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To: **Market Information Services Section**  
**NZX Limited**

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Auckland, 9 April 2020

### **Business Update**

The Warehouse Group (“the Group”) would like to provide a further update on its response to the COVID 19 pandemic.

#### ***Operational Update***

Five of the Group’s brands are now operational in a limited capacity for essential items only (both online and available to be contacted over the phone) after agreement from the Ministry of Business, Innovation and Employment (“MBIE”). These are The Warehouse, Noel Leeming, Warehouse Stationery, Torpedo7 and TheMarket.com.

To support the fulfilment of online orders the Group has re-opened its distribution centres and is operating multiple The Warehouse, Warehouse Stationery and Noel Leeming retail stores as closed fulfilment centres. These stores are not open to the public.

It is important to note that team members fulfilling essential item orders are doing so using strict PPE, Hygiene and safe distancing protocols in line with the Ministry of Health guidelines.

The purpose of opening these stores as fulfilment centres is to enable efficient order processing and delivery to customers. The stores were selected based on geographical location and efficient stock levels to ensure demand can be met across our local communities.

#### ***Financial Position and Funding***

Significant changes are being implemented across the Group and include the deferral of planned discretionary capital expenditure and reducing operating expenses to reflect the Group’s current operating environment.

Upon announcement of the isolation period, the Group’s leadership sought to move quickly to provide certainty for its 11,000 people on their salaries and wages and said they would receive 100% of their regular income during the four-week isolation period. The Group has since applied for the Government’s wage subsidy scheme and has received \$67.7 million in total to support its employees over a 12-week period. The split by brands is \$52m to the The Warehouse Limited (including Warehouse Stationery), \$12.1m to Noel Leeming, \$3.2m to Torpedo7 and \$0.4m to the TheMarket.com. The receipt of this funding is crucial to the Group maintaining its workforce while stores remain shut and the Group thanks the government for this support.

The Group has been working with its existing banking institutions and is pleased to announce that it has secured \$150 million of additional banking facilities, extending the total debt facilities available to \$330 million. These additional bank facilities are currently undrawn and would allow for the refinancing of the Group’s NZX listed bond of \$125 million that matures in June 2020.

**ENDS**

Contact details regarding this announcement:

Investors and Analysts:	Jonathan Oram, Chief Financial Officer +64 21 757 415, <a href="mailto:jonathan.oram@thewarehouse.co.nz">jonathan.oram@thewarehouse.co.nz</a>
Media:	Nick Grayston, Group Chief Executive Officer To be contacted via Tanya Henderson +64 21 195 2854, <a href="mailto:media.enquiries@thewarehouse.co.nz">media.enquiries@thewarehouse.co.nz</a> .