

11 March 2011

Listed Company Relations
New Zealand Exchange Limited

The Warehouse Group Limited

Unaudited results for the half year ended 30 January 2011

Attached financial information as required by NZX listing Rule 10.4.2

1. Appendix 1 disclosures for the half year ended 30 January 2011 including quarterly sales
2. Operational Highlights for the half year ended 30 January 2011
3. Condensed Consolidated Unaudited Financial Statements for the half year ended 30 January 2011, and the Accountants' Report thereon
4. Appendix 7 detailing a distribution of 15.5 cents per ordinary share to be paid on 20 April 2011 to those shareholders on the company's share register as at 5.00pm NZT 8 April 2011
5. ASX listing rule 4.2A.2 Directors' Declaration in respect of the unaudited Financial Statements
6. Media release


Kerry Nickels
Company Secretary

THE WAREHOUSE GROUP LIMITED	
Results for announcement to the market	
Reporting Period	2 August 2010 to 30 January 2011
Previous Reporting Period	3 August 2009 to 31 January 2010

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\$ 907,950	down (1.2)%
Profit from ordinary activities after tax attributable to shareholders	NZ\$ 52,292	down (8.9)%
Net profit attributable to shareholders	NZ\$ 52,292	down (8.9)%

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

Record date - Interim dividend	08 April 2011
Payment date - Interim dividend	20 April 2011

Comments	Refer to press release.
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Asset Backing	January 2011	January 2010
Net tangible asset backing per ordinary share	93.6 cents	104.5 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*.

THE WAREHOUSE GROUP LIMITED	
Supplementary Information	
Reporting Period	2 August 2010 to 30 January 2011
Previous Reporting	3 August 2009 to 31 January 2010

Quarterly sales information:

First quarter sales (2 August 2010 to 31 October 2010)	Sales 2011 (NZ\$ Million)	Sales 2010 (NZ\$ Million)	Change in sales	Change in same store sales
The Warehouse	315.8	317.7	- 0.6 %	- 1.5 %
Warehouse Stationery	46.5	45.2	+ 2.9 %	+ 5.3 %

Second quarter sales (1 November 2010 to 30 January 2011)	Sales 2011 (NZ\$ Million)	Sales 2010 (NZ\$ Million)	Change in sales	Change in same store sales
The Warehouse	492.3	503.3	- 2.2 %	- 3.3 %
Warehouse Stationery	51.6	51.0	+ 1.2 %	+ 1.2 %

Year to date sales (2 August 2010 to 30 January 2011)	Sales 2011 (NZ\$ Million)	Sales 2010 (NZ\$ Million)	Change in sales	Change in same store sales
The Warehouse	808.1	821.0	- 1.6 %	- 2.6 %
Warehouse Stationery	98.1	96.2	+ 2.0 %	+ 3.1 %

Store Numbers	The Warehouse		Warehouse Stationery	
	2011	2010	2011	2010
Start Quarter 1	87	86	47	46
End Quarter 1	88	86	48	46
End Quarter 2	88	86	50	47

Store footprint (Square Metres)	The Warehouse		Warehouse Stationery	
	2011	2010	2011	2010
Start Quarter 1	470,156	467,596	56,101	56,388
End Quarter 1	472,543	467,596	56,241	55,288
End Quarter 2	475,498	467,596	58,369	56,101

THE WAREHOUSE GROUP LIMITED	
Supplementary Information	
Reporting Period	2 August 2010 to 30 January 2011
Previous Reporting	3 August 2009 to 31 January 2010

Details of dividends declared or paid during or subsequent to the half year ended 31 January 2010 are as follows:

Type	Record date	Payment date	Amount per share	Total dividend (NZ\$ 000s)	Imputation credits	Supplementary dividend
Interim dividend	19-Mar-10	30-Mar-10	15.50 cents	48,235	7.6343 cents	2.7353 cents
Special dividend	19-Mar-10	30-Mar-10	1.50 cents	4,669	0.7388 cents	0.2647 cents
Final dividend	05-Nov-10	17-Nov-10	8.50 cents	26,451	3.6429 cents	1.5000 cents
Special dividend	05-Nov-10	17-Nov-10	5.00 cents	15,560	2.1429 cents	0.8824 cents
Interim dividend	08-Apr-11	20-Apr-11	15.50 cents	48,235	6.6429 cents	2.7353 cents

New Zealand imputation credits are attached to each dividend payment. A supplementary dividend is attached to each dividend paid to non-resident shareholders. The Warehouse Group Limited does not operate any type of dividend reinvestment plan.

The directors of The Warehouse Group Limited, at any time during or since the half year ended 31 January 2010 were:

Directors	
Keith R Smith	Non-executive Chairman
HJ Mark Callaghan	Non Executive (appointed 10 September 2010)
Robert L Challinor	Non Executive
Graham F Evans	Non Executive
Ian R Morrice	Executive
James H Ogden	Non Executive
Janine L Smith	Non Executive
Sir Stephen R Tindall	Non Executive

11 March 2011

THE WAREHOUSE GROUP LIMITED

Unaudited results for the half year ended 30 January 2011

The Warehouse Group Limited has today announced its unaudited results for the half year ended 30 January 2011.

