MYER

ASX & MEDIA RELEASE

14 September 2017

FY2017 comparable store sales flat on last year

FY2017 NPAT of $67.9 million (pre implementation costs and individually significant items)

Significant investment and progress to deliver New Myer

Myer Holdings Limited (MYR) today announced its financial results for the 52 weeks to 29 July 2017* reporting Net Profit After Tax (NPAT) of $67.9 million (pre-implementation costs and individually significant items) on total sales 1.4% lower than the previous year in part reflecting the closure of three stores, and down 0.2% on a comparable store basis.

Myer Chief Executive Officer and Managing Director, Richard Umbers said: “We have made significant progress to deliver New Myer which has assisted the company to withstand the challenging retail trading conditions characterised by heightened competition, subdued consumer sentiment and discount fatigue.

“We are obviously disappointed to have not reached our target of exceeding last year’s NPAT of $69.4 million and that progress against our metrics that matter is slower than we anticipated.

“However Myer has become a leaner, more productive and efficient retailer, better placed to compete in a rapidly changing environment. In the year ahead we will be rolling out further initiatives particularly in our strongly performing omni-channel business in anticipation of a further wave of change in consumer and competitor behaviour,” said Mr Umbers.

Key FY2017 results

- Sales down 1.4% to $3,201.9 million, down 0.2% on a comparable store basis
- Sales / m2 up 3.7% compared to the FY2015 base year
- Q4 sales down 1.5%, down 0.2% on a comparable store basis
- Operating gross profit (OGP) of $1,220.4 million, with OGP margin 58 basis points below last year
- Cost of doing business (CODB) down $31.4 million to $1,019.8 million with CODB margin improved by 54 basis points to 31.85%
- FY2017 NPAT (pre implementation costs and individually significant items) of $67.9 million (FY2016: $69.4 million)
- Statutory NPAT of $11.9 million post implementation costs of $13.9 million and individually significant items of $42.1 million (post-tax)
- Operating cash flow improved by $1 million to $187 million
- Final dividend of 2.0 cents per share, fully franked, to be paid on 9 November 2017 (Record Date is 28 September 2017)

Mr Umbers said: “We are building a more powerful and profitable omni-channel business and the performance of our online business was a standout of the result with sales up 41.1%. Omni-channel sales which also includes sales via our 2,500 iPads in store,

* *FY2016 results are on a 52-week basis for comparison purposes*

reached $177 million during the year now representing a penetration of 8.2% of total sales in July 2017. Similarly Click & Collect has grown strongly to now represent 15% of orders in July 2017.

"We continue to make significant progress in our productivity agenda with a 24,368m^2 reduction in space resulting from store closures at Wollongong, Brookside and Orange, space handback at Cairns and Dubbo as well as a space hand back of 50% at our Queensland DC and over 30% of our support office floorspace.

"Today we are announcing that we will not be renewing leases at Colonnades, Belconnen and Hornsby. Since the launch of New Myer in September 2015, we have closed or announced the closure of 74,670m^2 of store space overall.

"Myer has continued to focus on a more innovative and experiential retail offer including the launch of cafes, pop-up shops, an ice rink in our Sydney store, a marketing campaign partnering with Katy Perry and dedicated clearance floors now in eight stores."

Mr Umbers said: "MYER one is instrumental in the evolution of our strategy, providing valuable customer insights and data that have enabled a significant shift to more personalised and relevant marketing. This is evidenced by the multi-channel execution of our recent promotional campaigns including the Katy Perry promotion and our 'Australia Lives Here' campaign.

"We have continued to refresh the merchandise range with the rollout of new or upgraded brand destinations and the introduction of a number of new wanted brands including Forever New, Roxy, Quicksilver, Darren Palmer Home and 2XU. In addition we have rolled out 72 upgraded Myer Exclusive Brand (MEB) master brand installations and dedicated service models for Basque, Piper and BLAQ.

"Building on our progress to create a leaner, more efficient and resilient operating model, we have successfully completed the rollout of the first phase of our cloud-based workforce management tool as well as the first phase of our merchandise planning tool, both of which are delivering productivity benefits to the business," Mr Umbers said.

FY2017 Result

For the 12 month period total sales were down by 1.4% to $3,201.9 million, down 0.2% on a comparable stores basis. The closure of three stores and space hand backs in two stores impacted the sales result but this was in part offset by continued strong growth in our online business. Sales in the fourth quarter were down 1.5% and down 0.2% on a comparable stores basis.

Operating gross profit was $1,220.4 million, with margin down 58 basis points to 38.12% broadly reflecting the higher concession mix. We continue to invest to drive an improved performance of our MEBs with upgraded installations and a dedicated brand service model which has delivered encouraging results. Our focus on reducing the dependency on markdowns to drive sales, favourably impacted the operating gross profit result.

During the period, we continued to improve productivity and efficiency by simplifying the operating model both within stores and the support office. The cost of doing business margin reduced by a further 54 basis points to 31.85%.

Net finance costs reduced by $3.5 million to $10.8 million largely as a result of lower average net debt.

On 20 July 2017, Myer announced the decision to write-down the full carrying value of Myer's 20% stake in Austradia of $6.8 million after the business was placed into administration and unsuccessful negotiations to retain the brands as concessions in Myer on commercially acceptable terms.

As previously outlined in 1H 2017 and Q3 2017 sales results, the performance of sass & bide has been below expectations during the period with sales in FY2017 $10.9 million below last year. While every effort is being made to improve the performance of the business, the company has recognised an impairment charge of $38.8 million against the carrying value of the business.

The write-off of the Austradia investment and the impairment of sass & bide are non-cash individually significant items that have been taken in the FY2017 results.

