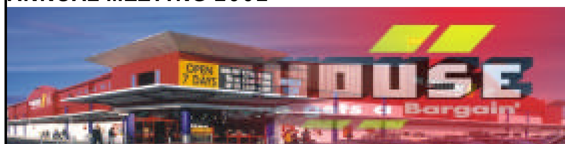
THE WAREHOUSE GROUP LIMITED

WELCOMES YOU TO THE

2002 ANNUAL MEETING

20 Years of
Bargains

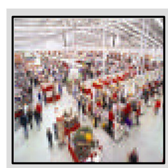
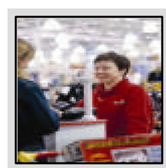
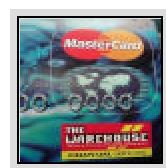
THE WAREHOUSE GROUP LIMITED
ANNUAL MEETING 2002



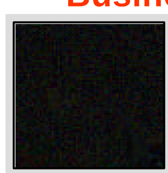
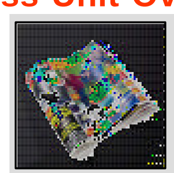
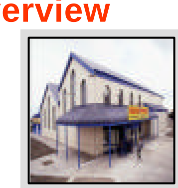
Presentation by Greg Muir, CEO
29 November

Group Results: Summary FY02

- Sales up **11.9%** to **$1.862b**
- Net operating profit after tax up **36.1%** to **$82.2m**
- EBIT **25.7%** higher to **$139.2m**
- Total dividends for F02 up **8%** or 1 cent to 13.5c
- EPS up **33.0%** to 27.0 cents
- Net debt down **10.8%** to $201m
- Inventory and GIT up **10.6%** but inventory and GIT per square metre of retail down 2.9%

Business Unit Overview

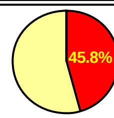
Warehouse New Zealand FY02

	FY02	FY01	% ?
Sales ($m)	1,262	1,167	8.1%
Operating Profit ($m)	140.1	117.1	19.6%
Operating Margin (%)	11.1%	10.0%	+110 bp

Warehouse New Zealand

MARKET SHARE

Market Overview



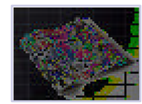
- Share up 240bp in F02 to 45.8%

Vision

To be the leading community provider of goods and services for all New Zealanders

Strategy

- Increase retail footprint by 36% (120,000m²) by F05/F06
- 90+ stores by F05 currently 78)
- Enhancement of existing catalogue
- New categories



MACRO-ECONIMIC CONDITIONS

- Nominal actual sales (excl. auto) grew 7.5% in F02
- Dept store sales grew 2.5%

Warehouse New Zealand

Where will the growth come from? **Market Share**

SHARE OF RETAIL

NZ Retail	Made up of...		Warehouse has...	But only...
$34 billion excluding vehicles, vehicle servicing	Food	32%		
	Clothing/footwear	6%		
	Department Stores	8%	45.8% share of dept stores	8% share of retail market we compete in
	Furniture/floorings	4%		
	Appliances	5%		
	Hardware	3%		
	Recreational Goods	6%		
	Other	15%		
	Restaurants/takeaways	10%		
	Accommo, hotels & liquor	11%		
		100%		

Warehouse New Zealand

Where will the growth come from? **Property**

Future Footprint Growth by Region

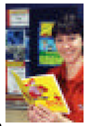
Region	Future floor space m²
Wellington	14,000
Auckland	36,000
Waikato	8,000
Hawkes Bay	8,000
Manawatu	6,000
Canterbury	10,000
Other	23,000
Total	**105,000**

Targeting 450,000 m² of floor space by 2005/06

Warehouse in the Community

we are part of your community

- **Clean Up NZ** - Continued support as a sponsor
  - 2,800 team member involved in 2002
- **School Partnership Programme**
  - Over 20 stores involved
- **Fundraising**
  - Total NZ fundraising support in FY02: $2.6m
- **All Sites Zero Waste**
  - Achieved September 1st 2002
  - Customer recycling bins introduced
- **Sustainable Building Strategy**
  - Energy management, water reticulation, solar water heating
- **Key 4 Free**



Sustainable Retailing

enormous challenge......but we have made a start...

