

Media release

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The Warehouse brings off-price retail to NZ with Red Rack

New Zealand's first large-scale off-price branded import model offers big brands at amazing prices in 47 stores nationwide

Some of the world's biggest street, sports, surf and fashion brands are now available to Kiwis at amazing low prices with the launch of Red Rack at The Warehouse.

New Zealand's first ever large-scale 'off-price' retail offering is now in 47 The Warehouse stores nationwide, offering an assortment of men's, women's, and kids' big brand apparel and footwear at prices 20 – 60% less than current New Zealand market prices. Branded import products include Nike, Adidas, Puma, Superdry, Fenty by Rihanna, Ben Sherman, Billabong, Paul Frank and many more. All Red Rack products are genuine branded imports, sourced from reputable suppliers.

Nick Grayston, Chief Executive of The Warehouse Group says: "Some Kiwis may already be familiar with off-price retailing with the likes of TK Maxx, Ross Dress for Less and Nordstrom Rack in the US and similar outlets in the UK. Our mantra is to bring Kiwis low prices, every day and to make the desirable affordable. That's what Red Rack will do.

"One of the best things about Red Rack is seeing the reaction of customers when they find that cool pair of shoes or t-shirt at an amazing price. We can provide a 'treasure hunt' experience because stock is replenished weekly and new shipments arrive constantly."

Nick Grayston says The Warehouse Group is working hard on delivering to customer expectations. "We're innovating in a number of ways to compete in the rapidly changing retail landscape and Red Rack is just one example of that. Red Rack is a truly disruptive play in New Zealand for branded apparel and footwear, and we're confident Kiwis will embrace the concept."

The Warehouse customers reacted positively to Red Rack during a test period in seven stores, and the concept has now been rolled out to 47 stores nationwide. Sales grew significantly when trialling the Red Rack concept compared to The Warehouse' traditional branded import offering. "There's definitely an appetite out there for big brand labels at prices way below other department stores," said Grayston.

Grayston says off-price retailing is growing internationally, with the market expected to grow globally to \$33 billion USD by 2021, and around two-thirds of shoppers in the US shopping for clothes at off-price retailers. He says The Warehouse is also expecting other benefits from Red Rack, with foot traffic and cross-brand private label product sales expected to increase as a result of the innovation.

Red Rack is currently available in the following stores:

Auckland Airport, Albany, Belfast, Bell Block, Botany Downs, Eastgate, Fraser Cove, Gisborne, Greymouth, Hamilton, Hastings, Hillcrest, Hornby, Invercargill, Lincoln Rd, Lower Hutt, Lyall Bay, Masterton, Manukau, Napier, Nelson, New Plymouth, Northlands, Pakuranga, Palmerston North, Paraparaumu, Petone, Porirua, Pukekohe, Queenstown, Rangiora, Riccarton, Rolleston,

Rotorua, Royal Oak, Silverdale, South Dunedin, Sylvia Park, Takanini, Tauranga Crossing, Te Rapa, Timaru, Waipapa, Wanganui, Westcity, Westgate, and Whangarei.

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