

PREMIER INVESTMENTS LIMITED

(A.C.N. 006 727 966)
(A.B.N. 64 006 727 966)

24 October 2017

STATEMENT BY PREMIER RE INTENTIONS FOR MYER

Premier Investments Limited (“Premier”) is the largest shareholder in Myer Holdings Limited (“Myer”) and wishes to make its intentions clear following the release by Myer of its 2017 Annual General Meeting Notice of Meeting.

Premier wishes to inform its fellow Myer shareholders that:

1. It has no current intention of making a takeover offer for Myer.
2. Mr Garry Hounsell, the Chairman-elect of Myer, attended a meeting with Mr Solomon Lew, Chairman of Premier, on Friday 6 October. During that meeting, Premier sought:
 - The appointment of two Premier independent directors to the Myer Board
 - The appointment of a further independent non-executive Director to the Myer Board (non-Premier)

This request was taken to the Myer Board by Mr Hounsell and rejected. Mr Hounsell then inferred to the media that he was yet to meet with Mr Lew, and publicly backed the “New Myer” strategy against all of the evidence that it is not working. Six days later, Mr Hounsell announced that he was proposing to shareholders that they should appoint Julie Ann Morrison to the Board. Ms Morrison has been a company director of the failed Sass & Bide business for 21 months.

3. Premier will vote against the appointment of all directors proposed in Myer’s Notice of Meeting, including Mr Hounsell, and will be urging its fellow shareholders to do the same.
4. Premier reserves its right to call an Extraordinary General Meeting of shareholders in the short term to allow shareholders to vote on its nominees for the Myer Board.

Myer is an iconic and important Australian business which, for the sake of its shareholders, employees and customers, must not be allowed to suffer any further decline. Premier wishes to contribute its significant retail industry expertise at Board level, and hopes that it can garner the support of its fellow Myer shareholders to do so.

Premier reiterates that it will be monitoring the Myer “strategy day” on November 1 very closely and again calls upon the company to announce its current sales and profits for the Q1 period so the market is fully informed when assessing the strategy.

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[Name]
[Address]

Dear fellow Myer shareholder,

I am writing to you in advance of the upcoming Myer Holdings Ltd (“Myer”) Annual General Meeting, where Premier Investments Ltd (“Premier”) plans to express its complete disappointment and frustration with the Myer Board of directors.

I am the Chairman of Premier, which owns 10.77% of Myer. I have worked my entire life in the retail industry and Myer is a business I have always admired as an Australian retail icon. At its height, it was a well-run business that understood what its customers wanted to buy, and delivered it with great service.

Sadly, those times are long gone. In my view, and based on my personal experience in many Myer stores, Myer has lost its way. It has too much product that people simply don't want to buy. Its stores – particularly those in suburban and regional areas- are disorderly, and it has not invested in frontline customer service. Too many of its talented retailers have left the business, and I believe it is now being run by consultants who have very little experience of running a retail business.

I have been shocked by the “clearance floors” which Myer has now permanently installed in eight locations. I have visited many of them, and they are one of the worst experiences I have had in more than 50 years in retail. What Myer customers are supposed to make of them, I do not know, but they are a blight on the great Myer name and in my view they should be closed down immediately.

In addition, Myer has made some very poor investments in recent times, most notably in TopShop and Sass and Bide, and is in the process of writing off tens of millions of dollars of shareholder funds on these mistakes after having suffered significant trading losses on these brands.

The Myer Board and management want us to continue down the path of the “New Myer” strategy, even though there has been no progress against any of its objectives after two years.

Premier bought its stake in Myer in late March after hearing management talk up the business, and we, like many of you, have been bitterly disappointed in the result. I know that many of you may have invested in the Myer IPO at \$4.10 per share and have seen your investments wither away. Billions of dollars of market capitalisation (including a recent capital raising in 2015) have vanished under the leadership of the current Board.

I have been trying to engage with the Myer Board about these issues since May. I was told at the time that the Board couldn't meet me until November. This shows how

out of touch the directors are – that the Chairman of the largest shareholder in the company should have to wait six months to speak to the Board is simply arrogant.

Enough is enough.

Premier will be attending the Annual General Meeting of Myer and voicing these and many other concerns. We take no pleasure in doing so – in fact we are very saddened to see the state of this once great Australian company – but we are no longer prepared to put up with being shut out by the Board.

Our greatest criticism of Myer is the lack of mass-merchandise retail experience on the Board. How can the directors possibly advise management and keep them on their toes? How can they add any value to discussions about strategy, pricing, ranging, distribution, property, store locations, customer service, supplier relationships and all of the other critical elements of successful retailers?

As Myer shareholders we deserve better. Myer customers deserve better. The Australian fashion industry deserves better – it needs Myer to be a strong competitor to the global brands that are increasingly coming to our shores.

I wanted to let you know Premier's concerns and views first hand via this letter. I am also attaching a copy of the ASX disclosure Premier has made with regard to our voting intentions at the upcoming Myer AGM.

I would be happy to hear back from you (details below) and I would also appreciate any support you can provide at the AGM as we seek to have the views of shareholders heard.

Together, we own Myer and we need to make the Board accountable to us.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'S Lew'.

Solomon Lew
Chairman
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