NPAT pre implementation costs associated with New Myer and other individually significant items was $67.9 million. Implementation costs associated with New Myer were $20 million (pre-tax) relating mainly to space optimisation, asset impairments and redundancy costs.

Net operating cash flows improved by $1 million to $187 million as a result of improved inventory and working capital. Inventory was $24 million below last year at $372 million compared to the end of FY2016 representing a reduction in forward cover of more than one week.

Capital expenditure in FY2017 was $97 million reflecting expenditure across the key strategic priorities.

The Board has determined a final dividend of 2.0 cents per share, taking the full year dividend to 5.0 cents per share fully franked.

In FY2018, Myer anticipates continuing changes to both consumer behaviour and the broader competitive environment. Accordingly, the New Myer agenda will prioritise investments to deliver further improvements in omni-channel sales and achieve greater productivity and efficiency across all our assets. The Company strongly believes these investments will best position Myer to deliver continued sustainable profit in an unpredictable environment.

Sales in the first six weeks of FY2018 are below expectations. The business is well placed for the upcoming and more significant trading periods of Spring Racing and Christmas. Myer notes that consensus for underlying NPAT in FY2018 of $66 million already factors in a subdued start to the year.

-ends-

The evolution of New Myer
Myer is planning to host a Strategy Day in Melbourne on 1st November 2017.
A webcast of the event will be accessible from Myer's investor relations website.

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Analyst and Investor briefing:

A briefing will be held for analysts and investors today at 10:00am (Melbourne time). This briefing will be webcast live at: http://streamcast.com.au/myer/FY17result/
Viewers will need to register their name, email and company to access the webcast. An archive webcast of the briefing will be available afterwards at: www.myer.com.au/investor

Myer shares are traded on the Australian Securities Exchange (MYR). Myer has a Sponsored Level I American Depository Receipt program which trades in the United States on OTC Markets (MYRSY).

The financial information provided includes non-IFRS information which have not been audited or reviewed in accordance with Australian Accounting Standards but are based on the Annual Financial Report (Appendix 4E).

This information is presented to assist readers in making appropriate comparisons with prior periods and to assess the performance of Myer. The non-IFRS financial information includes total sales, sales per square metre, OGP margin, CODB, EBITDA, total funds employed, net debt, working capital, operating cash flow and free cash flow. These are measures frequently quoted in the industry and forms the basis upon which many investors, financiers and analysts are briefed.

The information provided is general only and does not purport to be complete. It should be read in conjunction with Myer's other periodic and continuous disclosure announcements. You should not rely on the information provided as advice for investment purposes, as it does not take into account your objectives, financial situation and needs. You should make your own assessment and take independent professional advice in relation to the information and any action taken on the basis of the information. The information may contain "forward-looking statements". Forward-looking statements can generally be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "project", "should", "could", "would", "target", "aim", "assume", "forecast", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or their negative forms or other variations or similar expressions. Indications of plans, strategies, objectives, sales and financial performance including indications of and guidance on future earnings and financial position and performance are also forward-looking statements. Forward-looking statements are not guarantees of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are outside Myer's control. Actual results or performance may differ materially from those expressed, anticipated or implied in this material. Do not place undue reliance on any forward-looking statements, which are current only as at the date of this release. Further information on important factors that could cause actual results to differ materially from those projected in such statements is contained in Myer's most recent Financial Report. Subject to law, Myer assumes no obligation to update, review or revise any information contained in this material.

Table 1: Profit & Loss Statement for the 52 weeks to 29 July 2017

	FY 2017 $m (52 weeks)	FY 2016 $m (52 weeks)	Change vs. LY ($m)	Change vs. LY (%)
Total Sales Value	**3,201.9**	**3,245.9**	**(44.0)**	**(1.4%)**
Concessions	**701.7**	**600.0**	+101.7	+17.0%
Myer Exclusive Brands	**546.8**	**610.5**	(63.7)	(10.4%)
National Brands and other	**1,953.4**	**2,035.4**	(82.0)	(4.0%)
Operating Gross Profit	**1,220.4**	**1,256.0**	(35.6)	(2.8%)
Operating Gross Profit margin	***38.12%***	***38.70%***		(58bps)
Cost of Doing Business	**(1,019.8)**	**(1,051.2)**	+31.4	+3.0%
Cost of Doing Business/Sales	***31.85%***	***32.39%***		+54bps
Share of Associates	**(1.2)**	**(0.6)**	(0.6)	
Dilution of Investment in Associate	**(1.3)**	**-**	(1.3)	
EBITDA*	**198.1**	**204.2**	**(6.1)**	**(3.0%)**
*EBITDA margin**	***6.19%***	***6.29%***		*(10bps)*
Depreciation and amortisation	**(91.5)**	**(90.8)**	(0.7)	(0.8%)
EBIT*	**106.6**	**113.4**	**(6.8)**	**(6.0%)**
*EBIT margin**	***3.33%***	***3.49%***		(16bps)
Net Finance Costs	**(10.8)**	**(14.3)**	+3.5	+24.5%
Net Profit Before Tax*	**95.8**	**99.1**	**(3.3)**	**(3.3%)**
Tax*	**(27.9)**	**(29.7)**	+1.8	+6.1%
Net Profit After Tax (NPAT) (pre implementation costs and Individually Significant Items)	**67.9**	**69.4**	**(1.5)**	**(2.2%)**
Implementation costs and Individually Significant Items (post tax)	**(56.0)**	**(8.8)**	**(47.2)**	
NPAT (post implementation costs and Individually Significant Items)	**11.9**	**60.6**	**(48.7)**	**(80.3%)**

* *Excluding Implementation costs associated with New Myer and individually significant items*

