thewarehouse
where everyone gets a bargain

The Warehouse Limited
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The Warehouse Group

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8 March 2013

Listed Company Relations
New Zealand Exchange Limited

The Warehouse Group Limited

Unaudited results for the 26 weeks ended 27 January 2013

Attached financial information as required by NZX listing Rule 10.4.2

1. Appendix 1 disclosures for the 26 weeks ended 27 January 2013
2. Operational Highlights for the 26 weeks ended 27 January 2013 together with quarter sales
3. Condensed Consolidated Unaudited Financial Statements for the half year ended 27 January 2013 and Accounts' Report thereon
4. Appendix 7 detailing a distribution of ordinary dividend of 15.5 cps to be paid on 28 March 2013 to those shareholders on the company's share register as at 5.00pm NZT 22 March 2013
5. Media Release

Kerry Nickels
Company Secretary

THE WAREHOUSE GROUP LIMITED	
Results for announcement to the market	
Reporting Period	30 July 2012 to 27 January 2013
Previous Reporting Period	1 August 2011 to 29 January 2012

The information below supplements the information disclosed in the attached financial statements and management commentary. All figures are NZ$ unless otherwise stated.

	Amount (NZ$ 000s)	Percentage change
Revenue from ordinary activities	NZ$ 1,109,174	up 18.3 %
Profit from ordinary activities after tax attributable to shareholders	NZ$ 106,319	up 96.7 %
Net profit attributable to shareholders	NZ$ 106,319	up 96.7 %

Distributions	Amount per share	Imputed amount per share
Interim dividend	15.50 cents	6.6429 cents

Record date - Interim dividend	22 March 2013
Payment date - Interim dividend	28 March 2013

Comments	Refer to media release.

Asset Backing	January 2013	January 2012
Net tangible asset backing per ordinary share	109.8 cents	98.3 cents

Basis of Report

This market announcement is based on financial statements which have been the subject of a review by the Group's auditor. The auditor's review report and the financial statements are provided with this preliminary final report.

Accounting Standards

The condensed consolidated interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice applicable to interim financial statements for profit oriented entities. The condensed consolidated interim financial statements comply with IAS 34 and NZ IAS 34 *Interim Financial Reporting*.

thewarehouse

where everyone gets a bargain

Market Information Services Section
New Zealand Exchange Limited

Company Announcements Office
ASX Limited

8 March 2013

THE WAREHOUSE GROUP LIMITED

Unaudited results for the half year ended 27 January 2013

The Warehouse Group Limited has today announced its unaudited results for the half year ended 27 January 2013.

HIGHLIGHTS

- Sales up 18.3% to $1.11 billion
- Reported NPAT up $52.3 million to $106.3 million
- Adjusted NPAT up 13.2% to $52.9 million
- Continued momentum with sales and gross profit growth delivering earnings growth in the first half year.
- Three new Warehouse stores opened in Silverdale, Royal Oak and Mt Roskill
- Three new Warehouse Stationery stores opened in Silverdale, Royal Oak and Warkworth
- The Wiri Distribution Centre and three store properties were sold generating sales proceeds of $117.2 million and a pre-tax gain of $62.4 million
- Noel Leeming acquired in December 2012 for a consideration of $65.0 million
- Good result from Noel Leeming Group in the first two months of ownership

PROFIT AND DIVIDEND

- Reported net profit after tax $106.3 million compared to $54.0 million same period last year
- Net profit after tax, excluding unusual items of $52.9 million compared to $46.7 million same period last year
- Interim dividend of 15.5 cps, up 2.0 cps

GROUP FINANCIAL SUMMARY

- Sales up 18.3% to $1.11 billion (excluding Noel Leeming up 4.5% to $979.9 million)
- Operating profit up 13.3% to $77.0 million (excl. Noel Leeming up 4.8% to $71.2 million)
- Reported earnings per share 34.3 cps up 96.0% compared to 17.5 cps for the same period last year, based on reported net profit
- Adjusted earnings per share 17.1 cps up 13.2% compared to 15.1 cps for the same period last year, based on adjusted net profit
- Operating cash inflow of $88.0 million compared to an outflow of $12.2 million for the same period last year
- Net debt $151.5 million compared to $198.4 million in January 2012

THE WAREHOUSE OPERATING PERFORMANCE

	2013	2012	Change
Sales ($millions)	**866.6**	**835.7**	**+3.7%**
Operating profit ($millions)	**65.7**	**62.1**	**+5.8%**
Total Assets ($millions)	**455.7**	**420.3**	**+8.4%**

- Sales for the half year up 3.7% to $866.6 million
- Operating profit up 5.8% to $65.7 million
- Same store sales up 2.1%
- Operating margin 7.6% compared to 7.4% for the same period last year

WAREHOUSE STATIONERY OPERATING PERFORMANCE

	2013	2012	Change
Sales ($millions)	**111.9**	**100.1**	**+11.8%**
Operating profit ($millions)	**3.7**	**3.1**	**+17.9%**
Total Assets ($millions)	**74.9**	**65.0**	**+15.1%**

- Sales for the half year up 11.8% to $111.9 million
- Operating profit up 17.9% to $3.7 million
- Same store sales up 4.2%
- Operating margin 3.3% compared to 3.1% for the same period last year

NOEL LEEMING OPERATING PERFORMANCE

	2013	2012	Change
Sales ($millions)	**129.3**	**N/A**	**N/A**
Operating profit ($millions)	**5.8**	**N/A**	**N/A**
Total Assets ($millions)	**114.5**	**N/A**	**N/A**

- Operating profit of $5.8 million consistent with the upper end of market guidance

FINANCIAL POSITION

1. Gearing and Debt Servicing

- Net debt of $151.5 million compares to $198.4 million at January 2012
- Net annualised interest cover 11.0 times operating profit compared to 10.1 times operating profit at January 2012
- Annualised fixed charge cover 2.7 times EBITDAR compared to 2.9 times EBITDAR at January 2012

2. Assets and Capital Expenditure

- Total assets increased to $958.7 million compared to $739.4 million in January 2012, with newly acquired assets of $158.0 million associated with the Noel Leeming Group representing most of the increase
- Total gross capital expenditure for the half year increased by $7.1 million to $46.1 million

3. Cashflow

- Operating cash inflow of $88.0 million compared to an outflow of $12.2 million for the same period last year. NLG contributed operating cash inflows of $44.3m largely as a result of the timing of creditor payments which occurred in the week following balance date

4. Dividend

- An interim dividend of 15.5 cps to be paid on 28 March 2013 to all shareholders on the Group's share register at the close of business on 22 March 2013.

OUTLOOK

- Subject to any material change in expected trading conditions FY13 adjusted NPAT is forecast to be between $73.0 million and $76.0 million (FY12 adjusted NPAT $65.1 million).

ENDS

Approved by
G F Evans
Chairman
The Warehouse Group Limited

THE WAREHOUSE GROUP LIMITED	
Supplementary Information	
Reporting Period	30 July 2012 to 27 January 2013
Previous Reporting Period	1 August 2011 to 29 January 2012

Quarterly sales information:

First quarter sales (30 July 2012 to 28 October 2012)	Sales 2013 (NZ$ Million)	Sales 2012 (NZ$ Million)	Change in sales	Change in same store sales
The Warehouse	325.7	323.1	+ 0.8 %	+ 0.0 %
Warehouse Stationery	51.6	47.3	+ 9.1 %	+ 3.7 %

Second quarter sales (29 October 2012 to 27 January 2013)	Sales 2013 (NZ$ Million)	Sales 2012 (NZ$ Million)	Change in sales	Change in same store sales
The Warehouse	540.9	512.6	+ 5.5 %	+ 3.3 %
Warehouse Stationery	60.3	52.8	+ 14.2 %	+ 4.7 %
Noel Leeming (NLG)	129.3			

Noel Leeming was acquired by the Group with effect from 1 December 2012.

