

**HD Warehouse Group Ltd Annual Shareholders Meeting - Final**

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Presentation

KERRY NICKELS, SECRETARY, THE WAREHOUSE GROUP LTD: Ladies and gentlemen, welcome. My name is Kerry Nickels and I'm the Company Secretary of The Warehouse Group.

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Before I hand you over to our Chairman for the opening of the meeting I'd like to cover a few points of housekeeping. (Conference Instructions). Finally, following today's meeting the Board, management and team members look forward to you joining us for refreshments in the adjacent room.

Thank you and I now invite the Chairman to open the meeting.

TED VAN ARKEL, CHAIRMAN, THE WAREHOUSE GROUP LTD: Thank you very much, Kerry. That's great.

Good morning ladies and gentlemen, family and friends. It's great to have you here on a wonderful spring morning here in Auckland. Long may it last.

Let me introduce myself. I'm Ted van Arkel, the Chairman of The Warehouse Group as Kerry has already said. It is my pleasure to welcome you and our webcast audience to The Warehouse annual meeting for 2014. This is our 20th annual meeting and my first annual meeting as Company Chairman.

The Warehouse Group has done a lot to reshape itself in recent years and we continue to see significant opportunities both in our retail and financial services businesses as we will explain later in the meeting.

The notice convening the meeting was circulated to shareholders and as a quorum is present I have pleasure in formally declaring the meeting open.

Before proceeding with the formal business I'd like to make a few preliminary comments regarding the conduct of the meeting. For the formal business as set out in the notice of meeting we will be conducting a poll as allowed by the Constitution. I will provide further details when we come to the formal business of that part of the meeting. There will be ample time for general discussion after the formal business has been dealt with. Consequently I ask that you raise your -- any of your questions of a general nature at that time.

I would now like to introduce you to my colleagues on the podium. On my immediate left is Mark Powell who is well known to you as our Group Chief Executive. Next to him, Mr Stephen Tindall, Founder and who wouldn't know Sir Stephen? I've certainly known him for a long term as well. Vanessa Stoddard next to him; James Ogden thereafter, Wellington based; John Journee next to him and then Keith Smith our Deputy Director and then Tony Balfour who's based in that wonderful part of the South Island, Queenstown/Wanaka area. Great to have you here as always of course.

Qualifications and experience of the directors are detailed on pages eight and nine of the annual report and in the notice of meeting for those directors seeking re-election.

I'd also like to introduce Robbie Tindall. Robbie, would you mind just standing? He's the alternate director of Sir Stephen Tindall, there he is in his nice white shirt, as is Bindi Norwell and Bindi, would you like to stand for a moment as well -- who recently joined us as a participant in the future director initiative administrated by the New Zealand Institute of Directors. Thank you for being with us.

Also in attendance are representatives of our auditors PricewaterhouseCoopers and Company legal advisors Russell McVeagh.

I would also like to welcome Mark Yeoman -- Mark, would you like to stand for a moment -- who will commence as our **Group** CFO in December or next month in fact.

Now moving to the formal agenda, no apologies have been received. Proxies have been received from 446 shareholders representing 190,050,446 voting shares. This represents 54.8% of the voting shares of the **Company**. The valid proxies received support the resolutions to be considered later in the meeting and I will provide further details on proxies in respect of each resolution at that time.

I confirm that the minutes of the annual meeting held on November 22, 2013 here in this room have been signed and confirmed by the Chairman of that meeting. These minutes were posted on the **Company's** website after they were approved and they are available for review on the website.

The financial statements for the 52 weeks ended July 27, 2014 together with the auditor's report, the annual -- are set out in the **Company's** annual report. The annual report was made available on The Warehouse website on October 21, 2014. Spare copies of the annual report are available in the registration area if you so wish to have a further copy.

Under the Companies Act 1993 there is no requirement to approve the financial statements or the auditor's report at annual meetings. However, I will be happy to deal with any particular questions you may have after the address of Mark and myself.

Now let me move to my Chairman's address.

Since last year's annual meeting we have continued to significant reshaping of the **Company**. We've established a strong platform for growth positioning our business well for the future. As part of this journey, in December 2013 we acquired R&R Sport and we have integrated this business into the Torpedo7 **Group** along with the No. 1 Fitness and Shotgun Supplements.

We also acquired a further **stake** in Torpedo7 Limited bringing our ownership of the Torpedo7 **Group** to 80%. Recently the Torpedo7 and R&R Sport brands were combined under the new Torpedo7 brand and two new stores were opened in Mount Wellington and Albany positioning Torpedo7 as a true bricks and clicks retailer. Now I know Mark will talk to you quite extensively about this in greater detail very shortly.

Another exciting development was the **acquisition** of Diners Club NZ in March which provides the base in line with our strategy to be a New Zealand retail financial services **company** and I couldn't help suggest to the Diners people to actually leave some information on each of your seats so (inaudible) Nepean I think they've left behind.

We successfully completed a NZD150 **million** capital raising to strengthen our balance sheet comprising NZD100 **million** private placement and a NZD15 **million** share **purchase** plan which reflected the prevailing market price at that time.

In our core Red Sheds we've had 14 quarters of positive same-store sales despite an unseasonable warm weather -- warm winter. This is a result of a turnaround in customer perception which has required significant investment in our stores, our products and our people over the last three years.

We've also seen 20 quarters of same-store sales growth in The Warehouse Stationery which has helped -- which has been helped by the rebranding of our Warehouse Stationery around Work, Study, Create and Connect.

Market leader Noel Leeming has also just launched its rebranding based on delivering the right product at the right price, with leading services, delivered through passionate people. You may have seen our latest maximise your machine advertisements on TV. All of this would not have been possible without our enthusiastic, engaged and passionate teams across all brands.

At this time I would like to acknowledge Stephen Small, our former CFO who sadly passed away in May. Stephen was instrumental in formalising a number of strategic acquisitions and is missed by his Warehouse **Group** friends, colleagues and others. I'd also like to acknowledge Yoko, his wife who's with us here today.

Last year we announced the introduction of the career retailer wage. We are very proud of the successful introduction of this initiative. We have been delighted with the positive impact the career retailer wage has had, in particular the improvement in morale of our team members. We know that continuing to invest in our people we will continue to deliver first rate customer service and ongoing loyalty across all brands. Of course, this is only possible if we have the right product at the right price with the right quality.