Table 2: Balance Sheet as at 29 July 2017

	July 2017	July 2016
	$m	**$m**
Inventory	372	396
Other Assets	30	50
Less Creditors	(380)	(400)
Less Other Liabilities	(282)	(301)
Property	24	24
Fixed Assets	436	421
Intangibles	986	1,020
Total Funds Employed	**1,186**	**1,210**
Comprising of:		
Debt	143	147
Less Cash	(30)	(45)
Net Debt	**113**	**102**
Equity	1,073	1,108
	1,186	**1,210**

Table 3: Cash flow for the period ended 29 July 2017

	FY 2017	FY 2016
	$m	**$m**
EBITDA*	183	196
Working capital movement	4	(10)
Operating cash flow	**187**	**186**
Conversion	*102%*	*95%*
Capex paid / acquisitions**	(110)	(59)
Free cash flow	**77**	**127**
Tax	(28)	(20)
Interest	(10)	(16)
Dividends	(49)	(16)
Share Rights issue proceeds	0	212
Net cash flow	**(10)**	**287**

** EBITDA includes implementation costs and individually significant items, with the exception of non-cash impairments and write-downs (store and support office assets, sass and bide, and Austradia)*
*** Net of Landlord contributions*

Table 4: Other Statistics and Financial Ratios

	FY 2017	FY 2016
Return on Total Funds Employed*	8.9%	9.1%
Gearing	9.5%	8.4%
Net Debt/EBITDA*	0.6x	0.5x

** Calculated on a rolling 12 months basis*

Table 5: Shares and Dividends

	FY 2017	FY 2016
Shares on Issue	821.3 million	821.3 million
Basic EPS*	8.3 cents	8.8 cents
Dividend per share	5.0 cents	5.0 cents

** Calculated on weighted average number of shares of 821.3 million (FY 2016: 786.8 million) and based on NPAT pre implementation costs and individually significant items*

Table 6: Progress on New Myer target metrics

New Myer target metrics	FY2017*
Target average sales growth greater than 3% between 2016 – 2020	Average sales growth from July 2015 up 0.1%
Target greater than 20% improvement in sales per square metre by 2020	Sales per square metre increased by 3.7% to $4,055 / m^2
Target EBITDA growth ahead of sales growth by 2017	EBITDA down by 3.0% Sales down 1.4%
Target Return on funds employed (ROFE) greater than 15% by 2020	ROFE 8.9%

** FY2016 results are on a 52-week basis for comparison purposes. See Appendix Slide 25 for definitions*

14 SEPTEMBER 2017

MYER HOLDINGS FY2017 RESULTS

TO 29 JULY 2017

RICHARD UMBERS
CEO AND MANAGING DIRECTOR

GRANT DEVONPORT
CHIEF FINANCIAL OFFICER

THE AGENDA

FY2017 Highlights

FY2017 Financial Overview

New Myer Progress

FY2017 result demonstrates a leaner, more productive and efficient retailer

- Sales down 1.4% to $3,201.9 million, flat on comparable basis
  - Closed 3 stores and returned space in 2 stores
  - Challenging retail conditions, subdued consumer sentiment
- Operating gross profit down 2.8% to $1,220.4 million
  - Concessions growth, MEBs subdued
- Improved CODB margin by 54 basis points
- Productivity and efficiency initiatives delivering results
- NPAT down 2.2% to $67.9 million pre implementation costs and individually significant items
- Continued strong balance sheet and operating cash flows
- Final dividend 2.0 cents per share, fully franked

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FY2016 results are on a 52-week basis for comparison purposes

We are continuing to invest in our strategic priorities

Customer led offer

- Introduction of new wanted brands including: Forever New, Quicksilver, Roxy, Darren Palmer Home, Jack & Jones Premium, Only, Christie Nicolaides, 2XU
- 72 MEB master brand installations: Basque, Piper, BLAQ

Wonderful experiences

- Experiential and destination retailing: Katy Perry Tour, 'Australia lives here' campaign, Sydney ice skating rink
- Food and services: 2 new cafes and 7 food pop up shops
- New personal shopping suites at 7 stores
- Fitting room upgrades at 8 stores
- Rebalancing labour hours in favour of customer facing roles

We are continuing to invest in our strategic priorities

Omni channel

- 41% growth in online sales in FY2017, improved range, user experience, fulfilment
- Represented 11% total sales (ex concessions) or 8.2% total sales (including concessions) in July 2017
- $177 million in omni channel sales, including iPads in store
- Click & Collect reached 15% of orders in July 2017

Productivity and Efficiency

- Store upgrades, space hand backs in 4 stores
- Closed three stores
- Space hand back at Support office and QLD DC
- Announced closure of 3 further stores

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New Myer Progress

Result represents continued stabilisation in underlying NPAT

- FY2017 comparable sales flat on last year
- Q4 sales down 1.5%, down 0.2% on comparable stores basis
- Strong growth in online sales in FY2017
- sass & bide sales $10.9 million below last year
- Improved CODB reflects simplified business and continued productivity and efficiency focus
- NPAT pre implementation costs and individually significant items $67.9 million down $1.5 million.
- Statutory NPAT $11.9 million

$ MILLIONS	FY2017	FY2016*	CHANGE
Sales	3,201.9	3,245.9	(1.4%)
OGP	1,220.4	1,256.0	(2.8%)
OGP margin (%)	38.12	38.70	(58 bps)
CODB	(1,019.8)	(1,051.2)	+3.0%
CODB margin (%)	31.85	32.39	+54 bps
Share of Associates	(2.5)	(0.6)	n/m
EBITDA	198.1	204.2	(3.0%)
EBITDA margin (%)	6.19	6.29	(10 bps)
Depreciation	(91.5)	(90.8)	(0.8%)
EBIT	106.6	113.4	(6.0%)
NPAT pre implementation costs and individually significant items	67.9	69.4	(2.2%)
Implementation costs and individually significant items (post tax)	(56.0)	(8.8)	n/m
NPAT post implementation costs and individually significant items	11.9	60.6	(80.3%)

