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5 January 2011

THE WAREHOUSE GROUP LIMITED

Trading Update and Earnings Guidance

The directors of The Warehouse Group Limited advise that total sales for The Warehouse for the two months ended 2 January 2011, were down 2.7% compared to the same period last year. Same store sales were down 3.8%. Warehouse Stationery sales were flat on last year for the two month trading period with same store sales up 0.7%.

Group Chief Executive Officer, Ian Morrice, commented that "as widely reported retail sales in general have been very soft over this key seasonal trading period. We expected the sector to remain difficult and highly promotionally driven over the course of our 2011 financial year but New Zealand consumers clearly remain even more focused than we predicted on strengthening household balance sheets".

Mr Morrice said "whilst apparel, footwear and other seasonal categories traded in line with last year, spending on consumer electronics, gaming, CDs and DVDs was well down".

Adjusted Group Net Profit After Tax for the first half of the financial year ending 30 January 2011 is expected to be in the range of \$51.0 million to \$54.0 million compared to \$57.0 million for the same period last year.

The Warehouse Group Limited half year results will be announced on Friday, 11 March 2011. Earnings guidance for the full year will be provided at that time.

ENDS

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