We continue to leverage our scale and build our competitive advantage including through the ongoing development of key strategic supplier relationships and leveraging our **group** sourcing expertise and

logistics capabilities. We know that customers are savvy, using technology to research potential purchases across a variety of retailers both here and overseas. This presents challenges and opportunities and therefore is a significant area of focus for the Board and management. Our aim of becoming New Zealand's leading multichannel and digital retailer enables us to offer customers new ways to obtain the best bargains as we continue to move through this digital transformation.

The core Warehouse business which was started over 30 years ago by our Founder Sir Stephen Tindall and has continued to evolve particularly in the last few years. We have established the building blocks for the reshaping of the organisation to become a 100 year company capable of meeting the challenges of a very competitive and dynamic retail environment. We will continue to consolidate and build on the momentum achieved while continuing to deliver today for shareholders and other key stakeholders.

I would like to thank my fellow directors, Mark Powell and all team members for their contribution this year. I would also like to thank everyone who supports The Warehouse Group, our customers, suppliers, shareholders and the community for their ongoing commitment to the Company.

Now let's look back at the 2014 financial year.

Sales for the 2014 year were NZD2.6 billion compared to the NZD2.24 billion last year. After adjusting for unusual items net profit after tax was NZD60.7 million compared to NZD73.7 million in FY13. Operating cash flow in FY14 was NZD76.6 million.

A final dividend of NZD0.06 per share has been declared bringing total dividends in respect of the 2014 financial year to NZD0.19 per share, consistent with guidance provided in March 2014. The final dividend will be paid to shareholders on December 11.

Retail environment. The economy grew strongly in the first half of 2014 but the pace appears to be slowing, particularly with signs of some pressure in the agricultural sector. Also households and businesses continue to be mindful of debt. As a consequence of this we are not factoring any particular tailwinds or headwinds into our planning.

Group outlook. As the Group's earnings are significantly influenced by the Christmas trading performance, it is too early to provide significant -- specific earning guidance. Trading over the last few weeks has been softer than our plan, which emphasises the importance of the upcoming Christmas trading over the next six weeks. Having said that, our plan for the full year FY15 is still to deliver adjusted NPAT above that of the full year for FY14 as previously indicated.

Subject to any event or material change in trading conditions that may trigger a continuous disclosure obligation, earnings guidance will be provided at the time of the half year result announcement in March 2015.

I now invite Mark Powell to provide an overview of our Company strategy which will include commentary to address some questions on strategy raised by shareholders ahead of this meeting.

Mark, over to you.

MARK POWELL, CEO, THE WAREHOUSE GROUP LTD: Good morning. It's the fourth time I've stood here now as the Group CEO and it's a privilege to be able to do that and it's a privilege to be able to update you on our strategy, our progress against that strategy and how we see that unfolding in the coming years.

Our Group strategy evolved in the last three-and-a-half years as we begin to build a 100 year company that delivers long term sustainable profit growth that helps Aotearoa New Zealand flourish and I'll talk to that a bit more later.

We're now a trading group, a trading group with multiple business units, with clear strengths and core competencies which we've identified which we feel add value to each of the trading businesses we've got.

Those strengths and core competencies are our New Zealand scale. Really in a small country with 4.5 million people being number one or two in a vertical, in a retail vertical is very important and having that scale also comes from being a large company is also important.

We think a strength is understanding the New Zealand customer, markets, channels better than anyone else. New Zealand is quite a unique market. When Australian based businesses try and operate a retailer out of Australia we see the impact of that, where they don't have the focus on the unique aspects of this business -- of this country.

Another strength for us is sourcing, logistics and retail expertise, core retail expertise and we're one of the few retailers with a sourcing office of any scale for example in **China**.

Finally, but by no means least, is our people and the developing best practice way of working and culture and culture in this context is not a soft word but it is about creating an environment where people can flourish and achieve the best they can be but also ensure we have alignment, we have robust debate and we have a results focus that drives the business forward, that ensures thousands of people in various functions can work well together.

We aim to take those strengths as a **Group** and have synergy, leverage those strengths across the **Group**. One of the principles of doing that leverage though is to remain customer led -- we've got to keep starting with the customer, the danger of becoming bigger is that you can become removed from the customer -- brand/store focused, frontline focused, don't lose sight of the fact there's no checkouts in the office. It's at the frontline on our websites and in our stores where the action really happens. And people centred. It's no good just one person having an idea that has to be executed across 12,000 people and all the people in the business need to feel they can have a voice and feedback opportunities for improvement in that business.

Then we look to grow the existing businesses and try and identify new trading areas and verticals where we can apply those core competencies to be a number one or two in a vertical. We'll either do that by growing our existing businesses and we've looked over the last three-and-a-half years to start-up, partner or acquire where we can leverage those core competencies to have strong competitive position in a trading/retail vertical. In particular in the last couple of years you've seen some start-ups, there's been some partnering and some **acquisition**.

Having said that, our current focus after having done -- reshaped the **Group** quite significantly in the last few years, our current focus is to consolidate and leverage the current business portfolio and we're not planning any major acquisitions in the medium term.

So this strategy is aimed at building the future and delivering for today, holding our [tension] of long term and short term together.

Those -- that vision and those core competencies strengths play out into five key strategic priorities. The first, to keep the Red Core strong; second, to grow non-Red profit to be as large as Red over the long term; third, to be the leading multichannel and digital retailer in New Zealand; fourth, to be a leading New Zealand retail financial services **company** and fifth, to leverage the **Group** competencies and scale. If those competencies and those scale can't be leveraged there's no point being a **group**.

So I'm going to talk to each of these five strategic priorities now in a bit more depth.

Firstly, keeping the Red Core strong. Red is still by far the largest business. Three-and-a-half years ago you would have said the only strategic priority we had was this, the first one and really what the broadening and reshaping in the **Group** has done is give far more opportunity.

One of the business principles we use as a mantra in our business is Customer, People, Profit, Simplicity, Focus, Execution and everything first starts with the customer. You can't win if you're not improving things firstly for the customer. So the first key area has been improvement in brand perception over the last three-and-a-half years. I think the key measure of perception is sales. Ultimately it's customers spending more with you and after a period of seven years of almost continuous decline we've now had, if you include this last quarter, 15 quarters of same-store sales growth in the Red Sheds.

Initially that growth in the first few years was more driven by basket size as we call it, people who were coming in already spending more. More recently in the last year that growth has come from more **transaction** growth which is indicative of more people coming in the stores.

Some declining categories are systemically in our business, CDs, DVDs, books but we're seeing good ongoing growth in a number of key categories such as home, sporting, apparel, jewellery and consumables for example.

