

Media release: March 8, 2013

Bond + Bond chain to merge with Noel Leeming

The Warehouse Group, as part of its half-year results and strategy presentation, today announced that its Bond + Bond chain is to merge into its larger Noel Leeming network, expanding Noel Leeming to 75 stores nationwide.

Chief executive Mark Powell said the merger was the result of a thorough strategy review by the Noel Leeming leadership team following the acquisition of Noel Leeming Group by the Warehouse Group shortly before Christmas.

“The decision will ensure a clear focus on Noel Leeming stores which offer a solid platform for growth as New Zealand’s number one electronics retailer,” said Mr Powell. “Bond + Bond will cease operating as a retail chain, but will retain an online presence, as part of the Group’s expanding multichannel business.”

Mr Powell said he was pleased to confirm that all Bond + Bond non-management store staff would be offered comparable roles in Noel Leeming stores, and that every effort would be made to offer store managers suitable roles within Noel Leeming or the wider Warehouse Group.

“Support office team members that have roles that support both brands will now focus exclusively on the Noel Leeming brand,” he said. “Team members affected by the changes will be fully consulted with a goal of effecting the merger on April 2, 2013.

“In the longer term, the merger will offer greater opportunity for team members as part of New Zealand’s leading consumer electronics retailer and within the wider Warehouse Group.”

Mr Powell said the decision not to continue with Bond + Bond stores had not been made lightly, with the brand having been part of New Zealand's retail landscape since 1875.

"The Noel Leeming leadership team has determined that Bond + Bond is not sufficiently differentiated, and has too few stores, to operate separately. The change will create a clear focus and allow us to invest fully where we see opportunity and growth for Noel Leeming," he said.

"It's good news for customers as we can now focus more clearly to deliver even better deals and service, and enlarge an iconic New Zealand retail brand that customers already think of first for consumer electronics shopping."

A summary of the merger is as follows:

- Twenty four Bond + Bond stores and one Noel Leeming store are affected
- Eight Bond + Bond stores will become Noel Leeming stores. They are: Auckland's Queen St, St Lukes, Botany, Lynnmall, Albany, Manukau Mall, and Christchurch's Riccarton; and Dunedin's George Street.
- Four Bond + Bond stores will be combined into expanded Noel Leeming stores. They are Wairau Park and Manukau Super Centre in Auckland, and Tauranga and Christchurch's Moorhouse Ave.
- Twelve Bond + Bond stores and one Noel Leeming store will close. The Bond + Bond stores to close are Auckland's Lincoln Centre and Southgate, Te Rapa, Hamilton, Hastings, Napier, Rotorua, Palmerston North, Porirua, Lower Hutt, Dunedin's Crawford St and Invercargill. In Auckland, Noel Leeming Botany will relocate to the Botany Bond + Bond site to create a new Noel Leeming store.
- Two new Lifestyle stores will be created at Noel Leeming Moorhouse Ave and Wairau Park.

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About The Warehouse Group

The Warehouse Group comprises 92 The Warehouse stores, 75 Noel Leeming stores, and 59 Warehouse Stationery stores in New Zealand. The company had a turnover of \$1.7 billion in financial year 2012 and employs more than 10,000 people.

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