HIGHLIGHTS

- Trading conditions difficult through the half. Retail spending more constrained than expected. Sector highly promotionally driven
- TWL continuing to achieve sales increases in online channel and key growth categories.
- Price deflation and continued contraction in CDs, DVDs and consumer electronics remains the key contributing factor to lower sales year on year
- Profit recovery continues in WSL with EBIT up 21.7% to \$3.7 million (HY10 \$3.0 million)
- New small format Warehouse opened in Rolleston. Replacement store in Gisborne opened. Commenced extensions to existing stores in Pukekohe and Timaru
- Three new Warehouse Stationery stores opened in Riccarton, Kerikeri and Gisborne

PROFIT AND DIVIDEND

- Reported net profit after tax \$52.3 million compared to \$57.4 million same period last year
- Net profit after tax, excluding unusual items of \$53.0 million compared to \$57.0 million same period last year
- Interim dividend of 15.5 cps

GROUP FINANCIAL SUMMARY

- Sales down 1.2% to \$908.0 million
- Operating profit down 5.2% to \$78.9 million
- Earnings per share 16.9 cps down 9.1% compared to 18.6 cps for the same period last year
- Operating cash flow \$34.3 million compared to \$44.4 million same period last year
- Net debt \$103.9 million compared to \$80.0 million in January 2010

THE WAREHOUSE OPERATING PERFORMANCE

	2011	2010	Change
Sales (\$millions)	808.1	821.0	-1.6%
Operating profit (\$millions)	74.0	78.7	-5.9%
Total Assets (\$millions)	367.3	358.0	2.6%

- Sales for the half year down 1.6% to \$808.1 million
- Operating profit down 5.9% to \$74.0 million
- Same store sales down 2.6%
- Operating margin 9.2% compared to 9.6% for the same period last year

WAREHOUSE STATIONERY OPERATING PERFORMANCE

	2011	2010	Change
Sales (\$millions)	98.1	96.2	2.0%
Operating profit (\$millions)	3.7	3.0	21.7%
Total Assets (\$millions)	61.0	58.1	5.0%

- Sales for the half year up 2.0% to \$98.1 million
- Operating profit up 21.7% to \$3.7 million
- Same store sales up 3.1%
- Operating margin 3.7% compared to 3.1% for the same period last year

FINANCIAL POSITION

1. Gearing and Debt Servicing

- Net debt of \$103.9 million compares to \$80.0 million at January 2010
- Net interest cover 15.7 times EBIT compared to 25.0 times EBIT at January 2010
- Fixed charge cover 3.7 times EBITDAR compared to 4.2 times EBITDAR at January 2010

2. Assets and Capital Expenditure

- Total assets increased to \$718.4 million compared to \$648.5 million in January 2010 due to increased cash on deposit
- Reported cash on hand increased by \$67.4 million to \$88.4 million
- Total gross capital expenditure for the half year decreased by \$5.7 million to \$26.4 million

3. Cashflow

- Operating cash flow down \$10.0 million to \$34.4 million due to a movement in net trade working capital related mainly to higher than usual levels of inventory

4. Dividend

- An interim dividend of 15.5 cps will be paid to shareholders on 20 April 2011
Dividend record date 8 April 2011.

OUTLOOK

- Trading conditions expected to be challenging for the remainder of the year.
- The Christchurch earthquake not expected to have any material impact on the company's financial performance or position.
- Subject to any material change in expected trading conditions FY11 adjusted NPAT is forecast to be between \$76.0 million and \$80.0 million (FY10 adjusted NPAT \$83.2 million).

RESULT BRIEFING

- A post result briefing will be conducted today at 9.15am. The audio of the briefing will be broadcast live via web cast on www.thewarehouse.co.nz from 9.15am NZT.

ENDS

Approved by

K R Smith
Chairman
The Warehouse Group Limited

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Media

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APPENDIX 1

Table 1 Summary Income Statement The Warehouse Group Limited (NZ\$000)			
	26 Weeks Ended 30 January 2011	26 Weeks Ended 31 January 2010	Percentage Change
The Warehouse	808,059	821,023	-1.6%
Warehouse Stationery	98,080	96,173	2.0%
Other group operations	4,890	4,849	
Inter-segment eliminations	(3,079)	(3,129)	
Total Group Sales	907,950	918,916	-1.2%
The Warehouse	74,026	78,674	-5.9%
Warehouse Stationery	3,668	3,014	21.7%
Other group operations	1,227	1,534	
Operating Profit	78,921	83,222	-5.2%
Gain on property disposals	142	-	
Changes in derivative fair values	194	556	
Financial Services equity earnings	1,643	1,559	5.4%
Earnings Before Interest and Tax	80,900	85,337	-5.2%
Interest	(5,153)	(3,411)	
Profit Before Tax	75,747	81,926	-7.5%
Taxation	(23,403)	(24,382)	
Minority interests	(52)	(114)	
Reported tax paid profit	52,292	57,430	-8.9%
Adjusted NPAT	52,962	57,041	-7.2%
Adjusted NPAT Margin	5.8%	6.2%	
Operating Margin			
The Warehouse	9.2%	9.6%	
Warehouse Stationery	3.7%	3.1%	
Total Operating Profit Margin	8.7%	9.1%	