The brand position of The Warehouse, the Red Sheds is to be a house of bargains, home of essentials. That's not just a meaningless mantra. It guides our price and promotional positioning across the business. House of bargains means events, good exciting promotions which New Zealanders love. It means things like parallel imports that bring excitement and amazing prices, the products that would cost far more otherwise.

But home of essentials also recognises that your -- for the everyday basics, for those essentials the everyday price needs to be the best in the market and there's continuous pressure competitively on both

ends. We compete against retailers who are focused on what's called everyday low price and others who focus on very high low promotions and we compete on both ends of that.

Over the last three-and-a-half years and in the last year we've brought in better products. There's been a huge improvement in our private label brands and that private label quality. That was a major brand perception issue. For too long a number of our private labels had gained a very poor reputation. We've introduced a number of new private labels such as VEON TVs. VEON is now the top selling television brand in New Zealand by units already. Kensington, Necessities, Active Intent, Maya, these are all private labels now where the quality can be trusted by our customers. But trust takes a long time to build. It's easy to lose, you can lose it in a second but it takes a long time to build.

But also on top of the private labels and particularly as a result of the Noel Leeming **acquisition** in the Red Sheds we've improved our branded offer, brands that customers trust such as Samsung, HP, Sony, et cetera, which previously -- and Acer, which previously we haven't been able to sell.

In New Zealand you never walk away from price. We've got our better products but we've got our better prices and we've had a very strong entry level essential pricing program and that means better sourcing and so the pressure doesn't come off there and we don't walk away from that.

Some people have said because we've improved our stores, is The Warehouse going upmarket? My answer is unequivocally no but the difference is it's not about being cheap and nasty, it's about being discounting contemporary but you will never -- we will never walk away from price in the Red Sheds. We're a discount retailer but that doesn't mean our customers shouldn't have products that are fit for purpose.

We've improved the store environment. This has been a huge initiative and piece of work. We're now reaching critical mass of improved stores, stores that we can be proud of which give great shopping environments. The stores that haven't been done are largely now stores where we have a major **property** issue where making the investment now would be wasting our shareholders' money. For example, Downtown which is not a wonderful store environment in Downtown Auckland but that block, that mall will be knocked down as the new rail link goes through so there's no point us investing in that store for example.

But when you look at stores like Royal Oak, the new development at Sylvia **Park** that you can see, you're seeing a great contemporary discount shopping environment and customers are seeing the difference.

Finally, better service. Ultimately in retail it's about people and your interaction with the customer and having an ease of shop that's friendly. The love your customer training which we rolled out about a year and a half ago is probably the biggest customer training event ever in New Zealand and has made a difference. We're now on embedding that and also making it really come to life even more for our customers.

So improving the perception of the brand with our customers takes time but we are definitely making progress.

Secondly, Customer, People, Profit is people. Retail is a people business and having people who can clearly see there's a great career. Our Red Shirts in Schools program, a clear learning pathway, the career retailer wage right through to the career degree, the retail degree that launches in February is transforming the view that people have of retail. Quite frankly, how people talk about retail sometimes is utterly derogatory. It employs 12% of the people in this country.

It's a major industry and offers wonderful careers, wonderful opportunities for people and we intend to keep on driving that with our people so we've got the best people who can give the best service because an engaged team will not be merely compliant. They will be committed and ultimately, if the team are just being compliant and ticking boxes they won't give you good service in the store. You can't force people to smile and so we want a committed team and I think we're making very good progress that -- winning many awards that are judged by teams and customers.

Finally though, Customer, People, Profit. We're not a charity. We have to deliver profitable growth. Profit is not a dirty word. Profit is absolutely critical to a business and we need it. At the moment the investment so far has not translated into profit growth. Competition continues to be intense and it is a fairly disrupted retail environment. So far you would say on our strategy in Red it has proved to be a very good defensive strategy. That shouldn't be underestimated.

Without that defensive strategy we would be far worse off today than we are but it is not yet coming through as an offensive strategy in profit growth. The bubble of investment is largely over now and the challenge for the team in Red is to drive that translation going forward.

Second key area, second strategic priority, to grow non-Red profit to be as large as Red. There's three key business areas there, Warehouse Stationery, Noel Leeming and Torpedo7 and this objective also supported by our multichannel and digital strategy and our financial services strategy which I'll talk to separately.

Firstly, Warehouse Stationery. Warehouse Stationery, their brand position in a personality, and those aren't just buzz words, they drive what the business is about, is Work, Study, Create, Connect. It was rebranded one year ago and now it's had five years of growth. It showed real profit leverage in the last few years. It's got an incredibly engaged team. It's got a very strong competitive position and that is an example of persistent, patiently impatient focus on the customer, your people to deliver profit growth.

Noel Leeming is a new business acquired just over a year-and-a-half ago. I've got my Noel Leeming shirt on today. It was rebranded in September 2014. It's in a market where largely the product and price is highly transparent. It's largely branded product. You need to differentiate yourself.

The differentiation in Noel Leeming is firstly, it's the only real New Zealand player in that sector, in appliance and technologies. It's building a services proposition that's unmatched. It's building a team which is also more passionate and committed than the competition, in an area where the service of the people, their product knowledge is so critical, retention of people is very critical, to have that knowledge and training embedded.

We're also building there really services that they can sell such as tech solutions, an open learning centre but it's something tangible beyond just their own personal knowledge. Early days in Noel Leeming but reasonable progress so far.

The finally even newer perhaps is Torpedo7. This is a new outdoor adventure sport business. It's a sector, a vertical where we felt there wasn't a clear number two. There is a clear number one. It sort of bridges an area that ranges from Rebel Sport to Kathmandu and there are clear number ones there but what we felt, there was a place in the market for a more broader omni channel offer. It's a bricks and clicks retailer.

We've put together R&R Sport which is the bricks with Torpedo7 which is the clicks and we've just rebranded it at the end of the last quarter. If you go up to K-Road or you see it at Mount Wellington just down the road or at Albany, you'll see an example of the store environment and the Torpedo7 website links with that as well.

So in many ways Warehouse Stationery is a model for what we feel can be achieved from that utterly persistent as I said patiently impatient focus on the customer through your people to leverage into profit. But the two -- then you've got Noel Leeming and Torpedo7 at very early stages of their journey.

The third area is to be the leading multichannel and digital retailer in New Zealand. All the **Group** businesses are now fully multichannel enabled. That has been a huge achievement over the last three-and-a-half years. Three-and-a-half years ago the Red Sheds only had a small amount of its selection even online. Now all our businesses are fully online, all our businesses offer click and collect. Click and collect; order online and pick up in-store.

