THE WAREHOUSE GROUP LIMITED	
Results for announcement to the market	
Reporting Period	31 July 2017 to 28 January 2018
Previous Reporting Period	1 August 2016 to 29 January 2017

The information below supplements the information disclosed in the attached financial statements and management commentary. All figures are NZ$ unless otherwise stated.

REPORTED	Amount ($ 000s)	Percentage change
Revenue from ordinary activities - continuing operations	$ 1,598,076	down (0.9)%
Profit from ordinary activities after tax attributable to shareholders - continuing operations	$ 35,345	down (15.1)%
Net profit attributable to shareholders	$ 31,798	up 134.6 %

ADJUSTED	Amount ($ 000s)	Percentage change
Adjusted profit from ordinary activities after tax attributable to shareholders	$ 37,666	down (16.4)%

Distributions	Amount per share	Imputed amount per share
Interim dividend	10.00 cents	3.8889 cents

Record date - Interim dividend	03 April 2018
Payment date - Interim dividend	12 April 2018

Comments	Refer to media release.

Asset Backing	January 2018	January 2017
Net tangible asset backing per ordinary share	106.9 cents	107.3 cents

Basis of Report

This market announcement is based on financial statements which have been the subject of a review by the Group's auditor. The auditor's review report and the financial statements are provided with this preliminary final report.

Accounting Standards

The interim financial statements of the Group have been prepared in accordance with the requirements of the Financial Reporting Act 2013, the Companies Act 1993 and the New Zealand Stock Exchange (NZX). The Warehouse Group Limited is registered under the Companies Act 1993 and is an FMC Reporting Entity under Part 7 of the Financial Markets Conduct Act 2013.

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GLOSSARY OF TERMS USED IN THIS RELEASE

"Reported" information is per the audited financial statements

"Gross Profit" equates to Retail sales less retail cost of goods sold

"EBIT" refers to Earnings before interest and tax from continuing operations

"Operating Profit" refers to EBIT from continuing operations less unusual items

"Unusual items" refers to any profits or losses from the disposal of properties or investments, goodwill impairment, direct costs and adjustments relating to business acquisitions or disposals and costs connected with restructuring the Group

"CODB" refers to costs of doing business and equates to the difference between gross profit and operating profit

"NPAT" refers to Net Profit after tax and minority interests

"Adjusted NPAT or Adjusted Profit" refers to NPAT adjusted for the after tax effect of unusual items.

"Trading EBITDA" refers to Earnings before interest, tax, depreciation and amortisation

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SUMMARY INCOME STATEMENT

(NZ $000)	2018	2017	% Change
The Warehouse	940,055	975,097	- 3.6%
Warehouse Stationery	128,987	138,775	- 7.1%
Noel Leeming	453,853	422,149	+ 7.5%
Torpedo7	88,591	86,402	+ 2.5%
Other group operations	5,501	5,436	+ 1.2%
Inter-segment eliminations	(18,911)	(15,997)	
RETAIL SALES	**1,598,076**	**1,611,862**	- 0.9%
The Warehouse	49,031	59,508	- 17.6%
Warehouse Stationery	3,656	6,455	- 43.4%
Noel Leeming	15,253	9,207	+ 65.7%
Torpedo7	776	2,424	- 68.0%
Other group operations	(10,297)	(7,670)	
OPERATING PROFIT FROM CONTINUING OPERATIONS	**58,419**	**69,924**	- 16.5%
Loss on property disposal	-	(812)	
Restructuring costs	(3,223)	(3,961)	
EBIT (Earnings before interest and tax from continuing operations)	**55,196**	**65,151**	- 15.3%
Net interest expense	(5,516)	(6,586)	- 16.2%
Income tax expense	(14,204)	(16,854)	
NPAT (Net profit for the period from continuing operations)	**35,476**	**41,711**	- 14.9%
Loss from discontinued operations (net of tax)	(3,547)	(28,073)	
Minority interests	(131)	(83)	
TAX PAID PROFIT AFTER MINORITIES AND DISCONTINUED OPERATIONS	**31,798**	**13,555**	+ 134.6%
ADJUSTED PROFIT	**37,666**	**45,036**	- 16.4%
OPERATING MARGIN			
The Warehouse	5.2 %	6.1 %	- 90 bp
Warehouse Stationery	2.8 %	4.7 %	- 190 bp
Noel Leeming	3.4 %	2.2 %	+ 120 bp
Torpedo7	0.9 %	2.8 %	- 190 bp
Retail Group	3.7 %	4.3 %	- 60 bp
TAX PAID PROFIT MARGIN	2.0 %	0.8 %	+ 120 bp

