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Market Information Services Section

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New Zealand Exchange Limited

THE WAREHOUSE GROUP LIMITED

The Warehouse Group expands multichannel presence

The Warehouse Group announces that it has signed an agreement to acquire 51% of the shares of Torpedo7 Limited, a leading New Zealand online retailer operating through the Torpedo7, 1-day and Urban Daddy websites in New Zealand and Australia.

Under the terms of the agreement The Warehouse Group will acquire 51% of the shares of Torpedo7 Limited for up to \$33M. The amount to be paid on settlement is \$20M, with the performance-related balance payable over 3 years. The other 49% of the shares of Torpedo7 Limited will be held by existing shareholders. Settlement is expected to occur in early April 2013.

The management team of Torpedo7 and its related companies have proven expertise in developing and growing online businesses and have attracted substantial and loyal customer bases to their websites. The management team, which includes Torpedo7's founders, will continue to manage the Torpedo7 companies. Torpedo7 will remain based in Hamilton as a standalone business, separate and distinct from The Warehouse Group's other retail brands.

Graham Evans, The Warehouse Group Chairman said "the strategic partnership created by the purchase of a majority shareholding in Torpedo7 Limited is another example of our continued focus on the expansion of our multichannel business, enabling us to offer customers a retail experience when, how and where they want it across a broader range of products."

Further information will be provided at the time of the half year result announcement on 8 March 2013.

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Background: The Warehouse Group Limited

The Warehouse Group Limited comprises 92 Warehouse stores, 92 Noel Leeming Group Limited stores and 59 Warehouse Stationery stores in New Zealand. The company had turnover of \$1.7 billion in F12 and employs over 10,000 people.

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