You may think why would anyone want to do that? Well over 20% of the online customers in Red want to do that. The reason they want to do that is they don't want to come back after they've been out all day and see the courier message there saying sorry, we tried to deliver but you weren't home. So having delivered to a store is very valuable for them.

For a business like Torpedo7 it adds value because in the future we'll be able to offer delivery beyond just their stores for example. Endless aisles, that's where in our smaller stores we can offer the full range now to customers. If you're in Hawera for example where you haven't got a large local store, we can now order for you the full range to come to that store, go to your home.

We've got apps on our smartphones where customers can check the product and check details of the product in-store. We've got wi-fi in-store so they can do it via the wi-fi system and Red Alert is already a very successful bargain **site** enhancing the house of bargains image of the Red Sheds.

Already we could claim to be the leading multichannel and digital retailer in New Zealand. We're the second most visited trading website in New Zealand. The only one more visited by unique visitors now is Trade Me which in many ways is not a retailer as such. They have about 1.3 **million** unique visits to them, to their product sites. We have 1.1 **million** unique visits a month so already great progress. We're fully multichannel enabled.

We've got the joint venture with ShopHQ which is a learning lab. This area is moving at unprecedented speed. That's our link with Shane Bradley, one of the leading online entrepreneurs in New Zealand --



started up GrabOne for example. Through Pet.co.nz, Baby.co.nz we've got a lab, a laboratory for quick learning in a smaller environment where people can move faster.

But the next stage is to become fully digitally enabled, from multichannel enabled to digitally enabled because this device is changing the world and it's not just changing it about being shopping online. It's having major impact on the importance of data, of information, of being able to communicate one-on-one with your customers. That's changing marketing.

Traditional mass markets, advertising, TV, press for example is declining in basic eyeballs seeing it. Most people are consuming their news now by going to [www.nzherald](http://www.nzherald) or [www.stuff.co](http://www.stuff.co) rather than buying a physical newspaper and that's changing -- and digital marketing is an area where we've got to become fully digitally enabled.

So the world is changing. There is disruption and uncertainty that comes with that. You either run away from that in fear and try and pretend it isn't changing or you accept that change and you try and adapt with clicks and bricks proving to be the right combination in leading markets. What you're seeing in the UK for example is retailers who've got bricks and online are now starting to outperform the pure play online retailers.

Fourth, to be the leading New Zealand financial services **company** and being a retailer, I'll emphasise Ted's plug there, on your seat was a Diners Club information but it wasn't just the information. At the back there you can sign up for a Diners Club card as well if you'd like to.

The **acquisition** of Diners though wasn't about Diners as such. The **acquisition** of Diners was to provide a base infrastructure for building our own financial services business. We explained that that would take time and that base work has been going on over the last six months. We've built a strong team and we're building a systems base to transition from the Westpac joint venture to having our own, purely our own business. That transition will really come into play as we launch new financial products in the middle of next calendar year and the middle of the end of next calendar year.

Firstly, we've just launched our instalment hire **purchase** product called Marble in the Red Sheds which has replaced the Gilrose product and the first scheme cards, Visa, Mastercard and we'll announce in due course which it will be, will be in place in mid to late 2015. The finance book will build from there. We aim to have a scale finance business that supports the core retail business and we'd see it contributing material profit from FY17 onwards.

Finally but by no means least is to leverage the **Group** competencies and scale. As I said earlier, it's no good being a **group** if it doesn't add some advantage. The principle we operate on in reality is that any resources should be in the brand, should be in the trading unit unless there is good reason not to. The reason we have that principle is because that forces things to be nearer the customer. The good reason not to would be there is obvious cost advantage, for example putting together things like accounts payable, accounts receivable or there is obvious expertise advantage or there is obvious resource advantage to be able to put to that.

So ultimately what that -- I'm saying with that, and a principle is important, if you take things further away from the customer you've always got danger of bureaucracy so put it nearer the customer unless there's good reason and then leverage that. The areas in which we're leveraging that are for example **property**, shared services. If you look at a number of our store developments now, Hamilton Central, Te Rapa, Whangarei, Sylvia **park**, the ex Good Guys sites we've leverage our **property** expertise in the **Group**.

If you go to Sylvia **Park** on Saturday there's a grand opening there of a Warehouse Stationery store. Next door to that you'll see the new Noel Leeming store and Lifestyle Appliances store there. They're in the space that used to be occupied by Red Sheds, in the space where when we had extra in attempting to enter grocery, left us with a store that was too big. We've right-sized that store and leveraged that to create a great shopping environment at the end of the Sylvia **Park** mall there now with a new Warehouse Stationery and Noel Leeming store. That's just one example of us leveraging our **property**.

Also with logistics for example, we brought the Warehouse Stationery third party logistics operation which was outsourced in-house to what is the Red Sheds logistics centre giving cost advantage from that as well.

Product sourcing is another area. The **China** sourcing office now is being critical to developing the private label range for Torpedo7 which will be so important to that business going forward. I talked about technology and appliance brands coming into the Red Sheds, The Warehouse as a result of the **acquisition** of Noel Leeming.

Finally, that way of working culture which has some really hard tangibles about creating a continuous improvement culture, sometimes that would have been called in the past total quality management, LEAN, Kaizen, many of you will be familiar with those phrases. Taking those principles that drive real customer

focus continuous improvement into a retail environment that makes the business stronger and better and applying best practice from around the world. So each brand is independent from a customer perspective but leverage the **Group** where it can make them stronger.

Also a part of the uniqueness of our **Group** and our competencies is our commitment to the community. In community and environment in the last 32 years we've raised or helped facilitate the raising of over NZD26 **million** for local groups and charities. In FY14 alone NZD3.5 **million** was distributed.

So five key strategic priorities; keep the Red core strong, grow non-Red profit to be as large as Red, be the leading multichannel and digital retailer, be a leading financial services, retail financial services business and to leverage the **Group** competencies and scale.

Our vision is to build a 100 year **company** that delivers long term sustainable profitable growth that helps Aotearoa New Zealand flourish. That is not just a meaningless phrase. All of those words are incredibly important. The 100 year **company** that delivers long term sustainable profitable growth recognises that you have to start with a customer through people to deliver profit.

If you just focus on the short term ultimately you will make decisions that will undermine you for the long term. But it also recognises that sustainable profitable growth is critical. There's not just a free pass on profit growth. It actually has to happen but you've got to keep that balance of short term/long term for the future, not just make decisions that are all about the long term or decisions that are all about the short term. That's the tension we're attempting to hold together.