APPENDIX 2

Table 2 Summary Balance Sheet The Warehouse Group Limited (NZ\$000)		
	As at 30 January 2011	As at 31 January 2010
Parent shareholders equity	309,802	343,630
Minority interest	225	312
Total Shareholders equity	310,027	343,942
Borrowings	98,798	100,000
Derivatives	2,301	2,967
Provisions	16,789	16,363
Deferred taxation	3,421	-
Non-current liabilities	121,309	119,330
Borrowings	93,532	907
Payables and provisions	172,640	163,262
Derivatives	10,750	13,585
Taxation	9,874	7,506
Current liabilities	287,047	185,260
Total Equity and Liabilities	718,383	648,532
Property, plant and equipment	278,357	268,238
Computer software	20,135	21,977
Other non-current assets	8,173	5,744
Deferred taxation	-	19,168
Non-current assets	306,665	315,127
Cash and deposits	88,405	20,957
Receivables	23,312	20,387
Inventories	300,001	288,023
Derivatives	-	4,038
Current assets	411,718	333,405
Total Assets	718,383	648,532

The Warehouse Group Limited
Interim Financial Statements

For the 26 weeks ended 30 January 2011

Consolidated Income Statements

	Note	Unaudited 26 Weeks Ended 30 January 2011 \$ 000	Unaudited 26 Weeks Ended 31 January 2010 \$ 000	Audited 52 Weeks Ended 1 August 2010 \$ 000
Revenue	3	907,950	918,916	1,672,695
Cost of sales		(571,500)	(581,035)	(1,064,012)
Gross profit		336,450	337,881	608,683
Other income		3,181	3,285	6,984
Employee expenses		(140,813)	(142,254)	(268,665)
Lease and occupancy expenses		(41,356)	(38,861)	(78,330)
Depreciation and amortisation expenses	4	(20,151)	(20,562)	(40,937)
Other operating expenses		(58,390)	(56,267)	(103,686)
Operating profit	3	78,921	83,222	124,049
Gain on disposal of property		142	-	-
Changes in fair value of financial instruments		194	556	(282)
Equity earnings of associate	6	1,643	1,559	2,808
Earnings before interest and tax		80,900	85,337	126,575
Net interest expense		(5,153)	(3,411)	(7,409)
Profit before tax		75,747	81,926	119,166
Income tax expense before Government Budget changes		(22,491)	(24,382)	(35,590)
Income tax expense relating to Government Budget changes		(912)	-	(23,036)
Net profit for the period		52,344	57,544	60,540
Attributable to:				
Shareholders of the parent		52,292	57,430	60,185
Minority interests		52	114	355
Profit attributable to shareholders		52,344	57,544	60,540
Basic earnings per share		16.9 cents	18.6 cents	19.5 cents
Diluted earnings per share		16.8 cents	18.5 cents	19.4 cents
Net assets per share		100.1 cents	111.6 cents	98.0 cents

Consolidated Statements of Comprehensive Income

	Unaudited 26 Weeks Ended 30 January 2011 \$ 000	Unaudited 26 Weeks Ended 31 January 2010 \$ 000	Audited 52 Weeks Ended 1 August 2010 \$ 000
Net profit for the period	52,344	57,544	60,540
Movement in cash flow hedge reserve net of tax	(4,600)	11,821	16,730
Total comprehensive income for the period	47,744	69,365	77,270
Attributable to:			
Shareholders of the company	47,692	69,251	76,915
Minority interest	52	114	355
	47,744	69,365	77,270

Consolidated Statements of Changes in Equity

	Unaudited 26 Weeks Ended 30 January 2011 \$ 000	Unaudited 26 Weeks Ended 31 January 2010 \$ 000	Audited 52 Weeks Ended 1 August 2010 \$ 000
Equity at the beginning of the period	303,246	321,144	321,144
Total comprehensive income for the period	47,744	69,365	77,270
Share rights charged to the income statement	1,084	1,259	2,609
Shares issued to employee share purchase plan	-	-	2,700
Dividends paid to shareholders of the company	(42,011)	(48,235)	(101,139)
Dividends paid to minority interest	(167)	(53)	(266)
Treasury stock dividends received	206	464	940
Purchase of treasury stock	(75)	(2)	(12)
Equity at the end of the period	310,027	343,942	303,246
Equity consists of:			
Share capital	251,445	251,445	251,445
Treasury stock	(6,351)	(12,607)	(8,262)
Cashflow hedge reserve	(8,607)	(8,916)	(4,007)
Employee share benefits reserve	2,336	2,521	3,422
Retained earnings	70,979	111,187	60,308
Total equity attributable to shareholders	309,802	343,630	302,906
Minority interest	225	312	340
Total equity	310,027	343,942	303,246

