



Welcomes you to the

2001

ANNUAL MEETING

30 November 2001



THE WAREHOUSE GROUP LIMITED



WHERE EVERYONE GETS A BARGAIN
WHERE EVERYONE GETS A BARGAIN



FY01 group result summary

SALES	\$1,665m	+54.8%
EBITA	\$122.1m	+9.7%
EBIT	\$110.7m	-1.9%
NPAT	\$60.8m	-13.8%
Earnings per share	20.3 cents	-16.5%
Ordinary Dividend	12.5 cents	Unchanged

customer statistics - red sheds

- ◆ Served **11.4%** more customers in FY01
- ◆ Average basket spend was **\$27.20** - up **4.3%**
- ◆ Each week **1.65m** visitors (**42%** of the population) visit our stores, **825,000** customers
- ◆ Average **11** purchases p.a. per person in NZ

(July Year)	1998	1999	2000	2001
Customer Count	29.4m	35.2m	38.3m	42.9m
Customer Spend (AV)	\$24.45	\$25.22	\$26.07	\$27.20

customer statistics - red sheds

Our department store customer perception surveys show The Warehouse is:

- ◆ Most visited store
- ◆ Most preferred store
- ◆ Always has low prices
- ◆ Good value for money
- ◆ Exciting place to shop
- ◆ Get things didn't expect to buy
- ◆ Warehouse maintains dominance in conversion from visit to purchase

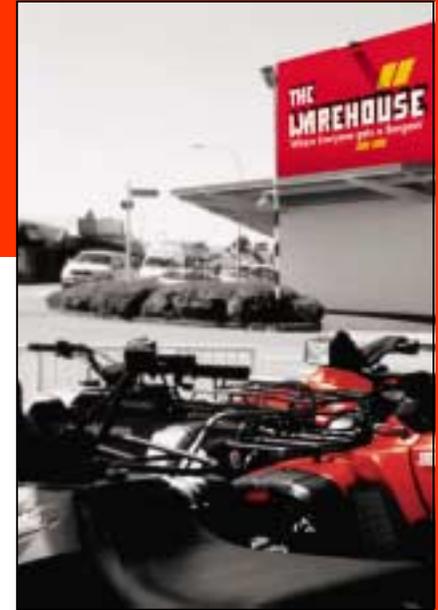


Market Monitor Results for the quarter ended 30.09.01
Comparison stores: Farmers, Briscoes, Kmart