The second part of that about recognising the scale of **company** we are and helping Aotearoa New Zealand flourish. Businesses don't exist in isolation. In the last election I think there was some economic illiteracy in the way some people talked about business. Successful businesses are critical for any successful society. Government hasn't got any money. It gets taxes and taxes from people employed in businesses.

Similarly though business needs successful societies where law and order is upheld, where there are good values and people are educated well to be able to flourish when they come into workplace. So we recognise our place in that as a large **company**. We're not pontificating about that, we're just practically recognising that.

So where are we at? Well our plan is to deliver that profitable growth. I think in the last year that didn't happen and we've talked about some period of consolidation and pulling together the acquisitions we've down. There are a number of factors in there both internal and external that in some ways make our profit deliverables somewhat unpredictable over the medium term. We've got a business in the Red Sheds that's come off a big investment cycle, we've got Noel Leeming and Torpedo7 which are very new businesses, we've got financial services which is a business with really a two year investment cycle before it becomes material growth.

So the tension we're holding together as a leadership is to really put pressure and the **Board** quite rightly do that, on ensuring that the deliverables on the short term are not ignored while still ensuring we balance that with building that longer term sustainable growth.

Thank you very much for your attention and thank you very much for coming along today and as I said, it's a privilege to be able to serve you as CEO. Thank you.

TED VAN ARKEL: Thank you, Mark. An inspiring address as always.

I will now take questions on the annual report and on our addresses. I would also ask that when you wish to speak please raise your hand and use the microphones provided by our staff. Please state your name before addressing the meeting so that an accurate record of the proceedings can be kept.

Now who would like to start the question session? Gentleman in the front here or halfway in -- there's a red shirt coming towards you, sir, won't be a moment. Thank you. Good. You don't need to stand. You don't need to stand, no. It's alright.

Questions and Answers

JULIAN BROOKE, SHAREHOLDER: My name is [Julian Brooke]. We shop a lot at The Warehouse and -- as well as being shareholders and we are hearing plans of expanding the Newmarket store and we'd also like to know how your plans are coming along for the Balmoral store. We understand that's going to be a mammoth undertaking.

TED VAN ARKEL: Indeed. Okay, Mark, obviously I'll leave that one to you. Would you like to respond please?



MARK POWELL: Thank you very much. Let's talk to Newmarket first. I'll talk to Newmarket first. Well that's a store we haven't been able to refurbish yet because we recognise that whole **site** needs redevelopment and that's what you've picked up on and there's been some -- oh you're not coming through on the mike, can you turn it up a bit please?

We recognise that that store needs redevelopment. We acquired some extra **property** there, the Noel Leeming building and where Warehouse Stationery is for example so we've got a package of land there and we are progressing plan to develop that whole **site** which we'll reveal the exact nature of that in due course. But we are looking to develop that **site** and we do think that there's an opportunity to have a good development there and improve the offer because that's a store we haven't been able to improve as yet.

So you're right to pick up on that and in the next year we should be able to say more about exactly how we're going to take that forward.

In Balmoral we've also sought permission for how we would develop that **site**. In some ways whilst it's further ahead in applications it's some way further behind in **firm** plans. When we develop that **site** will also depend on how we look at that whole catchment with St Lukes, (inaudible) a bit further away as well and how that settles down. We will prepare the plans for development to take stock of that catchment and then make a decision about timing on that development.

Also with these developments we have to consider our capital planning and capital investment profile as well and so that will be a consideration on timing of both those and as we're -- as that's also being done we'll also see further how online develops and how that impacts the balance with bricks and clicks and stores and online as well.

So no **firm** dates on either of those stores locked in yet but they are in -- we are preparing ourselves to be able to develop those sites and we'll make decisions in due course and communicate them at the appropriate time.

TED VAN ARKEL: Thank you, Mark. Next question please. Gentleman in front of you, sir. Thank you.

JOHN MEWSON, SHAREHOLDER: Good morning. My name's [John Mewson]. I speak as the ex-chair of the Industry Training Federation and for four years the Executive, Chief Executive of the Retail Industry Training Organisation and in those capacities I just want to congratulate this **Company** and this **Board** and especially you Mark for the investment in the people that you're making, for the investment in industry training that you're making and for the respect you're showing to both the workers and the community of New Zealand. Thank you.

TED VAN ARKEL: Thank you, sir. That's a nice compliment. Thank you very much. We appreciate that.

Mark, do you wish to respond any further?

MARK POWELL: Well it's nice to see that being recognised. This is an industry full of great people. If I will digress for a second, Chair, that program for example, Undercover Boss, it's interesting when people watch that because it's almost like a lot of bosses are surprised by the great people they've got in their business.

Well we've got great people in our business and those great people serve customers every day and it's just plain commonsense that if those people don't feel well rewarded, valued, that they've got chance for progression based on merit, not based on favouritism but based on their hard work then you're not going get great customer service.

I think that's what makes market capitalism work actually. Market capitalism allows potential and merit to thrive and I'm a market capitalist. No apologies. I think that businesses also need to make sure that they don't lose sight of ensuring they've got a role to help that happen and I think we're doing our bit. We're not self congratulatory about that, we just want to keep on doing it because it's the right thing for our customers, for our people and ultimately our profitability and strength as a business. Thank you.

TED VAN ARKEL: Next question please. Thank you, sir.

UNIDENTIFIED AUDIENCE MEMBER: (Inaudible), shareholder. In March you acquired Diners Club credit card. Now we know 30 years back American Express and Diners card were the card but then came along Visa and Mastercard. In what way do you think it will help financially or in marketing this card and what will be the commission rate and how much did you pay to -- I understand you acquired it from a Singapore based **company** and what was paid for it? Thank you.

TED VAN ARKEL: Alright, thank you. Well Mark touched on that in his address to you a little while ago but let him embellish it and respond to you a little bit further.

Mark?

MARK POWELL: I think details of the **acquisition** cost were released at the time and I think there's something in the annual report as well but I won't throw numbers out there on the top of my head as well. We can get the exact detail of that to you if we can get your name as well.

But in terms of the reason for **purchase**, I think I've been pretty straight up about that, it wasn't about Diners ultimately. Strategically if it was about Diners I think as shareholders you'd be asking what's the strategy? Basically it was as a platform to allow us to build a financial services business. We'll keep Diners. We'll make sure that that's positioned as a niche card is enhanced and for example it's sponsoring a major golf tournament today.