Consolidated Balance Sheets

	Note	Unaudited As at 30 January 2011 \$ '000	Unaudited As at 31 January 2010 \$ '000	Audited As at 1 August 2010 \$ '000
ASSETS				
Current assets				
Cash and cash equivalents	8	88,405	20,957	101,226
Trade and other receivables		23,312	20,387	16,929
Inventories		300,001	288,023	254,606
Derivative financial instruments	7	-	4,038	167
Total current assets		411,718	333,405	372,928
Non-current assets				
Trade and other receivables		1,704	-	2,091
Property, plant and equipment	4	278,357	268,238	272,346
Computer software	4	20,135	21,977	21,040
Investments	6	5,653	5,701	5,921
Derivative financial instruments	7	816	43	706
Deferred taxation		-	19,168	-
Total non-current assets		306,665	315,127	302,104
Total assets		718,383	648,532	675,032
LIABILITIES				
Current liabilities				
Borrowings	8	93,532	907	75,000
Trade and other payables	5	138,871	128,280	120,056
Derivative financial instruments	7	10,750	13,585	3,586
Provisions	9	34,020	34,982	37,649
Taxation payable		9,874	7,506	11,350
Total current liabilities		287,047	185,260	247,641
Non-current liabilities				
Borrowings	8	98,798	100,000	98,642
Derivative financial instruments	7	2,301	2,967	3,269
Provisions	9	16,789	16,363	16,637
Deferred taxation		3,421	-	5,597
Total non-current liabilities		121,309	119,330	124,145
Total liabilities		408,356	304,590	371,786
Net assets		310,027	343,942	303,246
EQUITY				
Contributed equity		245,094	238,838	243,183
Reserves		(6,271)	(6,395)	(585)
Retained earnings		70,979	111,187	60,308
Total equity attributable to shareholders		309,802	343,630	302,906
Minority interest		225	312	340
Total equity	11	310,027	343,942	303,246

Condensed Consolidated Statements of Cash Flows

	Unaudited 26 Weeks Ended 30 January 2011 \$ 000	Unaudited 26 Weeks Ended 31 January 2010 \$ 000	Audited 52 Weeks Ended 1 August 2010 \$ 000
Cash flows from operating activities			
Cash received from customers	907,665	927,107	1,687,894
Interest income	1,218	254	927
Payments to suppliers and employees	(843,588)	(864,063)	(1,529,539)
Income tax paid	(24,707)	(15,190)	(22,181)
Interest paid	(6,249)	(3,712)	(7,950)
Net cash flows from operating activities	34,339	44,396	129,151
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	1,020	88	401
Staff share purchase advances repaid	315	-	84
Dividend received from associate	1,911	3,234	4,263
Purchase of property, plant, equipment and software	(26,412)	(32,075)	(57,280)
Other items	(65)	(2)	(2)
Net cash flows from investing activities	(23,231)	(28,755)	(52,534)
Cash flows from financing activities			
Proceeds from short term borrowings	18,532	907	-
Proceeds from senior bond	-	-	98,400
Repayment of term borrowings	-	-	(25,000)
Treasury stock dividends received	206	464	940
Dividends paid to parent shareholders	(42,500)	(48,754)	(102,217)
Dividends paid to minority shareholders	(167)	(53)	(266)
Net cash flows from financing activities	(23,929)	(47,436)	(28,143)
Net cash flow	(12,821)	(31,795)	48,474
Opening cash position	101,226	52,752	52,752
Closing cash position	88,405	20,957	101,226
	-	-	-
Reconciliation of Operating Cash Flows			
Profit after tax	52,344	57,544	60,540
Non-cash items			
Depreciation and amortisation expenses	20,151	20,562	40,937
Share based payment expense	1,084	1,259	2,609
Interest amortisation	93	-	57
Movement in deferred tax	(316)	609	23,237
Changes in fair value of financial instruments	(194)	(556)	282
Share of surplus retained by associate	(1,643)	(1,559)	(2,808)
Total non-cash items	19,175	20,315	64,314
Items classified as investing or financing activities			
Net loss on sale of property, plant and equipment	135	276	1,623
Supplementary dividend tax credit	489	519	1,078
Total investing and financing adjustments	624	795	2,701
Changes in assets and liabilities			
Trade and other receivables	(6,317)	4,077	8,076
Inventories	(45,396)	(30,079)	3,337
Trade and other payables	18,803	(7,604)	(15,950)
Provisions	(3,418)	(8,715)	(5,774)
Income tax	(1,476)	8,063	11,907
Total changes in assets and liabilities	(37,804)	(34,258)	1,596
Net cash flows from operating activities	34,339	44,396	129,151
	-	-	-

Notes to the Financial Statements

1. GENERAL INFORMATION

The Warehouse Group Limited and its subsidiaries (together the "Group") operate as a retail chain with 88 general merchandise and 50 stationery stores spread across 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 dual listed on the New Zealand and Australian stock exchanges.

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 30 January 2011 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 1 August 2010 and the unaudited interim financial statements for the 26 weeks ended 31 January 2010.

