



Market Information Services Section
New Zealand Exchange Limited

Company Announcements Office
ASX Limited

17 January 2011

THE WAREHOUSE GROUP LIMITED

Chairman's Statement

In response to speculation about the tenure of Ian Morrice, reported in media in recent days, the Board confirms that it continues to support Mr Morrice as CEO. The Board is comfortable with Ian's performance and has not met to discuss this with reference to recent trading results.

Whilst the company is disappointed in the December/New Year trading results that were outlined to the market in our 5 January 2011 announcement, these results must be assessed in the context of the very difficult trading conditions for retailers generally over this period. This is evidenced by the electronic card transaction data released by Dept of Statistics on 13 January 2011 quoting core retail down by 1.6% in December, and the dynamics of specific market segments as reported by the company.

During 2010, Ian Morrice has discussed with the Board his own desire to retire from the company in 2011, but no decision has been made regarding this as yet. Ian joined the company in 2004 on a three-year agreement and will by then have led the business for more than six years.

The Warehouse, as a matter of good governance and strategy, addresses succession planning as part of normal business. This has been one of Ian Morrice's objectives which is discussed with myself as the Chair regularly. An announcement on succession in the CEO role will be made in due course, as and when the matter is determined.

Keith Smith
Chairman

ENDS