Year to date sales (30 July 2012 to 27 January 2013)	Sales 2013 (NZ$ Million)	Sales 2012 (NZ$ Million)	Change in sales	Change in same store sales
The Warehouse	866.6	835.7	+ 3.7 %	+ 2.1 %
Warehouse Stationery	111.9	100.1	+ 11.8 %	+ 4.2 %
Noel Leeming (NLG)	129.3			

Store Numbers	The Warehouse		NLG	Warehouse Stationery	
	2013	2012	2013	2013	2012
Start Quarter 1	89	88		56	51
End Quarter 1	91	89		59	51
End Quarter 2	92	89	92	59	52

Store footprint (Square Metres)	The Warehouse		NLG	Warehouse Stationery	
	2013	2012	2013	2013	2012
Start Quarter 1	482,802	476,115		64,616	58,307
End Quarter 1	497,197	484,299		66,645	58,307
End Quarter 2	502,257	484,299	78,507	66,645	57,164

At the acquisition date Noel Leeming had 92 stores and a store footprint of 78,507 square metres.

Store changes during the second quarter	Re-opened stores	Replacement stores	New Location	Store Extension
The Warehouse	-	-	Mt Roskill	-
Warehouse Stationery	Rotorua	Hastings	-	-
Noel Leeming	-	-	-	-

THE WAREHOUSE GROUP LIMITED	
Supplementary Information	
Reporting Period	30 July 2012 to 27 January 2013
Previous Reporting Period	1 August 2011 to 29 January 2012

SUMMARY INCOME STATEMENT

(NZ $000)	2013	2012	% Change
The Warehouse	866,618	835,741	+ 3.7%
Noel Leeming	129,310	-	N/A
Warehouse Stationery	111,905	100,116	+ 11.8%
Other group operations	5,995	5,628	
Inter-segment eliminations	(4,654)	(3,544)	
SALES	**1,109,174**	**937,941**	+ 18.3%
The Warehouse	65,714	62,127	+ 5.8%
Noel Leeming	5,784	-	N/A
Warehouse Stationery	3,653	3,099	+ 17.9%
Other group operations	1,822	2,715	
OPERATING PROFIT	**76,973**	**67,941**	+ 13.3%
Direct costs relating to acquisitions	(1,112)	-	
Gain on disposal of property	62,399	-	
Release of warranty provisions	-	7,355	
Equity earnings of associate (Financial Services)	1,816	1,429	+ 27.1%
EBIT	**140,076**	**76,725**	+ 82.6%
Net interest expense	(4,971)	(5,424)	
Income tax expense	(28,607)	(17,151)	
Minority interests	(179)	(110)	
TAX PAID PROFIT	**106,319**	**54,040**	+ 96.7%
ADJUSTED PROFIT	**52,862**	**46,685**	+ 13.2%
OPERATING MARGIN			
The Warehouse	7.6 %	7.4 %	+ 20 bp
Noel Leeming	4.5 %	N/A	N/A
Warehouse Stationery	3.3 %	3.1 %	+ 20 bp
Total Group	6.9 %	7.2 %	- 30 bp
TAX PAID PROFIT MARGIN	9.6 %	5.8 %	+ 380 bp

THE WAREHOUSE GROUP LIMITED	
Supplementary Information	
Reporting Period	As at 27 January 2013
Previous Reporting Period	As at 29 January 2012

SUMMARY BALANCE SHEET

(NZ $000)	2013	2012
Parent shareholder's equity	403,889	320,701
Minority interest	303	300
TOTAL EQUITY	**404,192**	**321,001**
Borrowings	151,603	150,356
Derivative financial instruments	3,086	5,289
Trade and other payables	5,000	-
Provisions	17,396	12,051
TERM LIABILITIES	**177,085**	**167,696**
Borrowings	23,117	67,328
Trade and other payables	283,507	137,055
Derivative financial instruments	7,904	8,807
Provisions	40,906	30,852
Taxation payable	21,954	6,656
CURRENT LIABILITIES	**377,388**	**250,698**
TOTAL EQUITY AND LIABILITIES	**958,665**	**739,395**
Cash and cash equivalents	23,228	19,299
Trade and other receivables	52,886	33,866
Inventories	454,831	338,892
Land and buildings	-	5,744
CURRENT ASSETS	**530,945**	**397,801**
Trade and other receivables	637	1,101
Derivative financial instruments	2,036	2,530
Investments	4,023	9,014
Property, plant and equipment	333,936	310,644
Intangible assets and goodwill	63,766	16,504
Deferred taxation	23,322	1,801
NON CURRENT ASSETS	**427,720**	**341,594**
TOTAL ASSETS	**958,665**	**739,395**

THE WAREHOUSE GROUP LIMITED	
Supplementary Information	
Reporting Period	30 July 2012 to 27 January 2013
Previous Reporting Period	1 August 2011 to 29 January 2012

ADJUSTED NET PROFIT RECONCILIATION

(NZ $000)	2013	2012
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	**106,319**	**54,040**
Less: Unusual items		
Directly attributable acquisition costs	(1,112)	-
Gain on disposal of property	62,399	-
Release of warranty provisions	-	7,355
	61,287	7,355
Less: Taxation		
Income tax relating to unusual items	(17,955)	-
Income tax expense relating to tax legislative changes effective from May 2010	10,125	-
ADJUSTED NET PROFIT	**52,862**	**46,685**

Certain transactions such as the sale of properties and the release of warranty provisions can make the comparisons of profits between periods difficult. The Group monitors adjusted net profit as a key indicator of performance and uses it as the basis for determining dividends and believe it helps investors to understand what is happening in the business.

Directly attributable acquisition costs
During the current half year the Group acquired two subsidiaries and following balance date acquired interests in two further subsidiaries. The directly attributable acquisition costs relate to these acquisitions. Details regarding these acquisitions can be found in notes 16 and 17 of the interim financial statements.

Property disposals
In September 2012 the Group sold its Distribution Centre located in Wiri, Auckland and three store properties. The sale of these properties generated net sales proceeds of $117.154 million and a pre-tax gain of $62.399 million. The four properties were acquired before May 2010, and had deferred tax liabilities of $10.125 million attributed to the properties. These non-cash deferred tax liabilities were reversed when the sales completed.

Tax legislation enacted in 2010 removing the ability to depreciate buildings for tax purposes reduced the tax base of the Group's buildings and caused the Group to recognise a significant non-cash deferred tax liability in 2010. This deferred tax liability is reversed each time a building acquired before May 2010 is sold.

Release of warranty provisions
In November 2005 the Group sold the business assets of The Warehouse Australia to Australian Discount Retail. At the time of the sale the Group provided for the settlement of potential claims where it was deemed probable that a liability could arise from warranties and indemnities made to the purchaser as part of the sale agreement. The last of the warranties relating to the sale of the business expired in December 2011. The Group was not notified of any unsettled claims and released all the remaining warranty provisions ($7.355 million) when the warranty period expired.

