
MEDIA RELEASE

THE WAREHOUSE GROUP LIMITED

First Quarter Sales Update

Auckland, 11 November 2011 – The Directors of The Warehouse Group Limited reported Group sales for the first quarter ended 30 October 2011 of \$370.4 million. Total sales were up 2.2% on the corresponding quarter last year.

The Warehouse first quarter sales were up 2.3% to \$323.1 million with same store sales up 2.1%.

Chief Executive, Mark Powell said that Rugby World Cup merchandise had been a contributor, in some categories, to the sales uplift in the first quarter, and signs of underlying improvement in core categories were emerging.

Mr Powell said “although early days, we are starting to see customers respond positively to our store refresh program, modular category upgrades and the significant reinvestment we’ve made in store labour”.

Mr Powell noted that although early indicators were encouraging, driving sales while maintaining margins was a key challenge for management. “From a Group perspective the company is well positioned to meet this challenge going into the critical Christmas and Back to School trading periods” Mr Powell said.

During the quarter a new Red Shed was opened in Whitianga, extensions to the Timaru store were completed, a new replacement store in Hastings was opened and South City re-opened having closed following the Christchurch earthquake in February.

Warehouse Stationery’s first quarter sales were up 1.7% to \$47.3 million with same store sales up 0.3% on the corresponding period last year.

Mr Powell said “the office products market remains subdued so it is pleasing to see Warehouse Stationery maintain positive sales momentum cycling last year’s strong trading performance”.

The company reaffirmed that although optimistic about the prospect of recovery in the medium term, economic conditions were expected to remain volatile in the shorter term with the timing of any significant and sustainable recovery in retail trading conditions still uncertain.

Second quarter sales will be released with the 2012 interim financial results on Friday 9 March 2012.

ENDS

Background: The Warehouse Group Limited

The Warehouse Group Limited comprises 89 Warehouse stores and 51 Warehouse Stationery stores in New Zealand. The company has an annual turnover of NZ\$1.67 billion and employs over 9,000 people.

Investors and Analysts

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Quarterly Sales Information

Reporting Period	1 August 2011 to 30 October 2011 (13 weeks)
Comparable Reporting Period	2 August 2010 to 31 October 2010 (13 weeks)

Quarterly sales information:

First quarter sales (1 August 2011 to 30 October 2011)	Sales 2011/12 (NZ\$ Million)	Sales 2010/11 (NZ\$ Million)	Change in sales	Change in same store sales
The Warehouse	323.1	315.8	+ 2.3 %	+ 2.1 %
Warehouse Stationery	47.3	46.5	+ 1.7 %	+ 0.3 %
Total	370.4	362.3	+ 2.2 %	

Year to date sales (1 August 2011 to 30 October 2011)	Sales 2011/12 (NZ\$ Million)	Sales 2010/11 (NZ\$ Million)	Change in sales	Change in same store sales
The Warehouse	323.1	315.8	+ 2.3 %	+ 2.1 %
Warehouse Stationery	47.3	46.5	+ 1.7 %	+ 0.3 %
Total	370.4	362.3	+ 2.2 %	

Store Numbers	The Warehouse		Warehouse Stationery	
	2011/12	2010/11	2011/12	2010/11
Start Quarter 1	88	87	51	47
End Quarter 1	89	88	51	48

Store footprint (Square Metres)	The Warehouse		Warehouse Stationery	
	2011/12	2010/11	2011/12	2010/11
Start Quarter 1	476,115	470,156	58,307	56,101
End Quarter 1	484,299	472,543	58,307	56,241

Store changes during the quarter	Re-opened stores	Replacement stores	New Location	Store Extension
The Warehouse	South City	Hastings	Whitianga	Timaru
Warehouse Stationery	-	-	-	-