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Market Information Services Section

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New Zealand Exchange Limited

THE WAREHOUSE GROUP LIMITED

The Warehouse Group announces agreement to acquire Noel Leeming Group

The Warehouse Group announces that it has signed an agreement to acquire Noel Leeming Group, the specialist Consumer Electronics and Home Appliance retailer.

Under the terms of the agreement The Warehouse Group will acquire the shares of Noel Leeming Group Limited for \$65M, with immediate completion to occur today.

The Noel Leeming Group has 92 stores throughout New Zealand and an online retail presence, offering a broad range of branded Consumer Electronics, Home Appliance and Entertainment products.

The Warehouse Group believes this acquisition will support its transformation into New Zealand's pre-eminent Non-Food Retail business and support its ongoing strategy to improve the "Red Sheds" performance. The Consumer Electronics and Home Appliance sector has experienced substantial growth over the past five years and as people continue to purchase technology and entertainment products in an increasingly 'connected' world, the sector will continue to grow.

Noel Leeming Group will operate as a separate trading division with its own retail brand positioning and personality. The additional retail brands complement The Warehouse Group's current retail brands "The Warehouse" and "Warehouse Stationery".

The Warehouse Group will retain the current Noel Leeming Group management team, who have proven their ability to satisfy customers and deliver growth in a challenging retail environment. Mark Powell, the Warehouse Group CEO said "We are impressed with the performance of Noel Leeming Group over the past three years with strong management leading a talented team in the specialist Consumer Electronics and Home Appliance sector. We believe in the future growth of this retail sector, and are pleased that the current management team have agreed to stay with the business"

This acquisition will be funded through existing debt facilities and is expected to be EPS accretive from the outset. The Warehouse Group is expecting Noel Leeming Group to contribute \$4M - \$6M of EBIT to its H1 results (from the acquisition in December 2012 through to January 27th 2013).

Graham Evans, The Warehouse Group Chairman said "Noel Leeming Group is a strategic acquisition which fits very well with The Warehouse Group's existing portfolio of businesses, and supports our transformation into New Zealand's pre-eminent Non-Food Retail business."

Cameron Partners acted as external adviser to the Board of The Warehouse Group in respect of this acquisition.

ENDS

Background: The Warehouse Group Limited

The Warehouse Group Limited comprises 91 Warehouse stores and 59 Warehouse Stationery stores in New Zealand. The company has a turnover of \$1.7 billion and employs over 9,000 people.

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