But actually the key is to have a platform of people and systems to build our own scheme cards, Visa, Mastercard as I referred to and to build our own instalment products with an aim of building a book of up to NZD600 **million** which is over a five year period which is the equivalent of an FMP finance book, which should deliver material returns to the **Group** and to be able to do that in a way where we have full control and we can align the products very much with being a retailer so we optimise both the retail aspect of selling product and the aspect of having a financial services business, combined with an approach that takes seriously ethical lending as well.

TED VAN ARKEL: Thank you. Any other questions please? We have one here, just in front. Could we have a microphone? There's one coming to you now. Thank you.

TREVOR MOSBY, SHAREHOLDER: Yes, [Trevor Mosby]. I've got two matters which have been touched on at this meeting. The first one I think is a very positive issue and that was customer services, Mark, which you have mentioned. I deal at the Royal Oak Warehouse and I've had two examples of having to go to the customer services branch there in the last 12 months and they've both been extremely positive.

One lass -- I had to return an item. That's a bit unfortunate but that's the way these sort of things happen and it was well done, well handled and then I asked another question of that particular person. I wanted a product and she looked it up and she had only one of those items left in the store. Now she didn't just leave me to go and search around the store for it. She directed me to the particular aisle and told me to wait for a moment and she actually turned up and searched all of the boxes and so on and found that one particular item and I think that's wonderful service.

We had another instance just two months ago when a matter had to be looked at -- one of the VEON televisions and the girl there was just so helpful in receiving the item back, keeping me nice and calm and dealing with the whole thing. In this particular instance I took her name and I'll give that to you later. I think that that kind of customer service is absolutely **gold** to the **Company**. So that's that issue.

The other issue was just touched on just a moment ago with Diners Club. I'm not a financial -- I'm not a financial expert but when you raised this at the last meeting that was a concern for me. I wondered whether the Sheds were going away from their core business and I see -- I have one other retail share and that is Briscoes and I see their share price moving up and ours is still straggling a bit and I wonder whether that kind of thing, the establishment of the financial services issue is something which may be a strain on the **Company** and whether perhaps other companies like Briscoes are dealing, are moving in that kind of direction.

Can you help me at all with that?

TED VAN ARKEL: Okay, well thank you very much. First of all, thank you for your compliments about our staff there at Royal Oak. That's much appreciated and the feedback you've given us. I'm sure Mark will be very interested in obtaining that name from you very shortly.

The **acquisition** of the Diners Club was made for various reasons but in particular I guess, as Mark has already explained, that we're looking at rebranding and repositioning the joint venture we've got with the Westpac organisation to our own in-house financial services and with the **acquisition** of Noel Leeming that becomes even more important to us. So we understand your concern about share price. We're working hard on that but you know, this is a big, big organisation that we've got and there are many parts of it that are moving in different directions. The exciting thing is to get everyone moving in the same direction and then achieving that result.

Briscoes is a very small organisation compared to the powerhouse that we've got operating in here.

But Mark, would you like to make any comments, any further comments?

MARK POWELL: Yes, I think the back end of the question -- well thank you for the compliments. I'd really love to get the team member name and pass that on to the team.

But the -- in terms of the financial services I think one of the key questions there is about you're moving away from your core competencies potentially. I think one of the things that perhaps needs unpacking is we've always **sold** financial services. We've done it as part of a joint venture and for a lot of our products and especially now with Noel Leeming as Ted said, with high value products the financial package with the product is almost part of the product. So it is actually core having a financial product to put with product in many of our businesses.

The difference we're making here is actually bringing it in-house so we've got full control to fully align it with the selling of the product in the way we want. So whilst I can understand it may look is that the core business it should be in, it definitely is aligned and we've always been doing it. But I do understand the question totally.

The other aspect of the question obviously is the funding of that business. The capital raise was in part for that and in due course we'll also be announcing how we will fund that book where you have a very different gearing and capital management process to a normal retailer. We are working through to a point a financial services **board** distinctly for that business with the right skills as well and we'll be coming in due course over the next year updating how we will also structure that for going forward.

TED VAN ARKEL: Okay, any last questions at this stage? Yes, there's one there at the back. Thank you.

ANDY DERLETH, SHAREHOLDER: Hi, my name is [Andy Derleth]. I've got a question for you, Mark. I've seen the remarkable turnaround you've achieved at Warehouse Stationery and I see you as a critical success factor for the **Group**. So my question is, are you in for the long run? What are your personal plans? Thanks.

TED VAN ARKEL: Okay. Mark, putting you on the spot.

MARK POWELL: Andy was a great team member for us for many years in Warehouse Stationery and has now branched out into a tech business with his partner and wish you all the success with that, Andy and it's great to see small businesses and the growth you're getting from that small business. Perhaps you won't be so small for so long. That's me avoiding the question as long as I probably can.

My own personal ambitions, we discuss with the **Board** timing. It's always review it both ways, whether they want me and whether I want and what my own personal views are. Those type of issues are disclosure issues when they come to a point necessary for disclosure. Nothing there has come to a point necessary for disclosure and therefore there's nothing to say.

As a public **company** you sort of end it with that. As you know because you know me Andy, I'm a very candid open individual and I'd happily expound probably on exactly my own personal situation, my thinking on that, et cetera. Certain things that come with being a public **company** CEO mean you don't do that.

But at any point -- we constantly look at CEO succession planning, building up the capability of the wonderful executive team we've got and it's never one person. It never is. We've got a great executive team. I just happen to be the one that stands here and talks to the press. We make sure that they can be the best they can be and then we constantly review where we're at and at appropriate times then you update the market.

TED VAN ARKEL: Okay, thank you, Mark. Any other questions? The gentleman there.

UNIDENTIFIED AUDIENCE MEMBER: (Inaudible). I can see that you have started Torpedo. This is in direct competition with the Rebel Sports **group**. What research have you done and what market share do we have? Obvious early days that you haven't got the data yet but could you throw some light on it? The other day at Albany shop, I was there and a plain t-shirt, good quality, NZD119 so it's on a very high scale.

MARK POWELL: Okay, thanks for your question.

TED VAN ARKEL: I guess as we said earlier on, we merged two businesses together, Torpedo7 and R&R Sports. Both have got a lot of history attached to them, Torpedo7 particularly on the online business but let Mark sort of respond a bit more in detail.