The Warehouse Group Limited
Interim Financial Statements

For the 26 weeks ended 27 January 2013

Consolidated Income Statements

	Note	Unaudited 26 Weeks Ended 27 January 2013 $ 000	Unaudited 26 Weeks Ended 29 January 2012 $ 000	Audited 52 Weeks Ended 29 July 2012 $ 000
Revenue	3	1,109,174	937,941	1,732,168
Cost of sales		(722,355)	(600,503)	(1,110,112)
Gross profit		386,819	337,438	622,056
Other income		4,538	3,290	6,618
Employee expenses		(169,389)	(146,721)	(288,331)
Lease and occupancy expenses		(52,053)	(43,112)	(86,823)
Depreciation and amortisation expenses	4	(21,131)	(20,610)	(41,630)
Other operating expenses		(71,811)	(62,344)	(115,428)
Operating profit	3	76,973	67,941	96,462
Direct costs relating to acquisitions	16	(1,112)	-	-
Gain on disposal of property	4	62,399	-	18,230
Release of warranty provisions		-	7,355	7,355
Equity earnings of associate	6	1,816	1,429	3,197
Earnings before interest and tax		140,076	76,725	125,244
Net interest expense		(4,971)	(5,424)	(10,308)
Profit before tax		135,105	71,301	114,936
Income tax expense		(28,607)	(17,151)	(24,776)
Net profit for the period		106,498	54,150	90,160
Attributable to:				
Shareholders of the parent		106,319	54,040	89,848
Minority interests		179	110	312
Profit attributable to shareholders		106,498	54,150	90,160
Basic earnings per share		34.3 cents	17.5 cents	29.0 cents
Diluted earnings per share		34.2 cents	17.4 cents	28.9 cents
Net assets per share		130.4 cents	103.6 cents	102.4 cents

Consolidated Statements of Comprehensive Income

	Unaudited 26 Weeks Ended 27 January 2013	Unaudited 26 Weeks Ended 29 January 2012	Audited 52 Weeks Ended 29 July 2012
	$ 000	$ 000	$ 000
Net profit for the period	106,498	54,150	90,160
Movement in cash flow hedge reserve net of tax	(317)	14,886	16,889
Total comprehensive income for the period	106,181	69,036	107,049
Attributable to:			
Shareholders of the company	106,002	68,926	106,737
Minority interest	179	110	312
Comprehensive income	106,181	69,036	107,049

Consolidated Statements of Changes in Equity

	Unaudited 26 Weeks Ended 27 January 2013	Unaudited 26 Weeks Ended 29 January 2012	Audited 52 Weeks Ended 29 July 2012
	$ 000	$ 000	$ 000
Equity at the beginning of the period	317,367	271,540	271,540
Total comprehensive income for the period	106,181	69,036	107,049
Share rights charged to the income statement	1,542	801	1,616
Dividends paid to shareholders of the company	(20,228)	(20,228)	(62,239)
Dividends paid to minority interest	(109)	(135)	(404)
Treasury stock dividends received	77	93	255
Purchase of treasury stock	(638)	(106)	(450)
Equity at the end of the period	404,192	321,001	317,367
Equity consists of:			
Share capital	251,445	251,445	251,445
Treasury stock	(5,061)	(5,552)	(5,739)
Cashflow hedge reserve	(7,532)	(9,218)	(7,215)
Employee share benefits reserve	2,279	1,514	2,209
Retained earnings	162,758	82,512	76,434
Total equity attributable to shareholders	403,889	320,701	317,134
Minority interest	303	300	233
Total equity	404,192	321,001	317,367
	-	-	-

The above Interim Financial Statements should be read in conjunction with the accompanying notes.

Consolidated Balance Sheets

	Note	Unaudited As at 27 January 2013 $ 000	Unaudited As at 29 January 2012 $ 000	Audited As at 29 July 2012 $ 000
ASSETS				
Current assets				
Cash and cash equivalents	9	23,228	19,299	16,286
Trade and other receivables	7	52,886	33,866	27,567
Inventories		454,831	338,892	309,421
Land and buildings	4	-	5,744	-
Total current assets		530,945	397,801	353,274
Non-current assets				
Trade and other receivables	7	637	1,101	888
Derivative financial instruments	10	2,036	2,530	2,489
Investments	6	4,023	9,014	6,372
Property, plant and equipment	4	333,936	310,644	355,227
Intangible assets and goodwill	5	63,766	16,504	13,379
Deferred taxation		23,322	1,801	2,425
Total non-current assets		427,720	341,594	380,780
Total assets		958,665	739,395	734,054
LIABILITIES				
Current liabilities				
Borrowings	9	23,117	67,328	78,203
Trade and other payables	11	283,507	137,055	126,857
Derivative financial instruments	10	7,904	8,807	6,158
Provisions	8	40,906	30,852	32,502
Taxation payable		21,954	6,656	5,248
Total current liabilities		377,388	250,698	248,968
Non-current liabilities				
Borrowings	9	151,603	150,356	150,776
Derivative financial instruments	10	3,086	5,289	4,796
Trade and other payables	11	5,000	-	-
Provisions	8	17,396	12,051	12,147
Total non-current liabilities		177,085	167,696	167,719
Total liabilities		554,473	418,394	416,687
Net assets		404,192	321,001	317,367
EQUITY				
Contributed equity		246,384	245,893	245,706
Reserves		(5,253)	(7,704)	(5,006)
Retained earnings		162,758	82,512	76,434
Total equity attributable to shareholders		403,889	320,701	317,134
Minority interest		303	300	233
Total equity	15	404,192	321,001	317,367

The above Interim Financial Statements should be read in conjunction with the accompanying notes.

Condensed Consolidated Statements of Cash Flows

	Note	Unaudited 26 Weeks Ended 27 January 2013	Unaudited 26 Weeks Ended 29 January 2012	Audited 52 Weeks Ended 29 July 2012
		$ 000	$ 000	$ 000
Cash flows from operating activities				
Cash received from customers		1,106,705	938,050	1,738,102
Interest income		174	106	155
Payments to suppliers and employees		(988,265)	(923,156)	(1,650,613)
Income tax paid		(24,718)	(21,228)	(31,291)
Interest paid		(5,876)	(5,924)	(11,869)
Net cash flows from operating activities		88,020	(12,152)	44,484
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment		117,643	352	30,318
Staff share purchase advances repaid		254	291	629
Dividend received from associate		4,165	-	4,410
Purchase of property, plant, equipment and software		(46,057)	(39,008)	(101,392)
Acquisition of subsidiaries, net of cash acquired	16	(73,773)	-	-
Other items		(52)	(29)	(132)
Net cash flows from investing activities		2,180	(38,394)	(66,167)
Cash flows from financing activities				
Proceeds / (Repayment) short term borrowings		(62,113)	67,328	78,203
Repayment of finance leases		(200)	-	-
Purchase of treasury stock		(515)	-	(261)
Treasury stock dividends received		77	93	255
Dividends paid to parent shareholders		(20,398)	(20,457)	(62,840)
Dividends paid to minority shareholders		(109)	(135)	(404)
Net cash flows from financing activities		(83,258)	46,829	14,953
Net cash flow		6,942	(3,717)	(6,730)
Opening cash position		16,286	23,016	23,016
Closing cash position		23,228	19,299	16,286
		-	-	-

