



Welcomes you to the

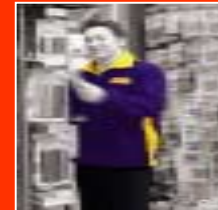
**2001**

**ANNUAL MEETING**

**30 November 2001**



# THE WAREHOUSE GROUP LIMITED



WHERE EVERYONE GETS A BARGAIN  
WHERE EVERYONE GETS A BARGAIN



# **FY01 group result summary**

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

# 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

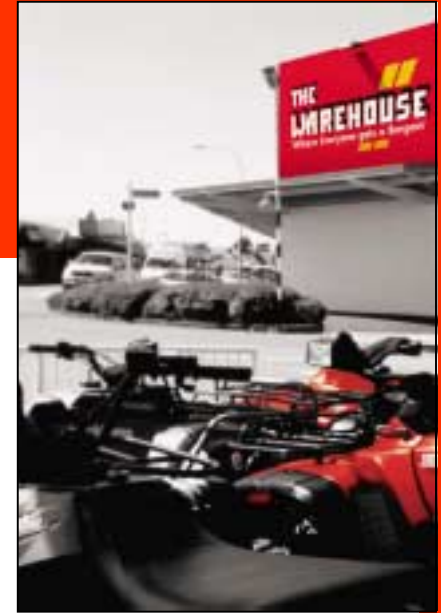


Market Monitor Results for the quarter ended 30.09.01  
Comparison stores: Farmers, Briscoes, Kmart

# property

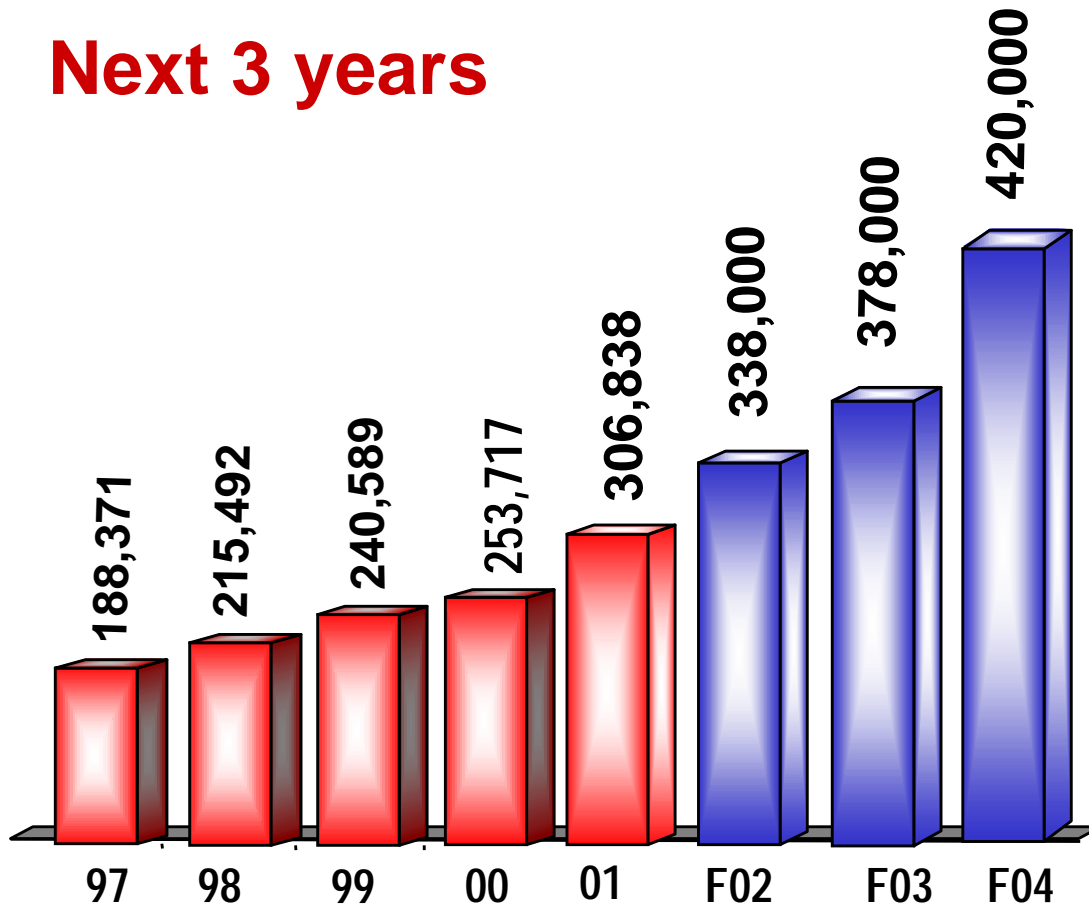
Update since 31 July 2001

- ◆ Opened **2** new stores:  
Wainuiomata and Motueka
- ◆ Extended the Fielding store
- ◆ Total selling space has increased by over **11,000m<sup>2</sup>** 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 **420,000m<sup>2</sup>** 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

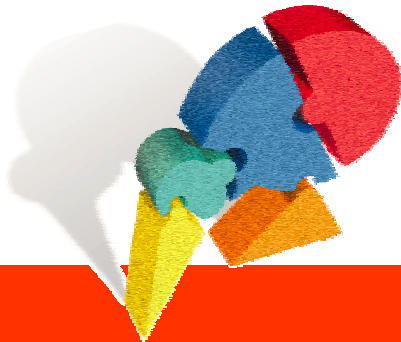
next 12 months

- ◆ 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

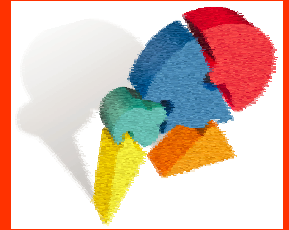


# financial services

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 **2,500-3,000m<sup>2</sup>**

# 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**

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



# 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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