MARK POWELL: Torpedo7, the phrase we use is an outdoor adventure sport business and the only bit that I would say competes with Rebel Sport is that last bit, sport. It's not a Rebel Sport. Rebel Sport is a small overlap. Kathmandu is part of an overlap. Macpac is part of an overlap. Hunting and Fishing is part of an overlap. Fishing Camping Outdoors is part of an overlap. It's actually quite a unique offer. It's focused on outdoor adventure sport so you're talking skiing, surf, motocross, cycling. We're very strong in cycling with cycling workshops there.

Now all those areas Rebel Sport aren't in at all for example so it's not a direct competitor although part of the product range would compete with some of the things **sold** in that particular retailer.

It's a specialist retailer with a mix of branded product and we'll have a good mix of private label. As a specialist retailer it sells a far wider range of price points than you would ever see in The Warehouse, in the Red Sheds. It goes to bikes for example that would be NZD10,000, NZD20,000 for example for a bike, a very growing sector amongst 40, 50 year old males for example. So it's quite distinct.

We feel the offer's quite unique, a bit like Warehouse Stationery has got quite a unique offer. Bringing together components that aren't there in the market, that's part of why we think it will be successful. It will compete with a number of other different retailers for different categories. It has a wide product price range. You'll have private label products that will give good entry level value in the sectors but we'll keep on selling pretty expensive but very high quality branded products like Icebreaker, Giant bikes, Trek bikes, et cetera, as well.

So broad-based, quite a unique offering, touches on competing with a number of other retailers and is a specialist and not a discount operator like the Red Sheds at all, although it will always try to be the price leader where it is at for that branded position.

TED VAN ARKEL: Okay, perhaps just wrapping that one up, the **Board** actually visited Mount Wellington store yesterday, both the Sylvia **Park** store and we saw the reduced Red Shed as we call them and then the Blue and the Noel Leeming. Both absolutely fantastic and Mark has already suggested that if you've got a spare moment over the weekend or any time in the weeks ahead, please go and visit.

But we also visited Torpedo7 which is just across the road, which is in the old Good Guys location as they were or Guthrie Bowron as they were prior to that. Again you'd be, I think, very surprised about the range, extensive range that we've got sitting in there and well worth a visit.

Right, I'm going to take the last question if I may please and I think there's a hand going up there. Lady in the red jacket there. There's a microphone coming up to you. Thank you.

ELSA BROOKE, SHAREHOLDER: This is not a question as such. My name's [Elsa Brooke] by the way. I want to applaud The Warehouse for employing a handicapped girl in the Newmarket store. She is worth her weight in **gold**. It doesn't matter whether I go -- what time of the day or night, if she should be on at night but she's not, she is working well, always a smile on her face.

Also in any business you have staffing problems, they have sickies or something's wrong. I was proud to see that the manager was working on the checkout alongside of her staff. Now it's not often and these big conglomerates, you wouldn't find a Countdown manager doing that and I want to applaud you on the calibre of staff that you employ, especially the managers. Thank you.

TED VAN ARKEL: Thank you very much. Thank you for your compliments. It's great to get this feedback on our staff, Mark. It's just wonderful. Thank you very much. As a regular Newmarket customer I know the store you're talking about very well.

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Let me now move on to the **Board** of Directors and the, I guess the refreshment or the **Board** I want to talk about.

Over the past few years the mix of skills and experience on the **Board** has been refreshed with the appointment of new directors. The recent review of the **Board** conducted with the assistance of an external facilitator confirmed that the mix of backgrounds, skills and experience on the **Board** is appropriate. The more recently appointed directors are working well with directors of longer tenure, with all directors contributing different perspectives at the **Board** table.

The **Company** acknowledges the importance of there being a strong pool of directors in New Zealand and therefore has become a host **company** for the future director initiative along with several other large companies.

We are looking forward to Bindi Norwell's term of appointment for the current financial year as our future director and trust that she and other companies she may join in the future will benefit from that experience. Bindi will be involved in all **Board** discussion and debates but will not be involved in the final voting that might be required at a particular **Board** meeting.

We now come to the matters requiring resolutions which are outlined in the notice of meeting. As I indicated, all voting at today's meeting will be by way of poll and a poll will be held for each of the

resolutions. Shareholders who are entitled to vote and proxies who have discretion as to how they vote have been -- received a voting proxy form when they registered upon arrival at the meeting.

If you have not received a voting proxy form please go to the Computershare desk at the back of the room when time comes for the casting of the votes and the representatives will be able to help you. After voting you should place your vote in one of the ballot boxes which will be passed around the room.

Now turning to the re-election of directors, which has the full support of the **Board** and key major shareholders. As set out in the notice of meeting, Keith Smith and I retire by rotation. We are both eligible and offer ourselves for re-election. I would now like to ask Keith to make a brief statement to the meeting.

Keith?

KEITH SMITH, DIRECTOR, THE WAREHOUSE **GROUP** LTD: Thank you, Chair and good morning fellow shareholders. As you're aware, I'm Keith Smith and my abridged CV is detailed in the notice of meeting and also in the annual report so I won't repeat the details again now.

I am today seeking your support for re-election as a director of this iconic **company**, a **company** I've been proud to have been associated with since Stephen opened its first store in 1982.

As you will have read in the annual report and heard further from Ted and Mark today, the **Group** is in the midst of a significant strategic program to ensure the main retail brands, Red, Blue and Noel Leeming remain relevant to today's retail environment whilst developing and growing digital and online offerings together with the development of our financial services organisation.

I'm extremely enthusiastic about all the opportunities ahead of us, particularly within the financial services area which is an area focus for me and relates to a question that was raised here in the audience just before. The **purchase** of the Noel Leeming **group** has given us the ability to develop a financial services business as a result of the significant customer base in consumer electronics, whitewares and related products associated with that business. That coupled with similar and related products within the Red and Blue businesses and the Torpedo7 range gives a very strong and important base from which to grow a financial services offer.

My background as a director of other financial services companies both currently and in the recent past allows me to provide significant input into the development and growth that we anticipate over the next three to five years in what I believe will be an increasingly important component of our overall business model.

As we have heard today, the next period is one of consolidation, taking advantage of the synergies of the acquisitions over the past three years together with developing and expanding on the various product streams and opportunities that are becoming more relevant in today's consumer environment.

Over the past three to four years, as Ted has just mentioned, we have had a number of new **Board** members. At our recently completed formal externally facilitated **Board** review I am pleased to say that my fellow members confirmed that I am a valuable and relevant contributor to the **Board** mix as well as providing continuity to the **Board** and all -- that my fellow directors unanimously supported my decision to stand for re-election.

I therefore look forward to your support to allow me to continue to the ongoing development and success of this great **company**. I think you in advance for your ongoing support.

