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To: **Market Information Services Section**  
**NZX Limited**

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Auckland, 26 March 2020

### **Trading Update**

The Warehouse Group (“the Group”) would like to provide an update in relation to Tuesday’s uncertainty around its designation as an essential service under the government’s Level 4 COVID-19, and what that entails.

The Warehouse Group operates the brands The Warehouse, Warehouse Stationery, Noel Leeming, Torpedo7, 1-day and TheMarket, with 258 stores across New Zealand.

On Tuesday night the Government provided official clarification to The Warehouse Group that The Warehouse (Red Sheds) did not constitute an essential service as part of the Level 4 business closure plan.

Therefore, from Thursday 26 March, all the Group’s stores, distribution and online fulfilment centres are closed for four weeks, as per the Level 4 COVID-19 Government approach.

Group CEO Nick Grayston said “we were in contact with Government for some time and on Tuesday morning, when we confirmed The Warehouse (Red Sheds) would be open, we did so in good faith on the basis of the information we had been given from credible sources, and our strong belief, supported by legal advice, that Red Sheds met the criteria of being an essential service, based on the Government definition of “any entity involved in the supply, delivery, distribution and sale of food, beverage and other key consumer goods essential for maintaining the wellbeing of people.”

Mr Grayston said “with the information we had to hand we understood that our significant grocery, toiletries, cleaning, warmth essentials for winter needs and our national coverage meant that we were expected to trade. In addition, at the time of the announcement we were working with our 12,000 team members and suppliers, who were understandably very keen to receive definitive answers around our status as a business.”

“On Tuesday further conversations with various Government representatives were undertaken and we established that further clarity was needed and a trading halt was put in place as we sought more information. Later into the evening on Tuesday and well after the trading halt announcement, we heard for the first time the Government’s direction that the Red Sheds should be closed,” said Mr Grayston.

Nick Grayston said he completely supports the need to do everything possible to keep all New Zealanders safe.

“With 12,000 employees at home, our attention will now turn to supporting them in a range of ways and we will focus on that in the coming days.”

## DIVIDEND AND GUIDANCE

Considering the circumstances and uncertainty around the impact of COVID-19, the Board of the Group has decided that it is in the best interest of the company to cancel the interim dividend for H1 FY20 of 10 cents, which was due to have been paid on 17 April 2020. The Board is also withdrawing the financial guidance on the FY20 result which was given on 17 March.

## ENDS

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