

MEDIA RELEASE.

WAREHOUSE GROUP THIRD QUARTER SALES RESULTS

Auckland, 11th May 2007 – The directors of The Warehouse Group Limited reported sales in the third quarter ending 29 April 2007 of \$412.3 million, up 6.7 percent on the corresponding period last year.

Group sales for the financial year to date of \$1.36 billion are 3.5 percent ahead of the same period last year.

The Warehouse NZ sales at \$350 million were up 7.0 percent from a year ago, while year to date sales are up by 3.6 percent. Same store sales for the quarter were up by 5.8 percent and up 2.3 percent year to date.

“We have seen strong consumer demand against a soft comparative period last year, but sales mix has meant that much of the growth has come from lower margin categories, such as entertainment, Easter and health and beauty,” Ian Morrice, Group Chief Executive Officer, says. “The late summer meant that sales in seasonal categories were strong in this quarter, later in the season than last year, but at reduced retail prices.”

There were no changes in the store estate during the quarter.

Warehouse Stationery had third quarter sales at \$62.3 million up 4.9 percent on the comparable period, and year to date sales at \$163.6 million were 2.6 percent ahead of last year.

Same store sales for the quarter were up by 7.2 percent and 3.9 percent up for the year to date. The sales increase in the third quarter reflects the significant level of clearance activity necessary to reduce inventories. Warehouse Stationery continues to experience disruption associated with the introduction of a new merchandise system in the second quarter.

Morrice also said, “The market remained highly competitive during the period. However we remain on track to achieve the F07 full year earnings advised to the market on 9 March 2007.”

The full year result for the year ended 29 July 2007 will be released on Friday, 14 September 2007.

ENDS

Background: The Warehouse Group Limited

The Warehouse Group Limited had continuing sales of \$NZ1.720 billion and an after tax profit of \$NZ96.9 million for the year ended 30 July 2006 after adjusting for the loss on the disposal of Australian assets. The Warehouse Group comprises 85 Warehouse NZ stores and 43 Warehouse Stationery stores. The Warehouse Group directly employs more than 8,000 people in New Zealand.

Contact details regarding this announcement:

INVESTORS / ANALYSTS

Mark Fennell
Investor Relations
The Warehouse Group Limited
Tel: +64-21-245 5642
+64-9-486 9849

MEDIA

Cynthia Church
Corporate Affairs
The Warehouse Group Limited
Tel: +64-21 433 284
+64-9-488 3255

**APPENDIX: THE WAREHOUSE GROUP LIMITED THIRD QUARTER SALES:
FOR THE 13 WEEKS ENDED 29 APRIL 2007**

1.0 Sales summary (all sales expressed in New Zealand Dollars)

THIRD QUARTER SALES (29 JANUARY 2007 to 29 APRIL 2007) (all figures exclude GST)								
	THIRD QUARTER				YEAR TO DATE			
	2006/07	2005/06			2006/07	2005/06		
	Sales Million	Sales Million	Change in sales	Change same store	Sales Million	Sales Million	Change in sales	Change same store
The Warehouse New Zealand	350	327	7.0%	5.8%	1,200	1,158	3.6%	2.3%
Warehouse Stationery	62.3	59.4	4.9%	7.2%	163.6	159.5	2.6%	3.9%
Total Group	412.3	386.4	6.7%		1,363.6	1,317.5	3.5%	

2.0 Store numbers

	2005/06		2006/07	
	Start Q3	End Q3	Start Q3	End Q3
The Warehouse New Zealand	85	85	85	85
Warehouse Stationery	43	43	43	43

3.0 Store changes during the quarter

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

4.0 Retail space

Square metres	2005/06		2006/07	
	Start Q3	End Q3	Start Q3	End Q3
The Warehouse New Zealand	449,180	452,257	461,746	461,746
Warehouse Stationery	60,432	60,432	59,648	59,648