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** FY2016 results are on a 52-week basis for comparison purposes*

Operating Gross Profit improvement still work in progress

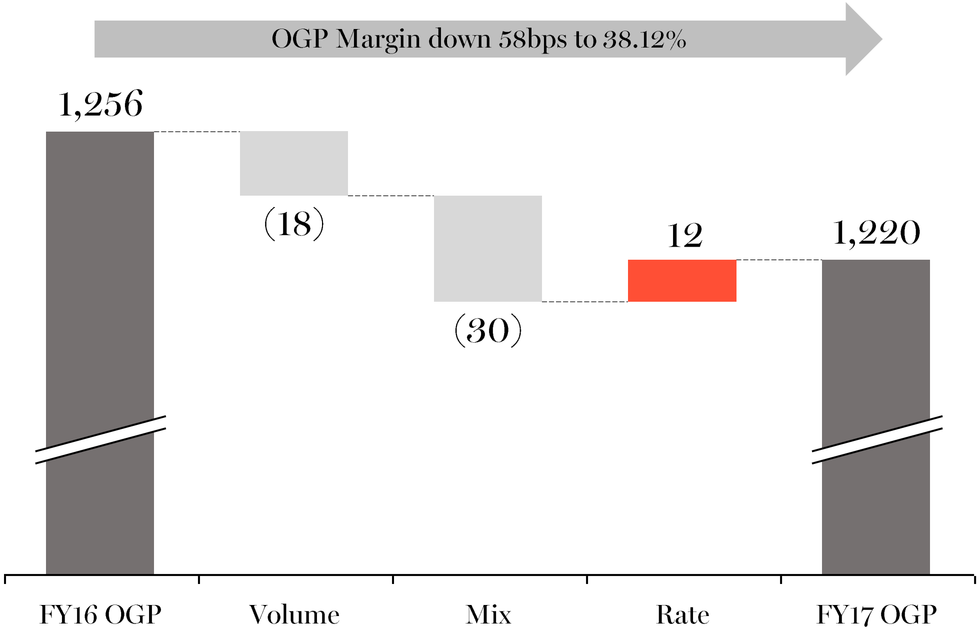
Mix reflects

- Concession sales now 22% of total sales, up 343 basis points
- MEBs down to 17% but improved in 2H
- Higher cosmetics mix impacted National Brands

Rate reflects

- Improved sourcing and distribution costs
- Markdown efficiencies continue
- Minimal FX impact in 2H

Operating gross profit ($ millions)



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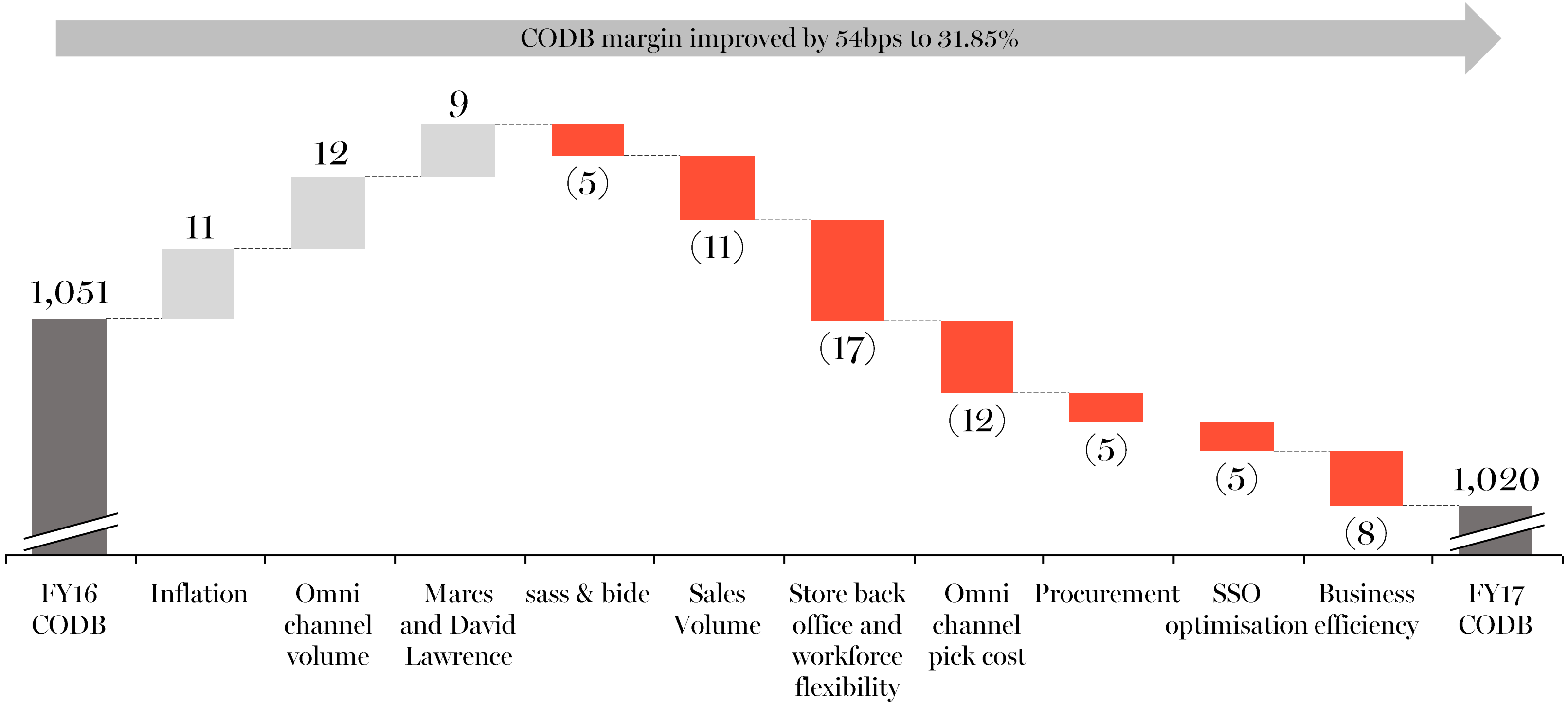
FY2016 results are on a 52-week basis for comparison purposes