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 1 August 2010.

(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.

Approval of Financial Statements

These consolidated interim financial statements were approved for issue by the Board of Directors on 10 March 2011. Unless as otherwise stated, the financial statements have been reviewed by our Auditors, but are not audited.

3. SEGMENT INFORMATION

	REVENUE			OPERATING PROFIT		
	(Unaudited) 26 Weeks Ended 30 January 2011 \$ '000	(Unaudited) 26 Weeks Ended 31 January 2010 \$ '000	(Audited) 52 Weeks Ended 1 August 2010 \$ '000	(Unaudited) 26 Weeks Ended 30 January 2011 \$ '000	(Unaudited) 26 Weeks Ended 31 January 2010 \$ '000	(Audited) 52 Weeks Ended 1 August 2010 \$ '000
SEGMENT PERFORMANCE						
The Warehouse	808,059	821,023	1,476,219	74,026	78,674	112,664
Warehouse Stationery	98,080	96,173	193,599	3,668	3,014	8,044
Other group operations	4,890	4,849	8,107	1,227	1,534	3,341
Inter-segment eliminations	(3,079)	(3,129)	(5,230)	-	-	-
	907,950	918,916	1,672,695	78,921	83,222	124,049
Operating margin						
The Warehouse (%)				9.2	9.6	7.6
Warehouse Stationery (%)				3.7	3.1	4.2
Operating profit (%)				8.7	9.1	7.4

Notes to the Financial Statements - continued

3. SEGMENT INFORMATION - continued

	DEPRECIATION & AMORTISATION			CAPITAL EXPENDITURE		
	(Unaudited) 26 Weeks Ended 30 January 2011 \$ 000	(Unaudited) 26 Weeks Ended 31 January 2010 \$ 000	(Audited) 52 Weeks Ended 1 August 2010 \$ 000	(Unaudited) 26 Weeks Ended 30 January 2011 \$ 000	(Unaudited) 26 Weeks Ended 31 January 2010 \$ 000	(Audited) 52 Weeks Ended 1 August 2010 \$ 000
The Warehouse	16,325	16,757	33,307	15,204	8,858	22,905
Warehouse Stationery	2,416	2,271	4,608	2,939	709	4,310
Other group operations	1,410	1,534	3,022	8,269	20,895	28,454
Operating assets / liabilities	20,151	20,562	40,937	26,412	30,462	55,669

	TOTAL ASSETS			TOTAL LIABILITIES		
	(Unaudited) As at 30 January 2011 \$ 000	(Unaudited) As at 31 January 2010 \$ 000	(Audited) As at 1 August 2010 \$ 000	(Unaudited) As at 30 January 2011 \$ 000	(Unaudited) As at 31 January 2010 \$ 000	(Audited) As at 1 August 2010 \$ 000
The Warehouse	367,255	357,991	326,639	147,232	137,029	137,178
Warehouse Stationery	61,021	58,106	52,861	27,743	29,531	23,509
Other group operations	195,233	182,528	187,512	7,350	5,651	6,241
Operating assets / liabilities	623,509	598,625	567,012	182,325	172,211	166,928
Unallocated assets / liabilities						
Cash and cash equivalents	88,405	20,957	101,226	192,330	100,907	173,642
Derivative financial instruments	816	4,081	873	13,051	16,552	6,855
Investments	5,653	5,701	5,921	-	-	-
Taxation	-	19,168	-	13,295	7,506	16,947
Warranty provision	-	-	-	7,355	7,414	7,414
Total	718,383	648,532	675,032	408,356	304,590	371,786

4. PROPERTY, PLANT, EQUIPMENT AND SOFTWARE

	(Unaudited) As at 30 January 2011 \$ 000	(Unaudited) As at 31 January 2010 \$ 000	(Audited) As at 1 August 2010 \$ 000
Property, plant and equipment	278,357	268,238	272,346
Computer software	20,135	21,977	21,040
Net book value	298,492	290,215	293,386
Movement in property, plant, equipment and software			
Balance at the beginning of the period	293,386	280,680	280,680
Capital expenditure	26,412	30,462	55,669
Depreciation and amortisation	(20,151)	(20,562)	(40,937)
Disposals	(1,155)	(365)	(2,026)
Balance at the end of the period	298,492	290,215	293,386

5. TRADE AND OTHER PAYABLES

	(Unaudited) As at 30 January 2011 \$ 000	(Unaudited) As at 31 January 2010 \$ 000	(Audited) As at 1 August 2010 \$ 000
Trade creditors	107,351	97,500	90,712
Goods in transit creditors	13,458	14,015	12,918
Unearned income (includes layby's, gift vouchers and Christmas club deposits)	8,786	7,556	7,743
Payroll accruals	9,276	9,209	8,683
	138,871	128,280	120,056

Notes to the Financial Statements - continued

6. INVESTMENT

	(Unaudited) As at 30 January 2011 \$ 000	(Unaudited) As at 31 January 2010 \$ 000	(Audited) As at 1 August 2010 \$ 000
Investment at beginning of the year	5,921	7,376	7,376
Share of associates profit before taxation	2,348	2,226	4,033
Less taxation	(705)	(667)	(1,225)
Equity earnings of associate	1,643	1,559	2,808
Dividend received from associate	(1,911)	(3,234)	(4,263)
Investment at end of the period	5,653	5,701	5,921

The Warehouse Financial Services Limited

The Group has a 49% (2010: 49%) interest, and Westpac a 51% (2010: 51%) interest in The Warehouse Financial Services Limited.

