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



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Tuesday, 20 December 2016

### **The Warehouse Group Trading Update**

The Board of The Warehouse Group advise that performance in the lead up to Christmas has been below expectations and while the next few weeks are an important trading period, it is unlikely that the year to date shortfall will be fully offset. Adjusted Net Profit After Tax (NPAT) for the Group for the First Half of Financial Year 2017 (H117) ending on 29 January 2017 is expected to be between 10%-15% lower than the same period last year, which is between \$41.0m and \$38.5m.

While sales growth has continued at The Warehouse, margin pressure in the face of an increasingly competitive retail environment, combined with a below expectation performance from Financial Services, as previously indicated at the Group's Annual Meeting, are the two main contributors to the lower profit expectations.

Group Chair Joan Withers, said: "We will review the half year performance and unless circumstances require earlier guidance, we will update the market more fully when The Warehouse Group Half Year results are announced on Thursday, 9 March 2017. At that time, we will also provide an update on progress against Group strategy, including details of actions taken to reduce the Group's cost of doing business."

**ENDS**

### **Background: The Warehouse Group Limited**

The Warehouse Group Limited comprises 92 Warehouse stores, 77 Noel Leeming stores, 67 Warehouse Stationery plus several online businesses. The company had turnover of \$2.9 billion in FY16 and employs over 12,000 people.

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