
MEDIA RELEASE

THE WAREHOUSE GROUP LIMITED

Third Quarter Sales Update

Auckland, 13 May 2011 – The Directors of The Warehouse Group Limited reported sales for the third quarter ended 1 May 2011 of \$381.5 million, up 1.4% on the corresponding year period last year.

Group sales for the financial year to date were \$1.28 billion, down 0.5% on the same period last year.

The Red Sheds achieved third quarter sales of \$327.0 million up 1.0% compared to the third quarter last year. Year to date sales were \$1.13 billion, down 0.9%. Same store sales for the third quarter were up 2.2%.

Commenting on overall sales performance for the quarter, outgoing Group Chief Executive Officer, Ian Morrice described the result as a positive outcome in a market that remains challenging in every respect.

In relation to the Red Sheds Mr Morrice says “as expected CDs and DVDs continued to experience double digit decline but Easter trading was up on last year and positive momentum in key growth categories had been maintained”.

Mr Morrice said “following the February earthquake, two Red Shed stores remain closed in Christchurch. The priority for our stores in the area is to ensure the needs of the Christchurch community are met. Increased demand for household consumables, home appliances, housewares, bedding, storage and other essentials was very evident during the quarter”.

Warehouse Stationery had third quarter sales of \$54.5 million, up 4.3% compared to the third quarter last year and year to date sales of \$152.5 million up 2.8%. Third quarter same store sales was up 4.9%.

Mr Morrice said “the Warehouse Stationery result was a solid one with the key “back to school” event performing ahead of last year”.

“One Warehouse Stationery store remains closed in Christchurch. Restocking by local businesses following the earthquake was a significant contributing factor to the positive overall sales result in the quarter” Mr Morrice said.

Chairman, Graham Evans confirmed that Mark Powell has now assumed full operational responsibility for the Group while Ian Morrice remains with the business in a consulting and project capacity.

Subject to any material change in anticipated trading conditions, the Directors remain of the view that adjusted net profit after tax for the full year is expected to be between \$76.0 million and \$80.0 million.

ENDS

Background: The Warehouse Group Limited

The Warehouse Group Limited comprises 88 Warehouse stores and 51 Warehouse Stationery stores in New Zealand. The company has a turnover of NZ\$1.7 billion and employs over 9,000 people.

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FIRST QUARTER SALES FOR THE 13 WEEKS ENDED 1 MAY 2011

1.0 Sales summary

THIRD QUARTER SALES (31 JANUARY 2011 to 1 MAY 2011)	THIRD QUARTER			
	2010/11		2009/10	
	Sales (NZ\$ Million)	Sales (NZ\$ Million)	Change in sales	Change in same store sales
The Warehouse	327.0	323.8	+ 1.0 %	+ 2.2 %
Warehouse Stationery	54.5	52.2	+ 4.3 %	+ 4.9 %
Total	381.5	376.0	+ 1.5 %	

YTD SALES (2 AUGUST 2010 to 1 MAY 2011)	YEAR TO DATE			
	2010/11		2009/10	
	Sales (NZ\$ Million)	Sales (NZ\$ Million)	Change in sales	Change in same store sales
The Warehouse	1,135.0	1,145.1	- 0.9 %	- 2.2 %
Warehouse Stationery	152.5	148.4	+ 2.8 %	+ 3.8 %
Total	1,287.5	1,293.5	- 0.5 %	

2.0 Store numbers

	2010/11		2009/10	
	Start Q3	End Q3	Start Q3	End Q3
The Warehouse	88	88	86	87
Warehouse Stationery	50	51	47	47

3.0 Store changes during the quarter

	Replacement stores	New location stores	Reduced stores
The Warehouse	-	-	-
Warehouse Stationery	-	1	1

4.0 Retail Space

Square metres	2010/11		2009/10	
	Start Q3	End Q3	Start Q3	End Q3
The Warehouse	475,498	475,498	467,596	470,156
Warehouse Stationery	58,369	57,990	56,101	56,101

NOTE:

For the purposes of calculating the change in same store sales percentages, the web store for the Warehouse has been included as a same store.