TED VAN ARKEL: Thank you, Keith. Yes, okay, well perhaps if there are any questions Keith is happy to answer them. No questions? Okay, thank you.

Proxy voting in respect of this resolution is a total of 190,050,446 proxy votes were received; 187,949,959 votes for, 594,921 votes against, votes undirected 236,296 and 1,273,270 abstain giving the result of 99% of votes cast in favour of the resolution.

I now move that Keith Smith be re-elected as director of the **Company**. Is there any discussion? Okay, thank you. Ladies and gentlemen, the poll on the re-election of Keith Smith will be conducted at the end of the formal business.

We'll now move to the next resolution which is my re-election. For that purpose I will vacate the chair, take off my hat in favour of James Ogden, Chairman of the Audit Committee.

James?



JAMES OGDEN, DIRECTOR, THE WAREHOUSE GROUP LTD: Thanks, Ted. So we'll go through the same format as we've just done for Keith. So first of all I will ask Ted to make a brief statement to the meeting.

TED VAN ARKEL: Thank you, James. As is in front of you, I was appointed in July 2011 to the Board and then re-elected or elected at the November 2011 AGM here in this room. My career background is also detailed in your annual report but basically it's summarised in retailing and wholesaling which has been my background for many, many years both with Woolworths New Zealand Limited in those days then PlaceMakers and towards the end of my retailing career with Progressive where I retained as Managing Director of that company in 2004, around about this time 10 years ago.

I'm a passionate retailer. My skill sets are very appropriate I believe for the Company and of course during the last 10 years I've become a professional director and have been involved with several other companies and of course again my directorships are listed in the annual report accordingly.

We have during the last three-and-a-half years as has already been said by both myself and Mark and now with Keith, we've been on a journey in repositioning this great organisation which was founded by Sir Stephen Tindall over 30 years ago and during that time Stephen first formed or set up his first store in Wairau Park. I actually became a supplier. I may have mentioned this at the AGM in 2011 when I was running Bing Harris Sargood, a name that's almost forgotten by many people.

But prior to that I was a board member on George Court and I remember his enthusiasm as a merchandising manager and he was sadly missed when he left. So I've been an admirer of what he's done, what he's created, people that he's been able to attract to work with him, the rapid rollout of the number of stores. But I guess retail has changed and this is what we are facing now in regards to how do we handle the digital marketing, the online shopping and where is this all taking to?

We believe that we are now well positioned to handle that and I know that we've recently just had a team over in the UK and the USA who have just come back, who've studied what's going on with the major retailers and have confirmed that we're on the right track. So the retailing theme when I first got into retailing, which was all about weighing up sweets and putting them into pick and mix bags or whatever you like to talk about, has changed so much over those many years but it's still an exciting industry and it still keeps me awake at night I can assure you from time to time as to what is the next move and what should be done.

So my enthusiasm is there and I look very much forward to your support in my election. Thank you.

JAMES OGDEN: Thank you, Ted. The proxy voting in respect of this resolution is as follows. A total of 190,050,446 proxy votes received, 187,490,412 votes for, 2,053,323 votes against, votes undirected 236,296 and 270,415 abstain giving a result of 98.8% of votes cast in favour of this resolution.

So it's my pleasure to move the following resolution, that Ted van Arkel be re-elected as a director of the Company. Is there any discussion? Thank you.

So ladies and gentlemen, the poll on the re-election of Ted van Arkel will be conducted at the end of the formal business.

So I'll now hand back to Ted.

TED VAN ARKEL: Thank you.

I now turn to the last resolution which is the one dealing with the auditors. PricewaterhouseCoopers continues in office in accordance with the provisions of section 207T of the Companies Act 1993. A resolution however is required in respect of their remuneration. For the information of shareholders and as disclosed in the annual report, the total fees paid to PricewaterhouseCoopers in the financial year ended July 27, 2014 was NZD645,000.

Proxy voting in respect of this resolution is a total of 190,050,446 proxy votes received, 189,505,178 votes for and 195,143 against, votes undirected were 234,827 and 115,298 votes abstain giving a result of 99.9% of votes cast in favour of the resolution.

I now move that the directors are authorised to fix and expenses -- to fix the fees and expenses of PricewaterhouseCoopers as auditors for the ensuing year. Is there any discussion? Silence.

Ladies and gentlemen, the poll on authorising the directors to fix the auditors' remuneration will be conducted at the end of the formal business.

Now we're getting to the general business so thus I now open the meeting for general discussion. Are there any matters of a general nature you would like to raise? I know that you've already asked some of the questions perhaps that were burning in your mind but now that we've completed the total resolutions you might have other questions that have suddenly sprung on your mind so this is the time otherwise we'll be enjoying hopefully a cup of tea and coffee and a few drinks or I should say food very shortly.

Are there any questions? Again the microphones will be available to you if you should so wish to speak.

I think we're getting to the stage of closing. Thank you.

I will now explain the voting rights procedure. To cast your vote please tick one box either for, against or abstain alongside each resolution on the voting paper. The position with respect to undirected proxies held by myself and my fellow directors is resolution one, re-elect Keith Smith, 187,733; resolution two, re-elect Ted van Arkel, 185,093; resolution three, auditors, 206,139.

We intend to vote all undirected proxies we have received in favour of these resolutions except where my fellow directors or I are interested in the resolutions. If you hold a proxy on behalf of a shareholder you will need to cast the shareholder's votes in order for them to be counted. The voting proxy form given to proxy holders sets out the number of proxy votes held and records directed votes. If there are no undirected votes the proxy holder need only sign the voting form. Where there are undirected votes, proxy holders may vote these as they see fit by ticking the appropriate box. In all cases please ensure the voting form is signed.

I remind you that you are voting on each separate resolution as detailed in the notice of meeting. After voting you should place your voting proxy form in one of the ballot boxes which will be passed around the room. If anyone is unsure how to complete the voting form or hasn't got a form, if you go to the Computershare registration desk someone will be able to help you. As mentioned previously, after voting you should place your vote in one of the ballot boxes which will be passed around the room.

Once all votes have been cast they will be counted by the **Company's** share register and scrutinised by the **Company's** auditors. The result of today's meeting will be released to the NZX on completion of the verification of voting.

As there is no further official business I now declare the meeting closed. I sincerely thank you for your attendance today and continuing interest in the **Company**. Please join the directors and management for refreshments. I wish you and your families a very happy festive season and a prosperous new year along with some very, very warm weather I hope. Thank you.

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