MYER

ASX & MEDIA RELEASE

11 May 2017

Q3 FY2017 total sales down 3.3%, down 2.0% on a comparable store basis

Guidance of FY2017 NPAT growth, (pre and post implementation costs) reiterated

Myer Holdings Limited today announced its Q3 FY2017 sales for the 13 weeks to 29 April 2017:

Myer Chief Executive Officer and Managing Director Richard Umbers said: "Myer's Q3 sales result reflects challenging trading conditions which were compounded by severe weather impacts in Queensland and Northern New South Wales associated with Cyclone Debbie."

- Total year to date (YTD) sales down 1.3% to $2,438 million down 0.3% on a comparable store basis
- Total Q3 sales down 3.3% to $653.0 million, down 2.0% on a comparable store basis
- Sales per square metre on a rolling 12 months basis up 5.1% compared to July 2015
- Continued strong growth in online sales, up 36% YTD

"Despite these trading conditions we are reiterating our full year guidance provided at the first half results in March. We have remained strongly focused on driving productivity, lifting efficiency and reducing our historic dependency on discounting all of which have impacted the result."

Mr Umbers said he was confident the long term benefits of a more productive network would outweigh the short term sales impact of store closures at Brookside and Orange at the start of the third quarter and Wollongong in October 2016.

"Myer has delivered total and comparable store sales growth in five of the past seven quarters. While sales growth is integral to the New Myer journey, at this time we are focused on higher quality sales to maximize profitability," Mr Umbers said.

As outlined at 1H2017 results, sass & bide's performance was subdued and this continued during the past quarter, with $1.5 million of Myer's shortfall in Q3 total sales being attributed to sass & bide.

New Myer Strategy Update

During the period Myer continued to invest in its wanted brands strategy by acquiring the brands, intellectual property and inventory of both Marcs and David Lawrence.

“These are wanted brands being two of the most productive brands in our stores and we were delighted to secure their future.

“Over the past 18 months we have invested heavily in improving our omni-channel offer and it is pleasing to have delivered continued strong growth in online sales of 36% year to date. There has also been strong customer take-up of AfterPay since the recent launch,” Mr Umbers said.

Further progress has been made in delivering a simplified business model with 36 stores now operating the workforce management system. As part of our strategy to improve productivity across all assets, a decision has been made to hand back approximately 50% of the space at the Richlands Distribution Centre in Queensland which will significantly improve productivity of that centre. There will be implementation costs associated with this exit.

FY2017 Outlook

Assuming there is no return to conditions that existed around the January Stocktake period, Myer continues to anticipate EBITDA growth to exceed sales growth in FY2017 and increased NPAT, (pre and post implementation costs) over FY2016.

-ends-

For further information please contact:

Investors

Davina Gunn, General Manager Investor Relations, +61 (0) 400 896 809

Media

Rohan Singh, National Corporate Affairs & Communications Manager, +61 (0) 475 888 272

The financial information provided includes non-IFRS information which have not been audited or reviewed in accordance with Australian Accounting Standards.

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 Annual Report. Subject to law, Myer assumes no obligation to update, review or revise any information contained in this material.

Myer Holdings Limited ABN 14 119 085 602
Level 7, 800 Collins Street, Docklands, VIC 3008