Reconciliation of Operating Cash Flows

	2013	2012	July 2012
Profit after tax	106,498	54,150	90,160
Non-cash items			
Depreciation and amortisation expenses	21,131	20,610	41,630
Share based payment expense	1,542	801	1,616
Interest capitalisation	(637)	(365)	(1,375)
Movement in deferred tax	(13,794)	(3,758)	(5,160)
Share of surplus retained by associate	(1,816)	(1,429)	(3,197)
Total non-cash items	6,426	15,859	33,514
Items classified as investing or financing activities			
Net (gain)/loss on sale of property, plant and equipment	(61,627)	191	(16,692)
Direct costs relating to acquisitions	1,112	-	-
Supplementary dividend tax credit	170	229	601
Total investing and financing adjustments	(60,345)	420	(16,091)
Changes in assets and liabilities			
Trade and other receivables	(9,923)	(9,406)	(3,253)
Inventories	(39,508)	(76,229)	(46,758)
Trade and other payables	68,104	9,564	(6,916)
Provisions	(746)	(5,964)	(4,218)
Income tax	17,514	(546)	(1,954)
Total changes in assets and liabilities	35,441	(82,581)	(63,099)
Net cash flows from operating activities	88,020	(12,152)	44,484
	-	-	-

Notes to the Financial Statements

1. GENERAL INFORMATION

The Warehouse Group Limited and its subsidiaries (together the "Group") operate as a retail chain with 92 general merchandise stores (The Warehouse), 92 Consumer Electronics & Home Appliance stores (Noel Leeming) and 59 stationery stores (Warehouse Stationery) located through out New Zealand.

The Warehouse Group Limited is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is Level 8, 120 Albert Street, PO Box 2219, Auckland. The Group is listed on the New Zealand stock exchange.

The Warehouse Group Limited is a company registered under the New Zealand Companies Act 1993 and is an issuer for the purposes of the New Zealand Financial Reporting Act 1993.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements for the reporting period ended 27 January 2013 have been prepared in accordance with generally accepted accounting practice in New Zealand, International Accounting Standard 34 and NZ IAS 34 Interim Financial Reporting.

The preparation of interim financial statements in accordance with NZ IAS 34 Interim Financial Reporting requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These financial statements have been prepared under the historical cost convention except for the revaluation of certain financial instruments (including derivative instruments). The Group is designated as a profit-oriented entity for financial reporting purposes. The reporting currency used in the preparation of the financial statements is New Zealand dollars, rounded to the nearest thousands.

The accounting policies that materially affect the measurement of the interim financial statements have been applied on a consistent basis with those used in the audited financial statements for the 52 weeks ended 29 July 2012 and the unaudited interim financial statements for the 26 weeks ended 29 January 2012.

The interim financial statements do not include all of the information normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual financial statements and related notes in the Group's Annual Report for the 52 weeks ended 29 July 2012.

(a) Changes in accounting policies

There have been no significant changes in accounting policies during the current period. Accounting policies have been applied on a basis consistent with the prior interim and annual financial statements.

(b) Seasonality

The Group's revenue and profitability follow a seasonal pattern with higher sales and operating profits typically achieved in the first half of the financial year as a result of additional sales generated during the Christmas trading period.

Approval of Financial Statements

These consolidated interim financial statements were approved for issue by the Board of Directors on 7 March 2013. Unless as otherwise stated, the financial statements have been reviewed by our Auditors, but are not audited.

Notes to the Financial Statements - continued

3. SEGMENT INFORMATION

	REVENUE			OPERATING PROFIT		
	(Unaudited) 26 Weeks Ended 27 January 2013	(Unaudited) 26 Weeks Ended 29 January 2012	(Audited) 52 Weeks Ended 29 July 2012	(Unaudited) 26 Weeks Ended 27 January 2013	(Unaudited) 26 Weeks Ended 29 January 2012	(Audited) 52 Weeks Ended 29 July 2012
SEGMENT PERFORMANCE	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000
The Warehouse	866,618	835,741	1,524,102	65,714	62,127	80,874
Noel Leeming	129,310	-	-	5,784	-	-
Warehouse Stationery	111,905	100,116	206,639	3,653	3,099	9,844
Other group operations	5,995	5,628	8,664	1,822	2,715	5,744
Inter-segment eliminations	(4,654)	(3,544)	(7,237)	-	-	-
	1,109,174	937,941	1,732,168	76,973	67,941	96,462
Operating margin						
The Warehouse (%)				7.6	7.4	5.3
Noel Leeming (%)				4.5	-	-
Warehouse Stationery (%)				3.3	3.1	4.8
Operating profit (%)				6.9	7.2	5.6

	Note	DEPRECIATION & AMORTISATION			CAPITAL EXPENDITURE		
		(Unaudited) 26 Weeks Ended 27 January 2013	(Unaudited) 26 Weeks Ended 29 January 2012	(Audited) 52 Weeks Ended 29 July 2012	(Unaudited) 26 Weeks Ended 27 January 2013	(Unaudited) 26 Weeks Ended 29 January 2012	(Audited) 52 Weeks Ended 29 July 2012
		$ 000	$ 000	$ 000	$ 000	$ 000	$ 000
The Warehouse		16,704	16,571	33,726	24,470	18,694	46,291
Noel Leeming		849	-	-	706	-	-
Warehouse Stationery		2,735	2,714	5,435	3,281	1,697	5,262
Other group operations		843	1,325	2,469	12,135	17,641	56,211
Total	4	21,131	20,610	41,630	40,592	38,032	107,764

	Note	TOTAL ASSETS			TOTAL LIABILITIES		
		(Unaudited) As at 27 January 2013	(Unaudited) As at 29 January 2012	(Audited) As at 29 July 2012	(Unaudited) As at 27 January 2013	(Unaudited) As at 29 January 2012	(Audited) As at 29 July 2012
		$ 000	$ 000	$ 000	$ 000	$ 000	$ 000
The Warehouse		455,680	420,290	393,898	186,775	147,741	135,013
Noel Leeming		114,539	-	-	128,016	-	-
Warehouse Stationery		74,880	65,030	64,747	27,484	27,346	23,867
Other group operations		209,158	221,431	247,837	4,534	4,871	12,626
Operating assets / liabilities		854,257	706,751	706,482	346,809	179,958	171,506
Unallocated assets / liabilities							
Cash and borrowings	9	23,228	19,299	16,286	174,720	217,684	228,979
Derivative financial instruments	10	2,036	2,530	2,489	10,990	14,096	10,954
Investments	6	4,023	9,014	6,372	-	-	-
Intangible Goodwill and Brands	5	51,799	-	-	-	-	-
Taxation		23,322	1,801	2,425	21,954	6,656	5,248
Total		958,665	739,395	734,054	554,473	418,394	416,687

The Group has three primary operating segments operating in the New Zealand retail sector. The operating segments are managed separately with their own management, stores and infrastructure. These segments form the basis of internal reporting used by Management and the Board of Directors to monitor and assess performance and assist with strategy decisions.

The Warehouse is predominantly a general merchandise and apparel retailer, with 92 stores located throughout New Zealand.

Noel Leeming is a Consumer Electronics & Home Appliance retailer, with 92 stores located throughout New Zealand.

Warehouse Stationery is a stationery retailer, with 59 stores located throughout New Zealand.

Other Group operations includes the Group's property operations, which owns a number of stores occupied by the other business segments. This segment also includes the Group's corporate function and a chocolate factory, which supplies product to The Warehouse.