property

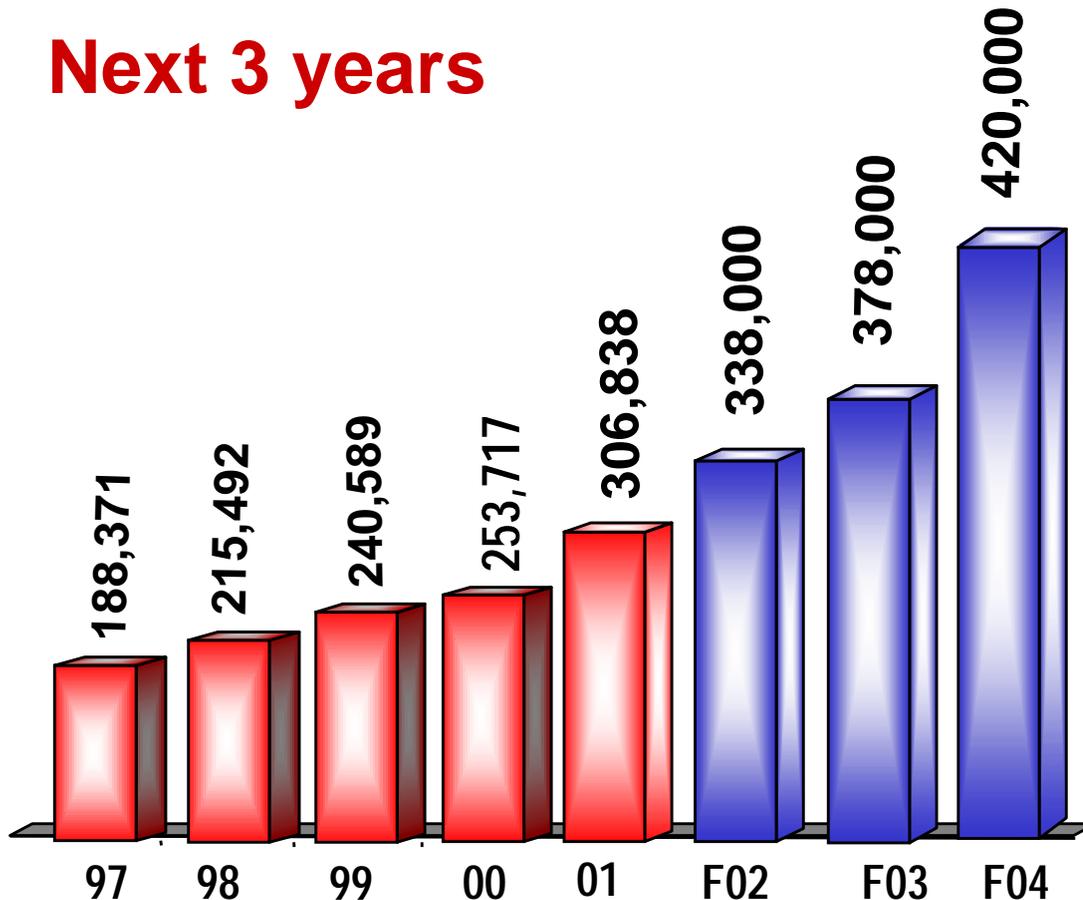
Update since 31 July 2001

- ◆ Opened **2** new stores:
Wainuiomata and Motueka
- ◆ Extended the Fielding store
- ◆ Total selling space has increased by over **11,000m²** since balance date **(+3.6%)**
- ◆ New South Dunedin store due April 2002 and several extensions planned



property

Next 3 years



- ◆ Achieved **21%** increase in floor space in FY01
- ◆ Forecast approx **9.5%** increase in floor space
- ◆ Estimated **420,000m²** by **FY04**

Retail Area 1997-2004F (square metres)

merchandise

2000/2001 highlights and review

- ◆ Apparel sales up **30%**
- ◆ Green garden sales up **27.5%**
- ◆ **Sanyo** brand launched at the end of October 2000
- ◆ Sporting goods sales up **30%**



merchandise

next 12 months

- ◆ Continue to refine and grow apparel business by **15%** in FY02
- ◆ Add **Hanes, Rio** and **Hey Sister** brands in apparel
- ◆ Launch of Jo Seagar “**Seal of Approval**” to improve profile of housewares/consumables



financial services

The brand name is
“The Warehouse
Financial Services”



financial services update



- ◆ Joint venture with WestpacTrust, NZ's largest bank
- ◆ Initial offer of credit card and insurance products
- ◆ Conversion rate from Warehouse Card to Warehouse MasterCard is on target
- ◆ Consider more financial products next year

blue sheds



- ◆ Grew sales 48.3% in FY01
- ◆ Standardised store format roll-out
- ◆ Range refined nationwide
- ◆ New store openings (potential for chain to have **50-60** stores, c.f. 34 currently)
- ◆ Business machine growth e.g. Hewlett Packard
- ◆ Improved offering and standards
- ◆ Currently **15%** of the stationery market

blue sheds - B2B



- ◆ Launched in October 2001
- ◆ Multiple channels used
- ◆ Corporate/commercial market spend \$600-\$700m p.a. in stationery/business supplies
- ◆ Start-up business will take 3 years to provide contributions
- ◆ Initial indications are very positive

yellow sheds

- ◆ **Next 3 years:** significant investment in infrastructure, logistics and new stores
- ◆ **Objective:** transform store format/processes similar to that of TWL
- ◆ **Returns:** Up to 3 years before material financial returns accrue

Property

- ◆ Open **18-20** stores p.a. for three years (most will be replacement stores)
- ◆ Average store size will double to **2,500-3,000m²**

yellow sheds



Merchandise

- ◆ Plan to significantly increase average SKU numbers to 15,000 plus

Operations

- ◆ Continue the investment in people and store format to support the repositioning of business

yellow sheds

initial “new format” results

	TWL format stores	Legacy stores	Warehouse NZ stores
Average sale per customer	A\$14.73	A\$10.70	A\$22.58
Items per basket	5.1	4.0	3.9
Occupancy costs as % sales (range)	4.5- 6.0%	6.0-7.0%	3.0- 4.0%

first quarter sales result

2001/02	Total sales	Same store sales	Floor space increase since Oct 2000
Red Sheds	+8.5%	+1.9%	+9.4%
Blue Sheds	+41.1%	+25.4%	+17.9%
Yellow Sheds*	+12.1%	-4.4%	+16.5%
Group	+9.0%	NM	+12.1%

* in A\$ terms



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