A simpler and more productive business delivers improved CODB

Cost of Doing Business ($ millions)



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FY2016 results are on a 52-week basis for comparison purposes

Individually significant items and implementation costs are largely non-cash adjustments

INDIVIDUALLY SIGNIFICANT ITEMS AND IMPLEMENTATION COSTS		
$ MILLIONS	PRE-TAX	POST-TAX
Restructuring and redundancy costs	6.3	4.4
Store exit costs and other asset impairments	2.5	1.7
Support office onerous lease expense and asset impairment	11.2	7.8
Subtotal Implementation Costs	**20.0**	**13.9**
Write-down of investment in Austradia	6.8	6.8
Impairment of sass & bide goodwill and brand name	38.8	35.3
Subtotal Individually Significant Items	**45.6**	**42.1**
Total	**65.6**	**56.0**

Strong operating cash flows supports investment and dividends

- Improved working capital movement of $14 million
- Cash conversion improved to 102%
- Capex investment mainly in stores and omni channel
- Dividends reflect payment of interim and final in FY2017 (FY2016 only interim)
- Debt facility reduced to $420m in August 2017
- Fixed charge cover to slowly improve

$ MILLIONS	FY2017	FY2016
EBITDA	183	196
Working capital movement	4	(10)
Operating cash flow	**187**	**186**
Conversion	102%	95%
Cash capex paid*	(97)	(50)
Acquisitions	(13)	(9)
Free cash flow	**77**	**127**
Interest and tax	(38)	(36)
Dividends	(49)	(16)
Net proceeds from entitlement offer	-	212
Net cash flow	**(10)**	**287**
Opening net debt	**(102)**	**(388)**
Closing net debt	**(113)**	**(102)**
Debt facility limit	500	600
Fixed charge cover	1.79x	1.79x

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** Net of landlord contributions*

Inventory - improvements in buying and clearance are delivering results

- Inventory was down 6% or $24 million below last year to $372 million
- Reflects response to increase in concession mix
- Forward cover reduced by more than one week
- Open to Buy (OTB) reductions and option reductions ensure not 'buying to markdown'
- Clearance markdowns managed more effectively reducing sales below cost
- Clearance stores to provide more effective and profitable movement of aged and clearance stock

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Footprint reduction continues across the Myer network

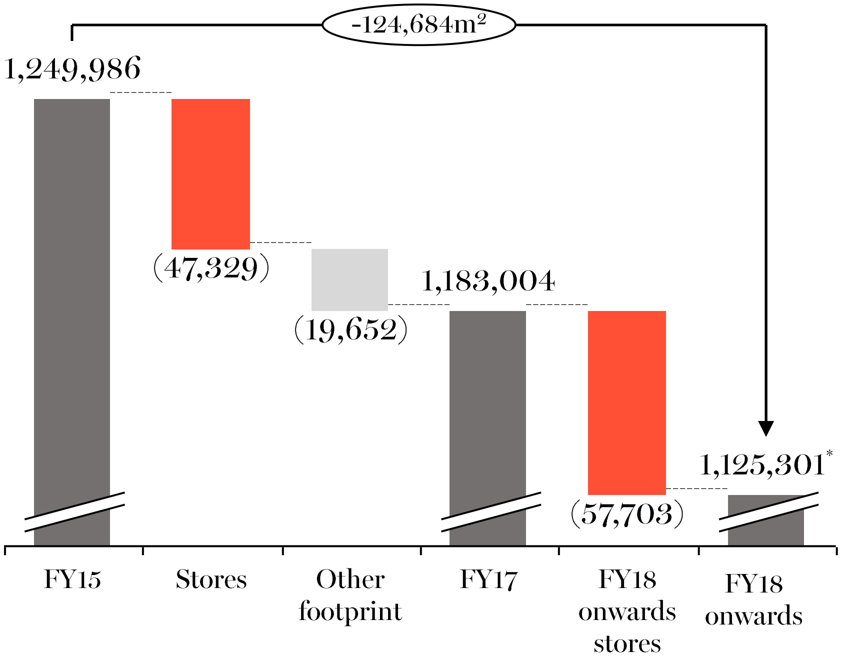
2016

- Decision to not proceed with 3 planned stores

2017

- Announced Logan to close in FY18
- Closed 3 stores at Orange, Brookside and Wollongong
- Space hand backs at 4 stores - 2 in FY17, 2 underway
- >30% space handed back at Support Office
- 50% space handed back at Richlands DC
- Announced 3 additional store closures: Belconnen, Hornsby, Colonnades

Total Footprint m² (as at year end)



** Reflects both executed and committed space reduction, includes sass & bide, Marcs and David Lawrence*
See Appendix Slide 28 for further details

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THE AGENDA

FY2017 Highlights

FY2017 Financial Overview

New Myer Progress

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New Myer is evolving …

1 CUSTOMER LED OFFER	2 WONDERFUL EXPERIENCES	3 OMNI-CHANNEL SHOPPING	4 PRODUCTIVITY STEP CHANGE
• Cluster optimisation • Category optimisation • Brand optimisation • Channel optimisation • Localisation • Supplier collaboration	• Elevated Visual Merchandise • Dwell spaces • Improved fitting rooms • Enhanced Myer Hub • Signature service • Trained and capable staff • Targeted customer engagement	• Strengthen online proposition • Omni-channel experience • Right infrastructure and operations	• Store network optimisation • Flagship store emphasis • Right sizing support office • Cost focus and efficiency focus
- Efficient operating model	- Execution focused culture	- Technology, processes, systems	- Strengthened balance sheet

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** Slide from New Myer strategy, 1 September 2015*

Online and omni-channel are leading the way...