Notes to the Financial Statements - continued

4. PROPERTY, PLANT, EQUIPMENT AND COMPUTER SOFTWARE

	Note	(Unaudited) As at 27 January 2013	(Unaudited) As at 29 January 2012	(Audited) As at 29 July 2012
		$ 000	$ 000	$ 000
Land and buildings		-	5,744	-
Property, plant and equipment		333,936	310,644	355,227
Computer software		11,967	16,504	13,379
Net book value		345,903	332,892	368,606
Movement in property, plant, equipment and software				
Balance at the beginning of the period		368,606	316,098	316,098
Acquisition of subsidiaries	16	12,125	-	-
Capital expenditure	3	40,592	38,032	107,764
Depreciation and amortisation	3	(21,131)	(20,610)	(41,630)
Earthquake impairment		-	(85)	-
Disposals		(54,289)	(543)	(13,626)
Balance at the end of the period		345,903	332,892	368,606

In September 2012 the Group sold its Distribution Centre located in Wiri, Auckland and three store properties. The sale of these properties generated net sales proceeds of $117.154 million and a pre-tax gain of $62.399 million.

5. INTANGIBLE ASSETS AND GOODWILL

	Note	(Unaudited) As at 27 January 2013	(Unaudited) As at 29 January 2012	(Audited) As at 29 July 2012
		$ 000	$ 000	$ 000
Computer software		11,967	16,504	13,379
Brands	16	15,500	-	-
Goodwill	16	36,299	-	-
Net book value		63,766	16,504	13,379

6. INVESTMENT

	(Unaudited) As at 27 January 2013	(Unaudited) As at 29 January 2012	(Audited) As at 29 July 2012
	$ 000	$ 000	$ 000
Investment at beginning of the year	6,372	7,585	7,585
Share of associates profit before taxation	2,524	2,015	4,471
Less taxation	(708)	(586)	(1,274)
Equity earnings of associate	1,816	1,429	3,197
Dividend received from associate	(4,165)	-	(4,410)
Investment at end of the period	4,023	9,014	6,372

The Warehouse Financial Services Limited

The Group has a 49% (2011: 49%) interest, and Westpac a 51% (2011: 51%) interest in The Warehouse Financial Services Limited.

Notes to the Financial Statements - continued

7. TRADE AND OTHER RECEIVABLES

	(Unaudited) As at 27 January 2013	(Unaudited) As at 29 January 2012	(Audited) As at 29 July 2012
	$ 000	$ 000	$ 000
Trade receivables	37,914	19,767	17,781
Allowance for impairment	(1,169)	(670)	(709)
	36,745	19,097	17,072
Other debtors and prepayments	15,678	14,210	9,996
Employee share purchase plan loans	1,100	1,660	1,387
	53,523	34,967	28,455
Less: Non-current employee share purchase plan loans	(637)	(1,101)	(888)
Current trade and other receivables	52,886	33,866	27,567

8. PROVISIONS

	(Unaudited) As at 27 January 2013	(Unaudited) As at 29 January 2012	(Audited) As at 29 July 2012
	$ 000	$ 000	$ 000
Current liabilities	40,906	30,852	32,502
Non-current liabilities	17,396	12,051	12,147
	58,302	42,903	44,649
Provisions consist of:			
Annual performance based compensation	4,505	2,163	4,366
Annual leave	23,816	18,435	19,025
Long service leave	7,112	6,623	6,890
Other employee benefits	5,890	7,181	6,317
Employee benefits	41,323	34,402	36,598
Make good provision	6,221	2,913	2,990
Sales returns provision	3,217	2,847	2,554
Onerous lease	7,541	2,741	2,507
	58,302	42,903	44,649

Provision movements:		MAKE GOOD			ONEROUS LEASE		
	Note	(Unaudited) 26 Weeks Ended 27 January 2013	(Unaudited) 26 Weeks Ended 29 January 2012	(Audited) 52 Weeks Ended 29 July 2012	(Unaudited) 26 Weeks Ended 27 January 2013	(Unaudited) 26 Weeks Ended 29 January 2012	(Audited) 52 Weeks Ended 29 July 2012
		$ 000	$ 000	$ 000	$ 000	$ 000	$ 000
Opening balance		2,990	2,892	2,892	2,507	705	705
Acquisition of subsidiaries	16	1,416	-	-	5,696	-	-
Arising during the period		2,281	470	946	306	2,036	2,163
Net settlements		(466)	(449)	(848)	(968)	-	(361)
Closing balance		6,221	2,913	2,990	7,541	2,741	2,507

Notes to the Financial Statements - continued

9. DEBT

	(Unaudited) As at 27 January 2013	(Unaudited) As at 29 January 2012	(Audited) As at 29 July 2012
	$ 000	$ 000	$ 000
Cash on hand and at bank	23,228	19,299	16,286
Deposits at call	-	-	-
Cash and cash equivalents	23,228	19,299	16,286
Bank borrowings	22,290	67,328	78,203
Lease liabilities	827	-	-
Current borrowings	23,117	67,328	78,203
Bank borrowings	50,000	50,000	50,000
Lease liabilities	719	-	-
Fixed rate senior bond	100,884	100,356	100,776
Non-current borrowings	151,603	150,356	150,776
Total borrowings	174,720	217,684	228,979
Net debt / (funds)	151,492	198,385	212,693
Committed bank credit facilities at balance date are:			
Bank debt facilities	200,000	200,000	200,000
Bank facilities used	(72,290)	(117,328)	(128,203)
Unused bank debt facilities	127,710	82,672	71,797
Letter of credit facilities	28,000	28,000	28,000
Letters of credit	(11,335)	(5,026)	(12,622)
Unused letter of credit facilities	16,665	22,974	15,378
Total unused bank facilities	144,375	105,646	87,175

10. DERIVATIVE FINANCIAL INSTRUMENTS

	(Unaudited) As at 27 January 2013	(Unaudited) As at 29 January 2012	(Audited) As at 29 July 2012
	$ 000	$ 000	$ 000
Non-current assets	2,036	2,530	2,489
Current liabilities	(7,904)	(8,807)	(6,158)
Non-current liabilities	(3,086)	(5,289)	(4,796)
	(8,954)	(11,566)	(8,465)
Derivative financial instruments consist of:			
Foreign exchange contracts	(6,368)	(8,694)	(5,358)
Interest rate swaps	(2,586)	(2,872)	(3,107)
	(8,954)	(11,566)	(8,465)

The Group continues to manage its foreign exchange and interest rate risks in accordance with the policies and parameters detailed in the 2012 Annual Report.

The Group's foreign exchange contracts relate to commitments to purchase US dollars. The following table lists the key inputs used to determine the mark to market valuation of the Group's foreign exchange contracts at balance date.

US Dollar forward contracts - cash flow hedges			
Notional amount (NZ$000)	171,202	181,595	182,078
Average contract rate ($)	0.7977	0.7762	0.7794
Spot rate used to determine fair value ($)	0.8372	0.8249	0.8101

Notes to the Financial Statements - continued

11. TRADE AND OTHER PAYABLES

	Note	(Unaudited) As at 27 January 2013 $ 000	(Unaudited) As at 29 January 2012 $ 000	(Audited) As at 29 July 2012 $ 000
Trade creditors		234,211	104,536	93,716
Goods in transit creditors		17,670	11,320	13,441
Unearned income (includes layby's, gift vouchers and Christmas club deposits)		10,894	9,668	9,125
Contingent consideration	16	7,500	-	-
Interest accruals		1,224	1,321	1,317
Payroll accruals		12,008	10,210	9,258
		283,507	137,055	126,857
Less: Non-current contingent consideration		(5,000)	-	-
Current trade and other payables		278,507	137,055	126,857

12. COMMITMENTS

	(Unaudited) As at 27 January 2013 $ 000	(Unaudited) As at 29 January 2012 $ 000	(Audited) As at 29 July 2012 $ 000
(a) Capital commitments			
Capital expenditure contracted for at balance date but not recognised as liabilities is set out below:			
Within one year	11,989	52,177	18,963
(b) Operating lease commitments			
Commitments for minimum lease payments in relation to non-cancellable operating leases at balance date are as follows:			
Future minimum rentals payable			
0-1 Years	91,612	60,818	61,573
1-2 Years	73,631	48,434	50,283
2-5 Years	116,702	69,889	75,404
5+ Years	167,222	40,969	64,579
	449,167	220,110	251,839

The current half year lease commitments includes new lease commitments of $60.789 million arising from the Noel Leeming acquisition and new lease commitments of $137.592 million associated with the four property disposals referred to in note 4.