7. DERIVATIVE FINANCIAL INSTRUMENTS

	(Unaudited) As at 30 January 2011 \$ 000	(Unaudited) As at 31 January 2010 \$ 000	(Audited) As at 1 August 2010 \$ 000
Current assets	-	4,038	167
Non-current assets	816	43	706
Current liabilities	(10,750)	(13,585)	(3,586)
Non-current liabilities	(2,301)	(2,967)	(3,269)
	(12,235)	(12,471)	(5,982)
Derivative financial instruments consist of:			
Foreign exchange contracts - cash flow hedge	(9,537)	(10,191)	(2,757)
Interest rate swaps - cash flow hedge	(2,698)	(2,924)	(3,031)
Electricity contracts - economic hedge	-	644	(194)
	(12,235)	(12,471)	(5,982)

The Group continues to manage its foreign exchange, interest rate and electricity price risks in accordance with the policies and parameters detailed in the 2010 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)	175,515	135,771	175,812
Average contract rate (\$)	0.7207	0.6406	0.7066
Spot rate used to determine fair value (\$)	0.7729	0.7011	0.7260

Notes to the Financial Statements - continued

8. DEBT

	(Unaudited) As at 30 January 2011 \$ 000	(Unaudited) As at 31 January 2010 \$ 000	(Audited) As at 1 August 2010 \$ 000
Cash on hand and at bank	18,405	20,957	16,786
Deposits at call	70,000	-	84,440
Cash and cash equivalents	88,405	20,957	101,226
Current borrowings	93,532	907	75,000
Non-current borrowings	98,798	100,000	98,642
Total borrowings	192,330	100,907	173,642
Net debt / (funds)	103,925	79,950	72,416
Committed credit facilities at balance date are:			
Debt facilities	300,000	255,000	330,000
Facilities used	(192,330)	(100,907)	(175,000)
Unused debt facilities	107,670	154,093	155,000
Letter of credit facilities	28,000	28,000	28,000
Letters of credit	(6,167)	(9,720)	(15,899)
Unused letter of credit facilities	21,833	18,280	12,101
Total unused bank facilities	129,503	172,373	167,101

9. PROVISIONS

	(Unaudited) As at 30 January 2011 \$ 000	(Unaudited) As at 31 January 2010 \$ 000	(Audited) As at 1 August 2010 \$ 000
Current liabilities	34,020	34,982	37,649
Non-current liabilities	16,789	16,363	16,637
	50,809	51,345	54,286
Provisions consist of:			
Annual performance based compensation	7,440	8,582	9,707
Cash settled share-based compensation	-	887	1,684
Annual leave	18,193	18,416	18,478
Long service leave	6,247	6,002	6,199
Other employee benefits	5,911	4,582	5,586
Employee benefits	37,791	38,469	41,654
Make good provision	2,933	2,699	2,730
Sales returns provision	2,730	2,763	2,488
Warranty provision	7,355	7,414	7,414
	50,809	51,345	54,286

10. DIVIDENDS

	CENTS PER SHARE			DIVIDENDS PAID		
	(Unaudited) 26 Weeks Ended 30 January 2011	(Unaudited) 26 Weeks Ended 31 January 2010	(Audited) 52 Weeks Ended 1 August 2010	(Unaudited) 26 Weeks Ended 30 January 2011 \$ 000	(Unaudited) 26 Weeks Ended 31 January 2010 \$ 000	(Audited) 52 Weeks Ended 1 August 2010 \$ 000
Prior year final dividend	8.5	5.5	5.5	26,451	17,116	17,116
Interim dividend	-	-	15.5	-	-	48,235
	8.5	5.5	21.0	26,451	17,116	65,351
Special dividend - interim	-	-	1.5	-	-	4,669
Special dividend - final	5.0	10.0	10.0	15,560	31,119	31,119
Total dividends paid	13.5	15.5	32.5	42,011	48,235	101,139

On 10 March 2011 the board declared a fully imputed interim dividend of 15.5 cents per ordinary share to be paid on 20 April 2011 to all shareholders on the Group's share register at the close of business on 8 April 2011.

