

---

Market Information Services Section  
New Zealand Exchange Limited

Company Announcements Office  
ASX Limited

---

**23 June 2010**

## **THE WAREHOUSE GROUP LIMITED**

### **Government Budget May 2010 – Changes to deferred tax impacting The Warehouse**

The Government's budget announcements on 20 May 2010 will result in a reduction in corporate tax rate from 30% to 28% and the removal of the ability to depreciate buildings for tax purposes, with effect from 1 August 2011.

The Warehouse Group has obtained external advice on the expected impact that the Budget announcements will have on the **accounting value** of deferred tax and on reported earnings for the year ending 1 August 2010.

Based on this advice, on the requirements of New Zealand Equivalent to International Accounting Standard 12, The Warehouse Group will increase the group's deferred tax liability and reduce the reported net profit after tax for the financial year ending 1 August 2010 by an estimated \$23 million.

The Government has also announced that it will undertake a review of the definition of 'building structure' for tax purposes. The outcome of this review may also result in a further adjustment to the group's deferred tax liability.

The deferred tax liability adjustment is a one-off, non-cash accounting entry which has no impact on The Warehouse Group's underlying profitability, cash flows or dividend policy.

#### **ENDS**

*For more information contact:  
Barry Moors  
Group Accountant  
The Warehouse Group Limited  
Phone: 09 486 9848*