
To: Market Information Services Section
NZX Limited



10 January 2017

The Warehouse Group Operating Model Change

The Warehouse Group has today announced a series of changes to its business operating model.

Group CEO Nick Grayston said the changes are designed to drive an improvement in financial performance and generate greater customer relevance as customer needs change and competition increases.

“Changes will focus primarily on simplification to reduce complexities, drive efficiencies and increase business agility, while removing significant cost.

“We will implement a series of operating model changes in the coming months including:

- Strengthening and consolidating the various Group support service functions to drive synergy benefits, deliver efficiencies and reduce complexity across all Group brands.
- Combining The Warehouse (Red Sheds) and Warehouse Stationery (Blue Sheds) by integrating their operating structures and executive leadership. This will also occur for Noel Leeming and Torpedo7 Groups.”

The Warehouse Group advises that after the decision to change the scope of the role of the brand CEOs, The Warehouse Limited’s Chief Executive Officer, Simon Turner, has decided to leave the business.

Pejman Okhovat, CEO of Warehouse Stationery and Torpedo7 Group, will lead The Warehouse and Warehouse Stationery brands. Tim Edwards, CEO of Noel Leeming Group, will lead both Noel Leeming and the Torpedo7 Groups. Pejman Okhovat has been with The Warehouse Group since 2005 and Tim Edwards has been with Noel Leeming Group since 2009.

Nick Grayston commented on Simon’s decision “I would like to sincerely thank Simon for all he has done over the past four years. Simon has refocused The Warehouse brand through his passion and commitment to the customer alongside strong process and discipline, achieving 16 quarters of positive sales growth.

“Under his leadership The Warehouse has been recognised as one of the best places to work in NZ and as such, Simon is much admired and respected within The Warehouse Group. Simon has a wealth of international retail experience and I know he will approach his next venture with the same passion and commitment that he has shown at The Warehouse. I would like to take this opportunity to wish him and his family all the very best.”

The Warehouse Group is confident that such change will re-position the business for the future to ensure it is best placed to meet the changing needs of its customers and optimise its opportunities in the dynamic retail environment.

Further detail, associated costs and future benefits will be outlined in the Group’s Half Year financial disclosure in March 2017.

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Biographies

Pejman Okhovat

Pejman's retail career started in 1995 as a management trainee with Marks & Spencer and over the next 10 years worked with other retailers such as ASDA-Walmart, J.Sainsbury and Iceland in the UK. Pejman held many senior roles in Operations, Format Development, Category Development and Non-Food. He joined The Warehouse in 2005 as Head of Central Operations and moved to GM Operations and property roles in Warehouse Stationery and The Warehouse later on. Pejman was appointed CEO of Warehouse Stationery in 2013 and the Torpedo 7 Group in 2014.

Tim Edwards

Tim joined Noel Leeming, New Zealand's leading appliance retailer, as Chief Operating Officer in 2009 and has led the business as CEO since July 2013. Tim has spearheaded the integration of the Noel Leeming Group into The Warehouse Group, including NLG's merger with Bond + Bond. An expert in both brand innovation and business growth, Tim came to The Warehouse Group having successfully grown retail businesses in Australia and Asia, including as Managing Director of Space Furniture, and in various roles at Harvey Norman.