Notes to the Financial Statements - continued

11. EQUITY

(Unaudited)	Share Capital	Treasury Stock	Cash Flow Hedge Reserve	Employee Share Benefits Reserve	Retained Earnings	Minority Interest	Total Equity
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
For the 26 weeks ended 30 January 2011							
Balance at the beginning of the period	251,445	(8,262)	(4,007)	3,422	60,308	340	303,246
Profit for the half year	-	-	-	-	52,292	52	52,344
Net change in fair value of cash flow hedges	-	-	(4,600)	-	-	-	(4,600)
Share rights charged to the income statement	-	-	-	1,084	-	-	1,084
Share rights exercised	-	1,986	-	(2,170)	184	-	-
Dividends paid	-	-	-	-	(42,011)	(167)	(42,178)
Treasury stock dividends received	-	-	-	-	206	-	206
Purchase of treasury stock	-	(75)	-	-	-	-	(75)
Balance at the end of the period	251,445	(6,351)	(8,607)	2,336	70,979	225	310,027

(Unaudited)	Share Capital	Treasury Stock	Cash Flow Hedge Reserve	Employee Share Benefits Reserve	Retained Earnings	Minority Interest	Total Equity
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
For the 26 weeks ended 31 January 2010							
Balance at the beginning of the period	251,445	(14,356)	(20,737)	3,654	100,887	251	321,144
Profit for the half year	-	-	-	-	57,430	114	57,544
Net change in fair value of cash flow hedges	-	-	11,821	-	-	-	11,821
Share rights charged to the income statement	-	-	-	1,259	-	-	1,259
Share rights exercised	-	1,751	-	(2,392)	641	-	-
Dividends paid	-	-	-	-	(48,235)	(53)	(48,288)
Treasury stock dividends received	-	-	-	-	464	-	464
Purchase of treasury stock	-	(2)	-	-	-	-	(2)
Balance at the end of the period	251,445	(12,607)	(8,916)	2,521	111,187	312	343,942

(Audited)	Share Capital	Treasury Stock	Cash Flow Hedge Reserve	Employee Share Benefits Reserve	Retained Earnings	Minority Interest	Total Equity
	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
For the 52 weeks ended 1 August 2010							
Balance at the beginning of the period	251,445	(14,356)	(20,737)	3,654	100,887	251	321,144
Profit for the year	-	-	-	-	60,185	355	60,540
Net change in fair value of cash flow hedges	-	-	16,730	-	-	-	16,730
Share rights charged to the income statement	-	-	-	2,609	-	-	2,609
Share rights exercised	-	1,751	-	(2,471)	720	-	-
Shares issued to employee share purchase pla	-	4,355	-	(370)	(1,285)	-	2,700
Dividends paid	-	-	-	-	(101,139)	(266)	(101,405)
Treasury stock dividends received	-	-	-	-	940	-	940
Purchase of treasury stock	-	(12)	-	-	-	-	(12)
Balance at the end of the period	251,445	(8,262)	(4,007)	3,422	60,308	340	303,246

Notes to the Financial Statements - continued

12. COMMITMENTS

	(Unaudited) As at 30 January 2011 \$ '000	(Unaudited) As at 31 January 2010 \$ '000	(Audited) As at 1 August 2010 \$ '000
(a) Capital commitments			
Capital expenditure contracted for at balance date but not recognised as liabilities is set out below:			
Within one year	16,437	3,214	14,927
(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	54,679	53,008	52,696
1-2 Years	45,431	42,449	42,775
2-5 Years	73,450	72,437	69,134
5+ Years	21,649	19,784	15,335
	195,209	187,678	179,940

13. CONTINGENT LIABILITIES

The Warehouse Australia

In November 2005 the Group sold the business assets of The Warehouse Australia to Australian Discount Retail ("ADR"). In accordance with the sale and purchase agreement, the Group provided certain warranties and indemnities to ADR. Most of those warranties and indemnities have been settled or have expired. However, a number continue and, as such, provisioning has been made in the financial statements where it is probable that a liability exists from these obligations.

There are still 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. In January 2009 ADR was placed in receivership; until this process concludes it remains uncertain whether the existing status of the Group's contingent liabilities will change.

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.

14. RELATED PARTIES

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

Related party directorships

K R Smith, the Group's Chairman, is a director of Mighty River Power Limited (MRP). MRP is a supplier of electricity to the Group. During the half year the Group paid \$4.419 million (2010: \$3.682 million) to MRP to purchase electricity on an arms length basis at normal commercial terms.

15. CHRISTCHURCH EARTHQUAKE

On Tuesday 22 February 2011 an earthquake measuring 6.3 on the Richter scale struck Christchurch city. The financial impact of the earthquake in Christchurch is currently expected to be immaterial with any losses eventuating expected to be covered by the Group's material damage and business interruption insurance.



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

Report on the Interim Financial Statements

We have reviewed the interim financial statements ("the interim financial statements") of The Warehouse Group Limited on pages 2 to 11, which comprise the consolidated balance sheets as at 30 January 2011, the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and condensed consolidated statements of cash flows for the period then ended, and 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 30 January 2011, 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 30 January 2011 in accordance with the Review Engagement Standards issued by the New Zealand Institute of Chartered Accountants.

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 matters have not impaired our independence as accountants of the Group.



Independent Accountants' Report

The Warehouse Group Limited

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 30 January 2011 and its financial performance and cash flows for the period ended on that date.