- Online sales growth over 40% led by:
  - Average of 48% increase in range online (SKUs)
  - Entertainment sales online +45%, representing 26% of Entertainment sales (ex concessions) in July 2017
  - Home sales online +37%, representing 14% of Home sales (ex concessions) in July 2017
- Omni-channel sales in FY2017 of $177 million (including sales from 2,500 in-store iPads)
- EBITDA growth in line with sales growth due to:
  - 12% reduction in fulfilment cost per order
  - Technology enabled efficiencies in fulfilment
  - Click & Collect, now 15% of orders in July 2017

Omni growth powered by investment in capability and technology

- Enhanced user experience
  - Upgraded checkout supported 14% increase in conversion
  - Significant customer take up of Afterpay
  - New concessions partners online including: Sunglass Hut, Tony Bianco, Villeroy & Boch, Shoes and Sox
  - New cosmetics brands online: Chanel and MAC Cosmetics
  - Launched cross border trial (NZ)
- Improved fulfilment
  - 30% reduction in delivery time through process improvement
  - Trialling Same Day and Next Day delivery options
- Introduced unique innovation – 'Catwalk to Cart'

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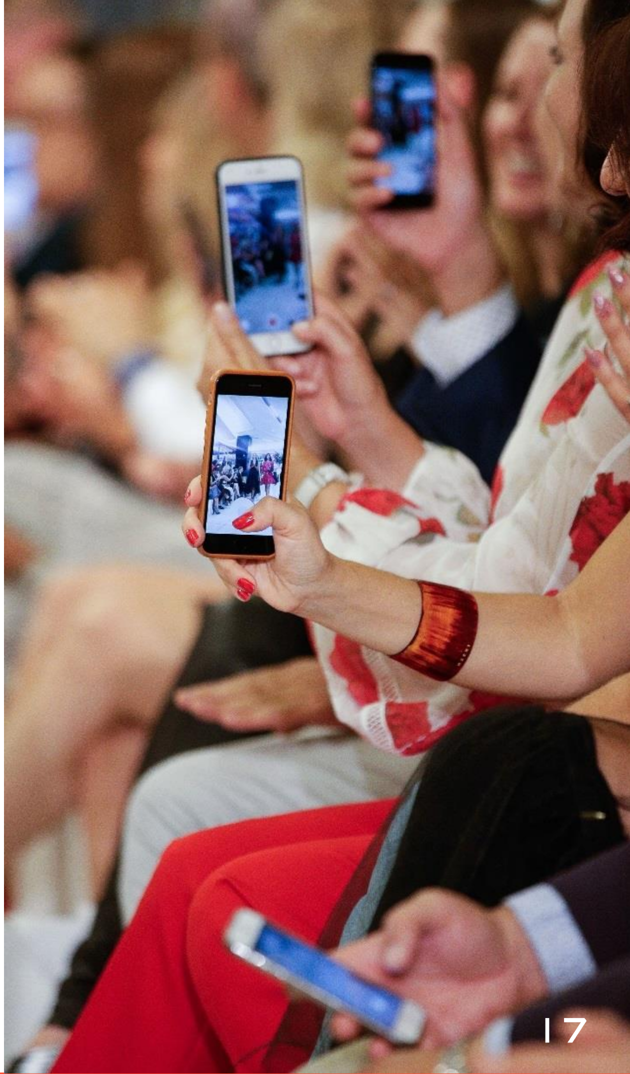
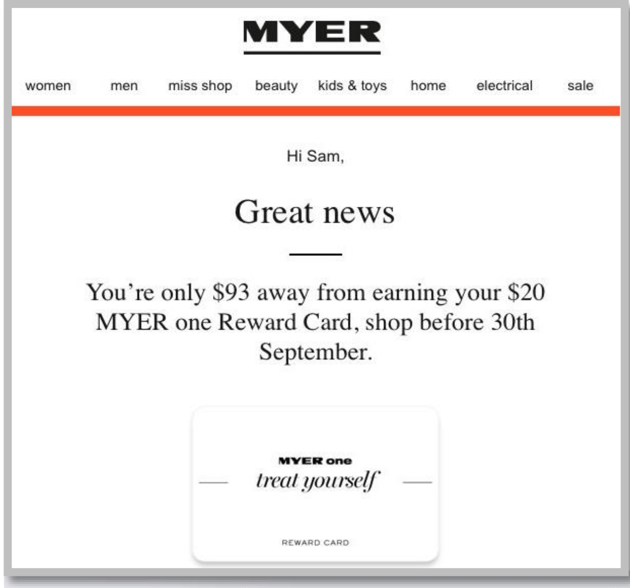


Data and MYER one powering our digital future

- More sophisticated, data driven campaigns
  - Increased personalisation
  - Trigger marketing
- Enriched MYER one program
  - Improved functionality MYER one app
  - >520,000 downloads
  - Member benefits – Katy Perry promotion
- Improved decision support
  - Customer insights dashboard
  - Improved data availability via mobile



