Quarter 3	470,156	465,530	56,101	57,028

Store changes during the quarter	Closed stores	Replacement stores	New Location	Store Extension
The Warehouse	-	-	St Lukes	-
Warehouse Stationery	-	-	-	-

Note 1

Same store sales calculated on a "like for like" basis are adjusted for the timing effects of last years 53rd week. This means the comparable period for the year to date "like for like" same store sales comparison is the 39 week period ending 3 May 2009. The third quarter "like for like" same store sales comparison is for the 13 week period ending 3 May 2009.