13. ADJUSTED NET PROFIT RECONCILIATION

	Note	(Unaudited) 26 Weeks Ended 27 January 2013 $ 000	(Unaudited) 26 Weeks Ended 29 January 2012 $ 000	(Audited) 52 Weeks Ended 29 July 2012 $ 000
Adjusted net profit		52,862	46,685	65,151
Unusual items				
Directly attributable acquisition costs	16	(1,112)	-	-
Gain on disposal of property	4	62,399	-	18,230
Release of warranty provisions		-	7,355	7,355
		61,287	7,355	25,585
Income tax relating to unusual items		(17,955)	-	(1,734)
Income tax expense relating to tax legislative changes made in May 2010		10,125	-	846
Net Profit attributable to shareholders of the parent		106,319	54,040	89,848

Tax legislation enacted in 2010 removing the ability to depreciate buildings for tax purposes reduced the tax base of the Group's buildings and caused the Group to recognise a significant non-cash deferred tax liability in 2010. This deferred tax liability is reversed each time a building acquired before May 2010 is sold.

The property disposals above (refer note 4) related to four properties which were acquired before May 2010, and had deferred tax liabilities of $10.125 million attributed to the properties. These non-cash deferred tax liabilities were reversed at the time of the property sales.

Notes to the Financial Statements - continued

14. DIVIDENDS

	CENTS PER SHARE			DIVIDENDS PAID		
	(Unaudited) 26 Weeks Ended 27 January 2013	(Unaudited) 26 Weeks Ended 29 January 2012	(Audited) 52 Weeks Ended 29 July 2012	(Unaudited) 26 Weeks Ended 27 January 2013	(Unaudited) 26 Weeks Ended 29 January 2012	(Audited) 52 Weeks Ended 29 July 2012
				$ 000	$ 000	$ 000
Prior year final dividend	6.5	6.5	6.5	20,228	20,228	20,228
Interim dividend	-	-	13.5	-	-	42,011
Total dividends paid	6.5	6.5	20.0	20,228	20,228	62,239

On 7 March 2013 the board declared a fully imputed interim dividend of 15.5 cents per ordinary share to be paid on 28 March 2013 to all shareholders on the Group's share register at the close of business on 22 March 2013.

15. EQUITY

(Unaudited)	Share Capital	Treasury Stock	Cash Flow Hedge Reserve	Employee Share Benefits Reserve	Retained Earnings	Minority Interest	Total Equity
For the 26 weeks ended 27 January 2013	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000
Balance at the beginning of the period	251,445	(5,739)	(7,215)	2,209	76,434	233	317,367
Profit for the half year	-	-	-	-	106,319	179	106,498
Net change in fair value of cash flow hedges	-	-	(317)	-	-	-	(317)
Share rights charged to the income statement	-	-	-	1,542	-	-	1,542
Share rights exercised	-	1,316	-	(1,472)	156	-	-
Dividends paid	-	-	-	-	(20,228)	(109)	(20,337)
Treasury stock dividends received	-	-	-	-	77	-	77
Purchase of treasury stock	-	(638)	-	-	-	-	(638)
Balance at the end of the period	251,445	(5,061)	(7,532)	2,279	162,758	303	404,192

(Unaudited)	Share Capital	Treasury Stock	Cash Flow Hedge Reserve	Employee Share Benefits Reserve	Retained Earnings	Minority Interest	Total Equity
For the 26 weeks ended 29 January 2012	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000
Balance at the beginning of the period	251,445	(7,385)	(24,104)	2,812	48,447	325	271,540
Profit for the half year	-	-	-	-	54,040	110	54,150
Net change in fair value of cash flow hedges	-	-	14,886	-	-	-	14,886
Share rights charged to the income statement	-	-	-	801	-	-	801
Share rights exercised	-	1,939	-	(2,099)	160	-	-
Dividends paid	-	-	-	-	(20,228)	(135)	(20,363)
Treasury stock dividends received	-	-	-	-	93	-	93
Purchase of treasury stock	-	(106)	-	-	-	-	(106)
Balance at the end of the period	251,445	(5,552)	(9,218)	1,514	82,512	300	321,001

(Audited)	Share Capital	Treasury Stock	Cash Flow Hedge Reserve	Employee Share Benefits Reserve	Retained Earnings	Minority Interest	Total Equity
For the 52 weeks ended 29 July 2012	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000	$ 000
Balance at the beginning of the period	251,445	(7,385)	(24,104)	2,812	48,447	325	271,540
Profit for the year	-	-	-	-	89,848	312	90,160
Net change in fair value of cash flow hedges	-	-	16,889	-	-	-	16,889
Share rights charged to the income statement	-	-	-	1,616	-	-	1,616
Share rights exercised	-	2,096	-	(2,219)	123	-	-
Ordinary shares purchased on market	-	(261)	-	-	-	-	(261)
Dividends paid	-	-	-	-	(62,239)	(404)	(62,643)
Treasury stock dividends received	-	-	-	-	255	-	255
Purchase of treasury stock	-	(189)	-	-	-	-	(189)
Balance at the end of the period	251,445	(5,739)	(7,215)	2,209	76,434	233	317,367

Notes to the Financial Statements - continued

16. BUSINESS COMBINATIONS

During the current half year period the group acquired two subsidiaries. Based on the best information available at the reporting date the group has provisionally recognised the following identifiable acquisition assets and liabilities for the two subsidiaries acquired.

	Note	(Unaudited) Noel Leeming	(Unaudited) Insight Traders	(Unaudited) Total
		$ 000	$ 000	$ 000
Cash and cash equivalents		876	-	876
Trade and other receivables		15,433	-	15,433
Inventories		101,865	4,037	105,902
Property, plant and equipment		11,526	221	11,747
Computer software (included in intangibles)		349	29	378
Brands (included in intangibles)	5	15,500	-	15,500
Tax receivable		563	-	563
Deferred taxation		7,223	-	7,223
		153,335	4,287	157,622
Trade and other payables		(92,279)	-	(92,279)
Make Good (included in provisions)	8	(1,416)	-	(1,416)
Onerous Lease (included in provisions)	8	(5,696)	-	(5,696)
Other Provisions		(5,560)	-	(5,560)
Borrowings (including finance leases)		(7,933)	-	(7,933)
Provisional fair value of identifiable net assets		40,451	4,287	44,738
Goodwill arising on acquisition	5	24,549	11,750	36,299
		65,000	16,037	81,037
The acquisition consideration is as follows:				
Cash		65,000	8,537	73,537
Contingent consideration	11	-	7,500	7,500
		65,000	16,037	81,037
The cash outflow on acquisitions is as follows:				
Cash and cash equivalents in subsidiary acquired		(876)	-	(876)
Direct costs relating to the acquisition		934	135	1,069
Purchase consideration settled in cash		65,000	8,537	73,537
		65,058	8,672	73,730
Direct costs relating to post balance date acquisitions	17			43
Net consolidated cash outflow				73,773

(a) Noel Leeming Acquisition

Effective from 1 December 2012 the Group acquired 100% of the share capital of Noel Leeming Group, a private equity owned company with a chain of 92 retail stores specialising in Consumer Electronics and Home Appliances retailing.