Experiential and destination retailing

- Naming rights partner of Katy Perry 2018 WITNESS Tour
  - 90,000 qualifying entries
  - Average transaction value for participating customers was 29% above others
- Food and services – 2 new cafes and 7 food pop up shops
- Ice skating rink on top floor of Sydney CBD store
- 'Australia Lives Here' campaign and 14 days of Beauty
- Re-launched personal shopping program
  - Upgraded personal shopping suites at 7 stores
  - Upgraded fitting rooms at 8 stores

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Continuing to add most wanted brands

- Refreshed range - new and upgraded brand destinations
- New wanted brands include:
  - *Forever New, Quicksilver, Roxy, Darren Palmer Home, Jack & Jones Premium, Only, Christie Nicolaides, 2XU*
- Brands rolled out to additional stores include:
  - *Seed, Mimco, Industrie, Mon Purse, Nike, Aquila*
- Secured future of MARCS and David Lawrence
- Myer Exclusive Master Brands – Basque, Piper and BLAQ
  - Rolled out 72 upgraded installations
  - Dedicated service model with brand experts
- Destinations for Denim (13 stores) and Swimwear (18 stores)

Myer Clearance: A compelling customer offer

- Frankston clearance trial delivered encouraging results
  - Foot traffic for total store in Q4 +2.6%
  - Average transaction value +5.2%
  - Clearance merchandise achieves higher margin
  - Increased full price merchandise sales
- Releases space for newness, food and services in other stores
- Clearance floors now in 8 stores:
  - Frankston, Penrith, Pacific Fair, Logan, Roselands, Perth, Tea Tree Plaza and Knox
  - Over 20,000m² space dedicated to Myer Clearance
- Dedicated online clearance now available at www.myer.com.au

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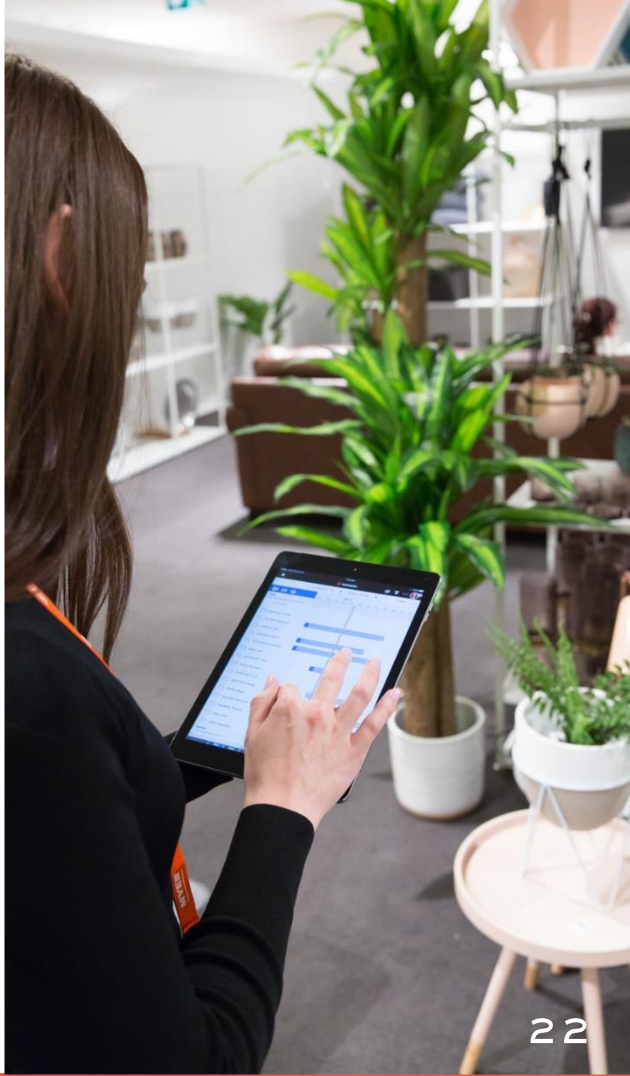
Technology investments are enabling a more productive and efficient business

- Phase 1 rollout of cloud-based 'Workforce Management System'
- Reduction of back office manual processes
  - Reduced administration hours by 90%
  - Rostering, payroll, general administration, switchboard
  - Increased customer facing hours by 3%
- First phase of Oracle merchandise planning tool being rolled out to improve inventory management through:
  - Localised offer
  - Size and range optimisation



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Evolving New Myer – the 2018 Agenda

Continue to execute New Myer strategy with emphasis on:

- Customer service and experiential retail to drive traffic
- Omni-channel
  - Grow sales, improve efficiencies, increase traffic
- Productivity and efficiency
  - Optimise footprint, reduce occupancy costs
  - Cost optimisation, process improvements
- Merchandise optimisation - improve range and planning
- Improve MYER one engagement and visits, and better analysis and deployment of customer data
- 1st November 2017 – Strategy Day

14 SEPTEMBER 2017

MYER HOLDINGS FY2017 RESULTS

TO 29 JULY 2017

RICHARD UMBERS
CEO AND MANAGING DIRECTOR

GRANT DEVONPORT
CHIEF FINANCIAL OFFICER

Appendix: Target metrics

	NEW MYER TARGET METRICS	FY2017	DEFINITION
SALES	Target average sales growth greater than 3% between 2016 - 2020	Average sales growth from July 2015 up 0.1%	Start point for target metric is FY2015 (26 July 2015)
SALES/ SQM	Target greater than 20% improvement by 2020	Sales per square metre increased by 3.7% to $4,055 / m² vs July 2015 base on a rolling 12 month basis	Sales per square metre is calculated on a rolling 12 months basis using average selling leasable area (SLA). Start point for target metric is July 2015 of $3,910/m². FY2017 growth on FY2016 on a rolling 12 months basis was -0.5%. Average SLA for 12 months to end FY2017 was 789,550 sqm (12 months to end FY2016 was 796,376 sqm)
EBITDA	Target EBITDA growth ahead of sales growth by 2017	EBITDA down 3.0% Total sales down 1.4%	Metric calculated on EBITDA and Sales vs. comparative period
ROFE	Target ROFE greater than 15% by 2020	ROFE 8.9%	ROFE calculated on a rolling 12 months basis