ENVIRO MARK

- **Packaging guidelines**
  - Checking top 200 lines
  - Eliminating polystyrene packaging
- **Factory Appraisals**
  - Labour & environmental practices
  - 50 top factories plus incidental visits
- **The Warehouse & Enviro-Mark Supplier Program**
- **FSC timber** (Target 25% outdoor furniture 2002)
- **New Terms of Trade** – published in August 2002
- **Red Edge** (Checkout bags, Returns Project)
- **Kiwimade initiative**

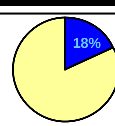
Warehouse Stationery FY02

	FY02	FY01	% ?
Sales ($m)	124.4	93.5	33.0%
Operating Profit ($m)	4.2	6.5	(35.8%)
Operating Margin (%)	3.4%	7.0%	(360 bp)

Warehouse Stationery

Market Overview

MARKET SHARE



- Est. 18% of market share

MACRO-ECONIMIC CONDITIONS

- Economy grew 2.7% in H102
- Momentum remains strong with slowdown likely in CY03

Strategy

- Continue evolution from stationer to an office products company
- Establish and grow B2B nationally
- Expand into new segments and geographies
- Enhancement of existing categories
- Reduce CODB
- Potential to grow footprint to 60

B2B Update - B2B launched October 2002

Key success factors	Measures
Customer acquisition	■ Over 3,000 customers to date ■ Offer is now available from Whangarei to Tauranga
Sales generation	Gaining traction each month
Market size	Estimated at $650m - $700m
EBIT	■ EBIT loss of $4m in F02 ■ Expect EBIT breakeven in F04

WHY PAY FULL PRICE?

Warehouse Australia FY02

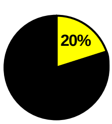
	FY02	FY01	% ?
Sales (NZ$m)	476.0	404.5	17.7%
Operating Profit ($m)	2.6	(1.5)	n.m.
Operating Margin (%)	0.6%	(0.4%)	100 bp

THE WAREHOUSE "WHERE EVERYONE GETS A BARGAIN"

Warehouse Australia

Market Overview

MARKET SHARE



MACRO-ECONIMIC CONDITIONS

- "Bargain sector" est. at $2bn
- Discount dept store and bargain sector growing faster than traditional dept. stores
- Bargain sector remains fragmented despite recent consolidation

Strategy

- Store rollout – 20 p.a. for next three years
- Widen merchandise range
- Branding
- Major changes to supply chain to reduce logistics CODB
- Trade two store format successfully

THE WAREHOUSE "WHERE EVERYONE GETS A BARGAIN"

Warehouse Australia – Store format comparisons

Year Ended 31 July 2002	ONLY NEW FORMAT TRADING FOR OVER 1 YEAR	NEW FORMAT AND CONVERTED STORES	LEGACY
Store Numbers	**13**	**53**	**67**
Basket Size	**$19.01**	**$17.42**	**$11.36**
Items per Basket	**5.6**	**5.2**	**4.7**

Store numbers at 31.07.02 - 120. Of the 53 new and converted stores, 13 are new format stores that have traded for over 12 months

THE WAREHOUSE "WHERE EVERYONE GETS A BARGAIN"

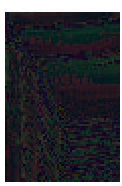
What we have done in the last two years

STORES	■ 2001 10 new or replacement stores ■ 2002 20 new or replacement stores ■ Plus refitting and rebrading of selected existing stores ■ Floor space up 62,000m^2 or 47% since 1.8.00 ■ 44% of chain in new/converted format
DISTRIBUTION CENTRES	■ Consolidated Victorian logistics at Somerton ■ New Brisbane DC due for completion mid 2003

What we have done in the last two years

PEOPLE	■ Major investment in new talent training ■ Integrated people management programme
MERCHANDISING	■ Sales up 138% or A$111 since 1.8.00 ■ Move from opportunistic buying to core ranges ■ Core ranges increased 120% in F02 ■ Active SKU range 20,000 plus ■ 7 merchandise units in place
OPERATIONS	■ Rebranding continuing ■ Kookaburra mascot ■ Increased multi -media advertising presence

Summary



- **Warehouse NZ**
  - Saturation still a long way off
  - Margin opportunities
- **Warehouse Australia**
  - New format is working
  - Three year business retransformation and store rollout programme well advanced
- **Warehouse Stationery**
  - Still a small share of the wider market (ie stationery, office furniture, business machines/consumables, paper)

THE WAREHOUSE GROUP LIMITED

THANKS YOU FOR YOUR ATTENDANCE AT THE

2002 ANNUAL MEETING

20 Years of **Bargains**