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ADJUSTED NET PROFIT RECONCILIATION

(NZ $000)	2018	2017
ADJUSTED NET PROFIT	**37,666**	**45,036**
Add back: Unusual items		
Gain/(loss) on property disposal	-	(812)
Restructuring costs	(3,223)	(3,961)
	(3,223)	(4,773)
Less: Taxation		
Income tax relating to unusual items	902	1,336
Income tax expense related to depreciation recovered on building disposals	-	29
Unusual items after tax	(2,321)	(3,408)
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	**35,345**	**41,628**

Certain transactions can make the comparison of profits between years difficult. The Group uses adjusted net profit as a key indicator of performance and consider it provides a better understanding of underlying business performance and the Group also uses it as the basis for determining dividend payments (after adjusting for losses from the Financial Services Group). Adjusted net profit makes allowance for the after tax effect of unusual items which are not directly connected with the Group's normal trading activities. The Group defines unusual items as any profits or losses from the disposal of properties or investments, goodwill impairment, direct costs and adjustments relating to business acquisitions or disposals and costs connected with restructuring the Group.

Operating model restructuring costs - refer Financial Statements note: 14

In January 2017 the Group commenced a program of changes to its business operating model. The changes were designed to drive an improvement in financial performance, reduce costs and generate greater customer relevance. The changes focused primarily on simplification to reduce complexities, drive efficiencies and increase business agility. This involved strengthening and consolidating the various Group support service functions to drive synergy benefits, deliver efficiencies and reduce complexity. It also involved combining The Warehouse and Warehouse Stationery and similarly combining the Noel Leeming and Torpedo7 Groups by integrating their operating structures and executive leadership teams.

The first stage of this process has now largely been concluded and a second phase has started. The Group has engaged global management consultancy firm, McKinsey & Company to assist with the second phase of the transformation process and strategy implementation.

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Quarterly Retail Sales information:

First quarter sales (31 July 2017 to 29 October 2017)	Sales 2018 ($ Million)	Sales 2017 ($ Million)	Change in sales	Change in same store sales
The Warehouse	357.9	377.5	- 5.2 %	- 4.0 %
Warehouse Stationery	59.1	63.7	- 7.2 %	- 8.2 %
Noel Leeming	195.1	183.6	+ 6.3 %	+ 5.1 %
Torpedo7	39.2	37.8	+ 3.7 %	+ 2.0 %

Second quarter sales (30 October 2017 to 28 January 2018)	Sales 2018 ($ Million)	Sales 2017 ($ Million)	Change in sales	Change in same store sales
The Warehouse	582.2	597.6	- 2.6 %	- 3.5 %
Warehouse Stationery	69.9	75.1	- 6.9 %	- 7.6 %
Noel Leeming	258.8	238.5	+ 8.5 %	+ 5.1 %
Torpedo7	49.4	48.6	+ 1.6 %	- 1.0 %

Year to date sales (31 July 2017 to 28 January 2018)	Sales 2018 ($ Million)	Sales 2017 ($ Million)	Change in sales	Change in same store sales
The Warehouse	940.1	975.1	- 3.6 %	- 3.7 %
Warehouse Stationery	129.0	138.8	- 7.1 %	- 7.9 %
Noel Leeming	453.9	422.1	+ 7.5 %	+ 5.1 %
Torpedo7	88.6	86.4	+ 2.5 %	+ 0.3 %

Store Numbers	The Warehouse		Noel Leeming		Warehouse Stationery		Torpedo7	
	2018	2017	2018	2017	2018	2017	2018	2017
Start Quarter 2	93	93	78	77	69	67	11	12
End Quarter 2	93	92	79	77	70	67	11	12

Store footprint (Square Metres)	The Warehouse		Noel Leeming		Warehouse Stationery		Torpedo7	
	2018	2017	2018	2017	2018	2017	2018	2017
Start Quarter 2	503,970	499,547	74,591	71,927	73,216	71,169	12,652	10,109
End Quarter 2	507,476	504,551	76,055	73,472	72,895	71,959	12,652	10,109

Store changes during the quarter	New store	Replacement store	Store closure	Store extension/ reduction
The Warehouse	-	1	-	-
Warehouse Stationery	1	-	-	1
Noel Leeming	1	1	-	-
Torpedo7	-	-	-	-