** FY2016 results are on a 52-week basis for comparison purposes*

Appendix: Reconciliation with statutory accounts

$ MILLIONS	EBIT	TAX	NPAT
Statutory reported result	41.0	(18.3)	11.9
Add back: Implementation Costs and Individually Significant Items			
Restructuring and redundancy costs	6.3	(1.9)	4.4
Store exit costs and other asset impairments	48.1	(4.3)	43.8
Support office onerous lease expense and impairment of assets	11.2	(3.4)	7.8
UNDERLYING RESULT	106.6	(27.9)	67.9

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Appendix: 2016 on a 53 week basis for comparison purposes

$ MILLIONS	FY2017	FY2016*	CHANGE
Sales	3,201.9	3,289.6	(2.7%)
OGP	1,220.4	1,274.3	(4.2%)
OGP margin (%)	38.12	38.74	(62bps)
CODB	(1,019.8)	(1,067.5)	+4.5%
CODB margin (%)	31.85	32.45	+60bps
Share of Associates	(2.5)	(0.6)	n/m
EBITDA	198.1	206.2	(3.9%)
EBITDA margin (%)	6.19	6.27	(8bps)
Depreciation	(91.5)	(92.7)	+1.3%
EBIT	106.6	113.5	(6.1%)
Net Finance Costs	(10.8)	(14.6)	+26.0%
Tax	(27.9)	(29.6)	+5.7%
NPAT (pre Implementation Costs and Individually Significant Items)	67.9	69.3	(2.0%)
Implementation Costs and Individually Significant Items (post tax)	(56.0)	(8.8)	n/m
Statutory NPAT	11.9	60.5	(80.3%)

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** FY2016 results are on a 53-week basis*

Appendix: Footprint reduction reconciliation

FOOTPRINT M²			STORES		OTHER ASSETS			GLA TOTAL
			SLA	GLA	SSO	DCs	TOTAL	
FY15 Balance		**Date**	**815,113**	**1,133,579**	**28,619**	**87,788**	**116,407**	**1,249,986**
Top Ryde	Closure	Jul-15	(8,560)	(10,915)				(10,915)
Hobart	Refurb	Nov-15	(547)	(1,452)				(1,452)
Werribee	Refurb	Jul-16	6,404	8,327				8,327
Warringah	Refurb		(14,412)	(21,461)				(21,461)
Other space reclaims/adjustments			219	(389)				(389)
FY16 Balance			**798,216**	**1,107,688**	**28,619**	**87,788**	**116,407**	**1,224,095**
Wollongong	Closure	Oct-16	(8,795)	(12,150)				(12,150)
Dubbo	Space Handback	Nov-16	(662)	(720)				(720)
Warringah	Refurb	Nov-16	10,421	14,864				14,864
Brookside	Closure	Jan-17	(10,619)	(17,466)				(17,466)
Orange	Closure	Jan-17	(4,954)	(7,309)				(7,309)
Cairns	Space Handback	May-17	(852)	(1,040)				(1,040)
Castle Hill	Space Handback	Jun-17	(5,579)	-				-
Marcs & David Lawrence	Purchase	May-17	2,010	2,649				2,649
Other space reclaims/adjustments			161	(267)	(9,744)	(9,908)	(19,652)	(19,919)
FY17 Balance			**779,348**	**1,086,249**	**18,875**	**77,880**	**96,755**	**1,183,004**
Future Space Changes								-
Launceston	Reduction in SLA	Aug-17	(473)	-				-
Castle Hill	Space Handback	Sep-17	127	(7,067)				(7,067)
Blaktown	Space Handback	Oct-17	(3,889)	(5,250)				(5,250)
Hobart (Stage 2)	Refurb	May-18	2,872	3,812				3,812
Logan	Closure	May-18	(10,251)	(14,285)				(14,285)
Belconnen	Closure	TBC	(12,507)	(17,639)				(17,639)
Hornsby	Closure	TBC	(8,992)	(12,422)				(12,422)
Colonnades	Closure	TBC	(3,646)	(4,852)				(4,852)
FY18+ Balance			**742,589**	**1,028,546**	**18,875**	**77,880**	**96,755**	**1,125,301**
TOTAL SPACE CHANGES FROM FY15 NEW MYER			(72,524)	(105,032)	(9,744)	(9,908)	(19,652)	(124,684)

Notes:

- >30% of space handed back at Support Office
- 50% of space handed back at Richlands DC
- Belconnen, Hornsby and Colonnades closures, timing to be confirmed
- Marcs and David Lawrence leases up to two years only

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Myer shares are traded on the Australian Securities Exchange (MYR). Myer has a Sponsored Level I American Depository Receipt program which trades in the United States on OTC Markets (MYRSY).

The financial information provided includes non-IFRS information which has not been audited or reviewed in accordance with Australian Accounting Standards but are based on the Annual Financial Report (Appendix 4E).

This information is presented to assist readers in making appropriate comparisons with prior periods and to assess the performance of Myer. The non-IFRS financial information includes total sales, sales per square metre, OGP margin, CODB, EBITDA, total funds employed, net debt, working capital, operating cash flow and free cash flow. These are measures frequently quoted in the industry and forms the basis upon which many investors, financiers and analysts are briefed.

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