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

THE WAREHOUSE GROUP

WAREHOUSE GROUP THIRD QUARTER: SOLID TREND AFTER CHALLENGING FIRST HALF YEAR
Group Sales for Q3 of $635.1 million
The Warehouse (Red Sheds) Same Store Sales growth of 3.3%
Warehouse Stationery (Blue Sheds) Same Store Sales growth of 2.1%
Noel Leeming Same Store Sales growth of 0.9%

Auckland, 8th May 2015

The Board of The Warehouse Group (TWG) today reported Group sales for the third quarter ending April 26th of $635.1m with solid same store sales performances from each of the retail brands.

The Warehouse
The Warehouse (Red Sheds) reported sales for the third quarter of $381.1 million, an increase of 3.8% or $14.1 million compared to the same quarter last year. Same store sales increased 3.3% in the quarter with the 'Red Sheds' now recording 17 consecutive quarters of positive same store sales growth.

The major drivers of sales growth in Q3 were strong performance through the "Back to School" period including the first key trading period for SchoolTex since it was acquired. Sales in the Home category continue to be strong with positive sales growth also from the Apparel and Leisure categories. Gross Margins improved on last year, driven largely by a strong contribution from Apparel.

Also in the quarter, the Red Sheds continued to make good progress in extending its digital/multi-channel capability with 'Click & Collect' (order online, pick up in-store) and 'Endless Aisles' (extended range available in store through online) now offered in all stores nationwide. Revenues from digital channels continue to grow at higher rates than the market.

Commenting on The Warehouse (Red Sheds) result Group Chief Executive Officer Mark Powell said "the third quarter saw a much improved performance on a challenging first half, with solid sales growth and improved gross margin. Our 'House of Bargains, Home of Essentials' strategy resonates with customers, as we now focus on leveraging ongoing sales growth into profit growth. We continue to lead the way in digital/multi-channel retailing, with 'Click & Collect' now representing 20% of online sales".

Warehouse Stationery
Warehouse Stationery (Blue Sheds) reported sales for the third quarter of $70.2 million, an increase of 2.9% or $2.0 million compared to the same quarter last year. Same store sales increased 2.1% in the quarter with the 'Blue Sheds' now recording 23 consecutive quarters of positive same store sales growth.

Commenting on the Warehouse Stationery result Group Chief Executive Officer Mark Powell said "Warehouse Stationery is a great business and its 'work, study, create, connect' strategy has continued to deliver. Third quarter sales growth was driven by good 'Back to School' and 'Tax Time' campaigns which saw a strong lift in transaction count year on year."

Noel Leeming
Noel Leeming reported sales for the third quarter of $154.8 million, an increase of 5.4% compared to the same quarter last year. Quarterly same store sales increased 0.9%.

Commenting on the Noel Leeming result Group Chief Executive Officer Mark Powell said "The positive impact of the first half rebrand and new stores drove the sales increase. After a tough first half year, where the market cycled through the digital switchover in the previous year, Noel Leeming has rebounded well in the third quarter and continues to gain market share. Its strategy of being the 'passionate experts' in this sector is providing a competitive advantage"

Torpedo7 Group
Torpedo7 Group reported sales for the third quarter of $30.6 million up 8.5% compared to the same quarter last year.

Commenting on the Torpedo7 Group result Group Chief Executive Officer Mark Powell said "Torpedo7 Group is still in its early stages of development and continues to work on the strategic direction of becoming NZ's leading outdoor, adventure sport omni-channel retailer. This quarter saw an overall growth for the Group with standout performances in 1 Day and Torpedo7 stores, balanced by tougher sales into the Australian market."

The Warehouse Group
In announcing the result, Group CEO Mark Powell said "The third quarter has delivered positive sales results across all our retail businesses in the quarter. While this is a solid performance, particularly on the back of a difficult first half trading period, the retail environment continues to be highly competitive, and our focus remains on leveraging year-on-year profit growth for the second half year". These third quarter results are in-line with expectations and consequently our full year profit guidance remains the same as that given during the presentation of the first half year result.

ENDS

Background: The Warehouse Group Limited

The Warehouse Group Limited comprises 92 Warehouse stores, 78 Noel Leeming stores, 65 Warehouse Stationery stores 11 Torpedo7 stores and 2 Number 1 Fitness stores in New Zealand and several online businesses. The company had turnover of $2.6 billion in FY14 and employs over 12,000 people.

Contact details regarding this announcement:

Investors, Analysts and Media
Mark Powell, Group CEO, to be contacted via
Gayle Theunissen on +64 9 489 8900 extn 96333
or +64 21 742 784

THE WAREHOUSE GROUP LIMITED	
Supplementary Information	
Reporting Period	26 January 2015 to 26 April 2015
Previous Reporting Period	27 January 2014 to 27 April 2014

Quarterly Retail Sales information:

Third quarter sales (26 January 2015 to 26 April 2015)	Sales 2015 (NZ$ Million)	Sales 2014 (NZ$ Million)	Change in sales	Change in same store sales
The Warehouse	381.1	367.0	+ 3.8 %	+ 3.3 %
Warehouse Stationery	70.2	68.2	+ 2.9 %	+ 2.1 %
Noel Leeming (NLG)	154.8	146.9	+ 5.4 %	+ 0.9 %
Torpedo7	30.6	28.2	+ 8.5 %	

Year to date sales (28 July 2014 to 26 April 2015)	Sales 2015 (NZ$ Million)	Sales 2014 (NZ$ Million)	Change in sales	Change in same store sales
The Warehouse	1,309.8	1,287.1	+ 1.8 %	+ 1.6 %
Warehouse Stationery	194.6	189.7	+ 2.6 %	+ 1.2 %
Noel Leeming (NLG)	485.2	475.7	+ 2.0 %	- 0.7 %
Torpedo7	94.9	76.1	+ 24.7 %	

Store Numbers	The Warehouse		Noel Leeming		Warehouse Stationery	
	2015	2014	2015	2014	2015	2014
Start Quarter 3	92	92	79	76	65	63
End Quarter 3	92	91	78	76	65	64

Store footprint (Square Metres)	The Warehouse		Noel Leeming		Warehouse Stationery	
	2015	2014	2015	2014	2015	2014
Start Quarter 3	498,525	501,311	70,574	68,719	70,895	68,057
End Quarter 3	498,525	495,409	70,174	68,719	70,895	68,711

Store changes during the quarter	New Store	Replacement stores	Store Closure	Store Extension/ Reduction
The Warehouse	-	-	-	-
Warehouse Stationery	-	-	-	-
Noel Leeming	1	-	2	-