The consideration for the share purchase was $65.0 million.

As a result of the acquisition, the Group expects to increase its presence in the Consumer Electronics and Home Appliances markets. The goodwill arising from the acquisition is attributable to trading profitability, increased access to retail brands and economies of scale from combining the operations within the group.

The Noel Leeming Group operates as a separate trading division and is reported separately for both management and segment reporting (refer note 3).

(b) Insight Traders Acquisition

On 28 September 2012 the Group acquired the operations and business assets of Insight Traders, an unlisted private company specialising in the retail and wholesale of perfumes, cosmetics and skincare products.

The acquisition enhances the Group's sourcing and multichannel channel capability and extends the range of products available online and in the Warehouse stores. Insight Traders was a well established business with strong sourcing capability, the goodwill arising from the acquisition is largely attributable to the specialised knowledge acquired and economies of scale from combining the operations within the group

A maximum contingent consideration of $2.5 million is payable on the first anniversary of the acquisition and then four further tranches of $1.25 million are payable at six monthly intervals thereafter conditional upon certain specified sales and gross profit targets being achieved.

For the purposes of segment reporting Insight Traders is included within The Warehouse segment (refer note 3).

Notes to the Financial Statements - continued

17. EVENTS AFTER BALANCE DATE

(a) Complete Entertainment Services Acquisition

On 31 January 2013 the Group acquired the operations and business assets of Complete Entertainment Services Limited (CES), an unlisted private company specialising in the retail and wholesale of books.

The acquisition enhances the Group's sourcing and multichannel channel capability and provides cost savings. CES has capability in sourcing, inventory management, distribution and on-line fulfilment in the books category that can potentially be transferred in to other categories. The goodwill arising from the acquisition is largely attributable to the specialised knowledge acquired and economies of scale from combining the operations within the group.

Based on the best information available at the reporting date the Group provisionally expects to recognise the following identifiable acquisition assets.

Proforma post balance date acquisition	CES $ 000
Inventories	2,289
Property, plant and equipment	550
Trade and other receivables	37
Provisional fair value of identifiable assets	2,876
Goodwill arising on acquisition	9,700
	12,576
The acquisition consideration is as follows:	
Cash	11,176
Contingent consideration	1,400
	12,576

A maximum contingent consideration of $0.7 million is payable to the vendor on both the first and second anniversaries of the acquisition subject to CES expanding the current operations in accordance with a specified future expansion plan.

For the purposes of segment reporting CES will be included within The Warehouse segment.

(b) Torpedo-7 Acquisition

On 1 March 2013 the Group signed an agreement to acquire 51% of the shares of Torpedo7 Limited, a leading New Zealand online retailer operating through the Torpedo7, 1-day and Urban Daddy websites in New Zealand and Australia.

Under the terms of the agreement the Group will acquire 51% of the shares of Torpedo7 Limited for initial consideration of $20.0 million, with a further maximum contingent consideration of up to $13.0 million. The contingent consideration is payable at the end of each of the next three financial years commencing August 2013, based on a sliding scale referenced to the achievement of specified earnings targets for each financial year.

The remaining 49% of the shares of Torpedo7 Limited will be held by existing shareholders.

The acquisition and initial settlement are subject to a number of precompletion deliverables which are yet to be satisfied. Detailed information regarding the identifiable acquisition assets and liabilities were not available at the reporting date pending the completion and finalisation of acquisition accounts.

(c) Bond & Bond

On 8 March 2013 the Group announced a plan to merge the Bond & Bond retail chain acquired as part of the Noel Leeming acquisition into the Noel Leeming network, expanding the number of Noel Leeming stores to 75 nationwide. As part of this plan 12 Bond & Bond stores will close. Lease exit costs associated with these stores are included within the Noel Leeming acquisition provisions, however any redundancy and other restructuring costs will be expensed as incurred.

All Bond & Bond non-management store staff will be offered comparable roles in Noel Leeming stores, and every effort will be made to offer store managers and other support staff roles within Noel Leeming or the wider Group.

Notes to the Financial Statements - continued

18. WARRANTY PROVISIONS AND CONTINGENT LIABILITIES

The Warehouse Australia

In November 2005 the Group sold the business assets of The Warehouse Australia to Australian Discount Retail ("ADR"). The Group provided for the settlement of potential claims at that time which could arise from warranties and indemnities made to ADR as part of the sale and purchase agreement. The last of the warranties relating to the sale of the business assets expired in December 2011. The Group was not notified of any unsettled claims when the warranty period expired. The remaining warranty provisions relating to the sale and purchase agreement were released when the warranty period expired.

There are still however potential residual exposures for unknown claims arising from the Group's ownership of The Warehouse Australia business prior to November 2005 that cannot be quantified. Under commercial arrangements associated with the sale process in November 2005, the Group retained guarantees to certain landlords in respect of rental payments by ADR after November 2005. It remains uncertain whether the Group's still retains contingent liabilities in respect of these leases.

The Group has no other material contingent liabilities other than those arising in the normal course of business, being primarily letters of credit issued to secure future purchasing requirements and store lease commitments.

19. RELATED PARTIES

Except for director's fees, key executive remuneration and dividends paid by the Group to its directors, there have been no related party transactions.

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Independent Accountants' Report

to the shareholders of The Warehouse Group Limited

Report on the Interim Financial Statements

We have reviewed the interim financial statements of The Warehouse Group Limited on pages 2 to 15, which comprise the consolidated balance sheets as at 27 January 2013, the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the period then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Interim Financial Statements

The Company's Directors are responsible for the preparation and presentation of the interim financial statements that present fairly the financial position of the Group as at 27 January 2013, and its consolidated financial performance and cash flows for the period ended on that date.

Accountants' Responsibility

We are responsible for reviewing the interim financial statements presented by the Directors in order to report to you whether, in our opinion and on the basis of the procedures performed by us, anything has come to our attention that would indicate that the interim financial statements do not present fairly the matters to which they relate.

A review is limited primarily to enquiries of company personnel and analytical review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit on the interim financial statements and, accordingly, we do not express an audit opinion.

We have reviewed the interim financial statements of the Group for the period ended 27 January 2013 in accordance with the Review Engagement Standards issued in New Zealand.

We have no relationship with, or interests in, The Warehouse Group Limited other than in our capacities as accountants conducting this review, auditors of the annual financial statements and providers of other assurance services. These services have not impaired our independence as accountants of the Group.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements which have been prepared in accordance with International Accounting Standard 34 and New Zealand Equivalent to International Accounting Standard 34: Interim Financial Reporting do not present fairly the financial position of the Group as at 27 January 2013 and its financial performance and cash flows for the period ended on that date.

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Independent Accountants' Report
to the shareholders of The Warehouse Group Limited

Restriction on Distribution or Use

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an accountants' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our review procedures, for this report or for the opinions we have formed.

PricewaterhouseCoopers

Chartered Accountants
7 March 2013

Auckland

NZX

Appendix 7 of Listing Rules.