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.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

Chartered Accountants

Auckland

10 March 2011

THE WAREHOUSE GROUP LIMITED	
Directors' Declaration	
Reporting Period	2 August 2010 to 30 January 2011
Previous Reporting	3 August 2009 to 31 January 2010

**Directors' Declaration in respect of the Group Financial Statements
for the half year ended 30 January 2011**

Introduction

It is a requirement of the Australian Stock Exchange Listing Rules that a declaration be given by the directors of the company in respect of the financial statements for the company and its subsidiaries and associates (Group) for the half year ended 30 January 2011. This declaration must be filed with the Australian Stock Exchange.

Declaration

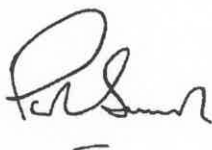
In the opinion of the Directors of The Warehouse Group Limited:

The Group financial statements dated 30 January 2011 and the notes to those financial statements comply with accounting standards issued by the New Zealand Institute of Chartered Accountants; and

The Group financial statements dated 30 January 2011 and the notes to those financial statements give a true and fair view of the financial position and performance of the Group; and

In the Director's opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors dated 10 March 2011 and is signed for and on behalf of the Board of Directors by the Chairman.



K R Smith
Chairman

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 **Keith Smith** Authority for event, e.g. Directors' resolution **Directors' resolution**

Contact phone number **(09) 489 8900** Contact fax number **(09) 488 3241** Date **10 / 03 / 2011**

Nature of event Tick as appropriate
 Bonus Issue ☐ If ticked, state whether: Taxable ☐ / Non Taxable ☐ Conversion ☐ Interest ☐ Rights Issue Renounceable ☐
 Rights Issue non-renounceable ☐ 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 Treatment of Fractions
Enter N/A if not applicable Tick if 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 **\$0.155** 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 **\$0.027353**
 Total monies **\$48,235,360** Date Payable **20 April, 2011**

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 **\$0.006643** Imputation Credits (Give details) **\$0.066429**
 Foreign Withholding Tax **\$0.000000** FWP Credits (Give details) **\$0.000000**

Timing (Refer Appendix 8 in the Listing Rules)

Record Date 5pm **Application Date**
 For calculation of entitlements - **8 April, 2011** 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. **20 April, 2011**

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

MEDIA RELEASE

THE WAREHOUSE GROUP ANNOUNCES INTERIM RESULTS

***Adjusted Earnings down 7.1% to \$53.0 million
Interim Dividend maintained***

Auckland, 11 March 2011 – The board of The Warehouse Group today announced a net profit after tax excluding unusual items of \$53.0 million compared to \$57.0 million in the prior comparable period, down 7.1%.

Group sales for the half year were \$908.0 million, down 1.2% compared to the first half last year.

The Directors have declared an interim dividend of 15.5 cents per share, equal to last year's interim ordinary dividend.

In announcing the result, Chairman Keith Smith says "the overall retail sector is currently experiencing an extended cyclical downturn as a result of continued uncertainty in the economy. The difficult trading environment has added to the challenge of implementing initiatives to offset the impact of price deflation and ongoing decline in some key categories. As such the board views the result as satisfactory under the circumstances and is pleased that the company continues to generate solid operating cash flows and remains in a strong financial position".

The Warehouse reported sales of \$808.1 million down 1.6% compared to the first half last year. Same store sales were down 2.6% for the half and down 3.3% for the second quarter. Operating profit for the half year was down 5.9% to \$74.0 million.

Commenting on The Warehouse result Group Chief Executive Officer, Ian Morrice says "a tough environment plus a higher New Zealand dollar resulted in increased discounting and price deflation across the market. We focused on our clear value proposition for families and as a result achieved volume and transaction increases. Whilst gross margins have been maintained, lower sales overall has translated into lower earnings for the half year".

"Although the decline in CDs, DVDs and consumer electronics resulted in a sales shortfall we are pleased with progress on a number of fronts. For example, our sporting business was up 4.6%, our home appliance business was up 4.0%, our housewares business up 2.5% and furniture was up over 9%. Other areas of focus such as everyday needs and health and beauty were also significantly up on last year", Mr Morrice says.

Warehouse Stationery sales were \$98.1 million up 2.0% compared to last year. Same store sales were up 3.1% for the half and up 1.2% for the second quarter. Operating profit for the half year was up 21.7% to \$3.7 million.

Mr Morrice says "it is pleasing to see that the recovery phase established last year has maintained its positive momentum. The three new stores opened during the first half are all performing well. We are also pleased to report a further 20% increase in earnings for Warehouse Stationery".

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

Dividends will be paid on 20 April 2011 with the record date being 8 April 2011.

ENDS

Background: The Warehouse Group Limited

The Warehouse Group Limited comprises 88 Warehouse stores and 50 Warehouse Stationery stores in New Zealand. The company has a turnover of \$1.7 billion and employs over 9,000 people.

Contact details regarding this announcement:***Investors and Analysts***

Luke Bunt
Chief Financial Officer
Telephone: +64 21 644 882

Media

Ian Morrice, Group CEO
to be contacted via Wendy Irving on
+64 9 488 3231