
Market Information Services Section
New Zealand Exchange Limited

Company Announcements Office
ASX Limited

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THE WAREHOUSE GROUP LIMITED

CEO succession in 2011

The Board of The Warehouse Group has today announced that Mark Powell, who has held senior management roles in the retail sector internationally over the past two decades, will succeed Ian Morrice as Group Chief Executive Officer, later in 2011.

Mark Powell is an experienced retailer who has performed very senior roles in the United Kingdom, Canada and Spain working with international companies such as Tesco and Walmart. Since his arrival in New Zealand in 2002, Mark has acted as a consultant to major Australasian retail companies and has held senior roles with The Warehouse, most latterly as Chief Executive Officer of Warehouse Stationery where he has led a team achieving a significant financial turnaround and implementing a robust growth strategy. As such Mark has demonstrated the combined qualities of senior international retail experience with a detailed knowledge and understanding of the New Zealand market place that the Board were looking for. A brief biography and CV are attached.

Mark has been appointed as CEO Designate and the management change will be effected through a transition period over the coming months. This will see Ian and Mark working together, with the date of the final handover to be agreed between them. Thereafter Ian will support Mark and the Board until the end of November.

Ian advised the Board last year that he intended to retire as CEO during 2011. The Board has since considered a number of options for his replacement, including internal candidates and a search in New Zealand and internationally.

The Chairman, Keith Smith, said the Board was delighted that a highly-qualified and experienced executive with detailed knowledge of the company was now ready to take on the CEO role. "Mark is a seasoned executive with broad international experience in leading significant operations, in problem-solving and in driving growth. I am confident he will make an outstanding contribution to the development of the company over the coming years.

"Mark's appointment reflects well on the company's succession planning and the quality of the management group at The Warehouse."

Keith Smith paid tribute to Ian Morrice's leadership over a period of unprecedented change and difficulty in the retail environment.

"New Zealand has seen transformational growth in retail space and new competition over the past decade. Since Ian joined the company in 2004, competitive non-food retail footprint has grown by approximately 40 percent. In the latter years of this period the retail sector has been battered by the most difficult economic and financial conditions seen in several decades – making competition even more intense.

"The Warehouse has withstood these conditions well, maintaining sales and remaining strongly profitable. Our non-grocery market share of 7.6 percent, whilst down from the level achieved in earlier days, is still by far the largest for a comparable business in any domestic developed market.

"Meanwhile the company has maintained a strong financial performance, reduced debt significantly and returned more than \$500 million to shareholders by way of dividends. It is also strongly positioned for future growth through multi-channel development, the re-commencement of space growth, the introduction of new brands and product categories, and supply chain and sourcing developments."

The company's founder and non-executive director, Sir Stephen Tindall, endorsed Keith Smith's comments: "Few people understand the challenges of leading a national retail group with a very high market share during a period of turmoil in the retail and financial sectors. I am one of those people and I have observed first hand the outstanding leadership Ian has provided during his time at the helm of The Warehouse.

"When he comes to the end of his tenure Ian will be able to reflect on a range of significant achievements that have left the company in a strong and sustainable position, with internal strength and options for future growth. Meanwhile, I am very pleased that Ian and Mark will be working together over the coming months to set up the next phase of the company's development."

ENDS

Contact details regarding this announcement:

Keith Smith, Chairman
Telephone: +64 21 920 659

Ian Morrice, Group CEO
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Attached:

- Mark Powell: Brief Biography
- Mark Powell: Brief CV

Brief Biography – Mark Powell



Mark Powell is 49, married with two daughters and originally from South Wales in the United Kingdom. He migrated permanently to New Zealand when he joined The Warehouse Group in November 2002.

Mark's original training and management experience was in the underground coal mining industry. He changed direction in 1986, joining Iceland plc, a UK food retailer with more than 600 stores. He has since held a number of management roles in the UK, Canada and Spain, including responsibility for Wal-Mart Canada's logistics operations, supply chain and home shopping management for Iceland plc and the logistics operations of Tesco.

Mark has been involved with The Warehouse since 2002 in various full-time, part-time and advisory capacities, including as Interim CEO of the Australian operations, Group General Manager Supply Chain and Merchandise Planning, and most recently CEO of Warehouse Stationery.

In the past year the Warehouse Stationery team has achieved a significant turnaround, executed a continuing growth strategy and received the prestigious JRA Award as New Zealand's best large company to work for, as judged by employees.

Mark has Bachelor degrees in Mining Engineering and Theology, and Masters degrees in Logistics (from Cranfield) and Business (an MBA with distinction, from Cardiff). He has also attended strategic leadership courses at Harvard and INSEAD.

Brief Curriculum Vitae

Mark David Powell

D.O.B. : December 1961

STATUS : Married with two daughters

An initial career in mining operations, then senior management positions in:

- Logistics Services (Tibbett & Britten Group, Booker Food Services and PwC Consulting)
- Retail (Iceland plc, Tesco, Wal-Mart Canada and The Warehouse Group)

CAREER DEVELOPMENT

| | |
|------------------------------|---|
| Nov 2007 - Present | The Warehouse Group GM Supply Chain & Merchandise Planning and CEO Warehouse Stationery |
| May 2005 – Nov 2007 | Advisor to The Warehouse Group / Independent Consultant |
| Nov 2002 – May 2005 | The Warehouse Group : General Merchandise Retail Group GM Supply Chain and Interim CEO The Warehouse Australia |
| Nov 2001 - Oct 2002 | PricewaterhouseCoopers : Consulting Director – UK supply chain practice |
| April 2000 – Oct 2001 | Tesco Plc : Retail Stores Board Director – Director – Logistics/Distribution |
| Sept 1997 – Mar 2000 | Iceland Plc : Food Retail & Home Shopping Supply Chain Director and Internet Home Shopping Director |
| March 1994 – Sept 97 | Tibbett & Britten Group Plc : Logistics Services Managing Director, T&B Iberia (based in Madrid - Spain) 1996 -1997 President SCM Inc, Toronto Canada (Wal-Mart) 1994 -1996 |
| June 1992 – March 94 | Booker Plc : Food Service Wholesale Supply Divisional General Manager Booker Foodlink (Burger King, KFC, Pizza Hut, Wendy's, Whitbread) |
| March 1989 – June 92 | Tibbett & Britten Group Plc : Logistics Services Outsourcing DC Operations Manager, J.Sainsbury DC Shift Manager, Asda |
| Aug 1986 – March 89 | Bejam/Iceland Plc : Food Retail Retail store deputy manager Various transport, warehouse and stock control supervisory positions in DC's Replenishment buying at Bejam Head Office |
| July 1980 – Aug 86 | National Coal Board : Coal Mining Operations Graduate programme Various underground supervisory management positions |

DEGREES

Carey Baptist College, Auckland 2005-2007 : Bachelor of Applied Theology

Cardiff Business School 1998-2001 (part-time) : MBA (Distinction), Thesis on the management of change in retail

Cranfield School of Management 1990 – 91 : MSc in Logistics (Distribution Technology and Management) – Winner of Coopers & Lybrand Course Prize

Polytechnic of Wales 1984 – 85 (part – time) : Mine Managers First Class Certificate of Competency

University of Wales 1980 – 83 : BSc (Hons) Mining Engineering class 2.1