EMAIL: announce@nzx.com

Notice of event affecting securities

New Zealand Stock Exchange Listing Rule 7.12.2. For rights, Listing Rules 7.10.9 and 7.10.10. For change to allotment, Listing Rule 7.12.1, a separate advice is required.

Number of pages including this one (Please provide any other relevant details on additional pages) ☐

Full name of Issuer: THE WAREHOUSE GROUP LIMITED

Name of officer authorised to make this notice: Graham Evans

Authority for event, e.g. Directors' resolution: Directors' resolution

Contact phone number: (09) 489 8900

Contact fax number: (09) 488 3241

Date: 07 / 03 / 2013

Nature of event
Tick as appropriate

Bonus Issue ☐ *If ticked, state whether:* *Taxable* ☐ */ Non Taxable* ☐ *Conversion* ☐ *Interest* ☐ *Rights Issue Renouncable* ☐

Rights Issue non-renouncable ☐ Capital change ☐ Call ☐ Dividend ☑ If ticked, state whether: Interim ☑ Full Year ☐ Special ☐

EXISTING securities affected by this *If more than one security is affected by the event, use a separate form.*

Description of the class of securities: Ordinary Shares (311,195,868)

ISIN: NZ WHSE 000 156
If unknown, contact NZX

Details of securities issued pursuant to this event *If more than one class of security is to be issued, use a separate form for each class.*

Description of the class of securities:

ISIN:
If unknown, contact NZX

Number of Securities to be issued following event:

Minimum Entitlement:

Ratio, e.g ① for ② ☐ *for* ☐

Conversion, Maturity, Call Payable or Exercise Date:
Enter N/A if not applicable

Treatment of Fractions:

Tick if pari passu ☐ *OR* *provide an explanation of the ranking*:

Strike price per security for any issue in lieu or date Strike Price available.

Monies Associated with Event *Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.*

In dollars and cents

Amount per security: $0.010

Source of Payment: Retained earnings

Excluded income (only applicable to PIEs): Not Applicable

Currency: New Zealand dollars

Supplementary dividend details - Listing Rule 7.12.7
Amount per security in dollars and cents: $0.001765
Date Payable: 28 March, 2013

Total monies: $3,111,959

Taxation

Amount per Security in Dollars and cents to six decimal places

In the case of a taxable bonus issue state strike price: $

Resident Withholding Tax: $0.000429

Imputation Credits (Give details): $0.004286

Foreign Withholding Tax: $0.000000

FWP Credits (Give details): $0.000000

Timing (Refer Appendix 8 in the Listing Rules)

Record Date 5pm
For calculation of entitlements -: 22 March, 2013

Application Date
Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week.: 28 March, 2013

Notice Date
Entitlement letters, call notices, conversion notices mailed:

Allotment Date
For the issue of new securities. Must be within 5 business days of record date.:

OFFICE USE ONLY
Ex Date:
Commence Quoting Rights:
Cease Quoting Rights 5pm:
Commence Quoting New Securities:
Cease Quoting Old Security 5pm:

Security Code:

Security Code:

TO: Market Information Services Section
NZX Limited

THE WAREHOUSE GROUP ANNOUNCES INTERIM RESULTS

Total Group sales for the half year up 18.3% to $1.1 billion
Reported NPAT up $52.3 million to $106.3 million
Adjusted NPAT up 13.2% to $52.9 million
Interim Dividend of 15.5 cents per share declared

Auckland, 8 March 2013 – The Board of The Warehouse Group today announced a reported net profit after tax of $106.3 million, up 96.7% compared to $54.0 million last year. Adjusted net profit after tax[1] for the period was $52.9 million compared to $46.7 million last year, up 13.2%.

Group sales for the half year were $1,109.2 million, up 18.3% compared to the first half last year. Sales excluding Noel Leeming Group Limited were $979.8 million, up 4.5% on the prior comparable period.

The Warehouse (Red Sheds) reported sales of $866.6 million up 3.7% compared to the first half last year. Same store sales were up 2.1% for the half and 3.3% for the second quarter. Key growth categories were Consumer Electronics, Health & Beauty and Women's Apparel together with summer categories such as gardening. Operating profit for the half year was up 5.8% to $65.7 million from $62.1 million.

Commenting on The Warehouse (Red Sheds) result Group Chief Executive Officer, Mark Powell said "The continuation of sales growth together with gross margin improvement is pleasing. While still early in our multi year transformation we are pleased with the results of investments in our stores and people. We plan to accelerate the number of store refits this calendar year to 24 and will continue to invest ahead of the curve in the multichannel area."

Warehouse Stationery sales were $111.9 million up 11.8% compared to last year. Same store sales were up 4.2% for the half and 4.7% in the second quarter. Operating profit for the half year was up 17.9% to $3.7 million, demonstrating positive sales leverage. Warehouse Stationery continues to experience sales growth from retail footprint expansion and improved earnings performance from existing and recently opened stores.

Following the acquisition of Insight Traders, with the recently announced agreement to acquire a majority shareholding in Torpedo7, the Group continues to expand its multichannel channel capability both organically and through acquisition. The Warehouse's online sales were up 136% in H1 with the launch of the "Red Alert" daily deal site in Q1, our extended online range of 1 million books in Q2 and essentially the entire Red store (55,000 Sku's) now available online.

The Noel Leeming Group had a good result with sales for the two months of $129.3 million and EBIT of $5.8 million (at the top end of guidance of $4 – 6 million). We announced today the Bond + Bond store network is to be merged into the larger Noel Leeming retail brand. Mr Powell said "The Noel Leeming leadership team has determined that Bond + Bond is not sufficiently differentiated, and has too few stores, to operate separately. The change will create a clear focus and allow us to invest fully where we see opportunity and growth for Noel Leeming." With non-management store staff being offered comparable roles in Noel Leeming stores there are expected to be minimal job losses. The goal is to have the merger between the Bond + Bond and Noel Leeming retail brands complete by early April 2013.

In line with our property strategy The Warehouse Group also advises that it will commence the marketing of the Silverdale Retail Complex and we anticipate that the sale will be completed prior to the end of FY13.

In announcing the result, Chairman Graham Evans says "It is pleasing to see the Group's strategy deliver improved results for shareholders. While it is early days since the acquisition of Noel Leeming

Group, we are seeing the benefits expected from the transaction both in Noel Leeming and across the Group. Our focus on multichannel and our recently announced agreement to acquire a majority shareholding in Torpedo7 should position us for significant online sales and earnings growth in the medium term."

Subject to any material change in anticipated trading conditions, the Directors expect adjusted net profit after tax for the full year to be between $73.0 million and $76.0 million, up from $65.2 million a year ago.

The Directors have declared an interim dividend of 15.5 cents per share, representing 90% of adjusted earnings, which is 2 cents more than last year's interim dividend.

Dividends will be paid on 28 March 2013 with the record date being 22 March 2013.

[1] A reconciliation of adjusted net profit to reported net profit is detailed on page 8 of the NZX release and in note 13 of the condensed interim financial statements. Certain transactions such as the sale of properties and the release of warranty provisions can make the comparisons of profits between periods difficult. The Group monitors adjusted net profit as a key indicator of performance and uses it as the basis for determining dividends and believe it helps investors to understand what is happening in the business.

ENDS

Background: The Warehouse Group Limited

The Warehouse Group Limited comprises 92 Warehouse stores, 75 Noel Leeming stores and 59 Warehouse Stationery stores in New Zealand. The company had turnover of $1.7 billion in F12 and employs over 10,000 people.

Contact details regarding this announcement:

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