



ASX & MEDIA RELEASE

FOR IMMEDIATE RELEASE
1 SEPTEMBER 2015

New Myer: a sharper and more focussed offer to serve a more valuable customer, driving productivity and growth

- New Myer strategy, underpinned by more than \$600m investment in total capital and implementation costs (\$480m capital / \$120m implementation) over five years
- New Myer to deliver significantly improved productivity, a re-energised range, in-store experience and market-leading omni-channel capability and a customer-led offer delivered through relevant categories, wanted brands and locally tailored offers
- Myer announces arrival of TOPSHOP TOPMAN into Myer department stores from November 2015 and 25% equity investment in Australian franchisee, Austradia
- An improved in-store customer experience delivered through improved service, targeted customer engagement, and effective use of digital and Myer one
- An intuitive omni-channel Myer, easy to choose, and easy to use, delivered in-store and online
- Potential to rationalise up to 20% of footprint to deliver a more productive store network over a smaller footprint
- An optimised supply chain to deliver fulfilment and supply chain efficiencies
- Target average sales growth greater than 3% between 2016 and 2020
- Target greater than 20% improvement in sales / sqm by 2020
- Target EBITDA growth ahead of sales growth by 2017
- Target ROFE greater than 15% by 2020

Myer Holdings Ltd (MYR) today provided an update on the Company's strategy¹, setting out a five-year transformation that defines a clear agenda to restore profitable growth by delivering an inspiring retail offer, with improved productivity. The transformation effort is already underway.

Myer Chief Executive Officer and Managing Director, Richard Umbers, said the New Myer strategy will put greater focus and investment into the company's best stores and most valuable customers with a revitalised merchandise offer and transformed shopping experience to better meet customers' needs in store and online.

"The New Myer strategy is an energetic revitalisation of Australia's best-loved retailer. It builds on our proud history and looks to the future with great optimism," Mr Umbers said.

"The New Myer strategy is built on providing a more focused and relevant merchandise offer to serve a more valuable customer and a better shopping experience for everyone who comes to our stores.

"The challenges facing the retail sector are well known, and we understand them deeply. Our strategic response to these issues defines a clear agenda for success."

The New Myer strategy is founded on advanced data analytics of Myer's customer base and store catchments to build a profile of those customers where there is the greatest opportunity to improve the customer experience and deliver higher sales and profit.

¹ Refer to Full Year Results and associated announcements lodged today for further details

"From this analysis we have identified the necessary actions to make Myer's stores, range and services more attractive to our primary customers who shop at Myer." Mr Umbers said.

The key elements of the strategic review announced today include:

Enhanced customer led offer

- c.\$150m investment in capex and implementation costs
- Re-allocating approximately 41,000 sqm of total space from under-performing categories to new and higher performing categories and services
- Re-allocating space from over-spaced categories or brands towards our 40-50 most wanted brands
- Wanted brands may be concessions, national brands or MEBs. New Myer will focus on a narrower and more powerful range of MEBs
- Fine tuning our merchandise offer according to store cluster, demographic attributes and geographic factors

Wonderful Experiences

- c.\$150m investment in capex and implementation costs
- Improving customer experiences through roster optimisation, staff training and increased customer feedback utilising Net Promoter Scores
- Elevating visual merchandising, upgrading fitting rooms and lighting and rolling out digital hubs and Wi-Fi
- Introducing dwell spaces including restaurants, cafes and event spaces focused on priority stores

Omni-channel shopping

- c.\$100m capex and implementation costs
- Enhancing the omni-channel experience to create an intuitive digital Myer, easy to choose and easy to use
- Increasing Click & Collect as proportion of online sales
- Reducing fulfilment cost per order by ~35 per cent, enhancing online fulfilment
- Online infrastructure and supply chain efficiencies to improve delivery times

Productivity step change

- c.\$200m investment in capex and implementation costs
- Myer's store network is a real asset and is well positioned to attract its primary customers
- A more productive store network on a smaller footprint; optimising store network to improve sales per sqm.
- Myer will actively manage its store portfolio to align with its primary customers and improve overall store productivity and EBIT contribution
- Right-size support office to new operating footprint with focus on costs

Organisational capability

To succeed, Myer's four strategic priorities will be underpinned by organisational capability and a new efficient operating model including:

- Reorganised key areas of support functions to align with new strategic priorities
- Restructuring of the Myer Store Support Office where some existing skills and capability requirements do not fit the new strategy
- Implementation of an execution and future-focused culture
- Supported by investment in technology, systems and processes

To oversee implementation of the strategy a Transformation Office has been established which is

responsible for co-ordinating execution and managing change across the business. Key talent from the business has been appointed to form this team, in recognition of the critical importance of the Office to success.

Conclusion

Mr Umbers said: "New Myer's strategy represents a new lens on an exceptional collection of retail assets. New Myer is dedicated and faithful to its customers, will be inspiring to shop, in-store and online and will offer an enviable experience across all channels.

"The entire Myer team is committed to the delivery of our New Myer vision and is invigorated by the opportunity to bring the love of shopping to life for all of our customers," Mr Umbers said.

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1 SEPTEMBER 2015

NEW MYER

STRATEGY UPDATE

RICHARD UMBERS
CEO AND MANAGING DIRECTOR

DANIEL BRACKEN
CHIEF MERCHANDISE & MARKETING
OFFICER AND DEPUTY CEO

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This presentation (**Presentation**) has been prepared by Myer Holdings Limited (ABN 14 119 085 602) (**Myer**).

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Forward-looking statements are not guarantees of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Myer. These forward-looking statements are subject to various risk factors that could cause Myer's actual results to differ materially from the results expressed or anticipated in these statements. There are a number of risks specific to Myer and of a general nature which may affect the future operating and financial performance of Myer and the value of an investment in Myer including and not limited to economic conditions, stock market fluctuations, consumer demand, consumer sentiment, competition, taxes, reputational risk, disputes and negotiations with Myer's stakeholders and reliance on key personnel. For more detailed information, please refer to 'Key Risks' in Appendix A of the Myer Entitlement Offer and Full Year Results Presentation. Actual results, performance or achievements may vary materially from any forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements, which are current only as at the date of this Presentation.

Introducing the team



RICHARD UMBERS
CEO and Managing Director



DANIEL BRACKEN
Chief Merchandise & Marketing
Officer and Deputy CEO



GRANT DEVONPORT
Chief Financial Officer



RICHARD AMOS
Chief General Counsel and
Company Secretary



TIMOTHY CLARK
Executive General Manager Property,
Store Development and Services



TONY SUTTON
Executive General
Manager Stores



LOUISE TEBBUTT
Executive General Manager
Human Resources,
Risk & Safety



GARY WILLIAMS
Chief Transformation Officer

THE AGENDA

Introduction

Strategic Review Outcomes and Vision

Strategic Priorities in Detail

Delivering New Myer

Closing Remarks

Appendix

New Myer: Delivering tomorrow's Department Store

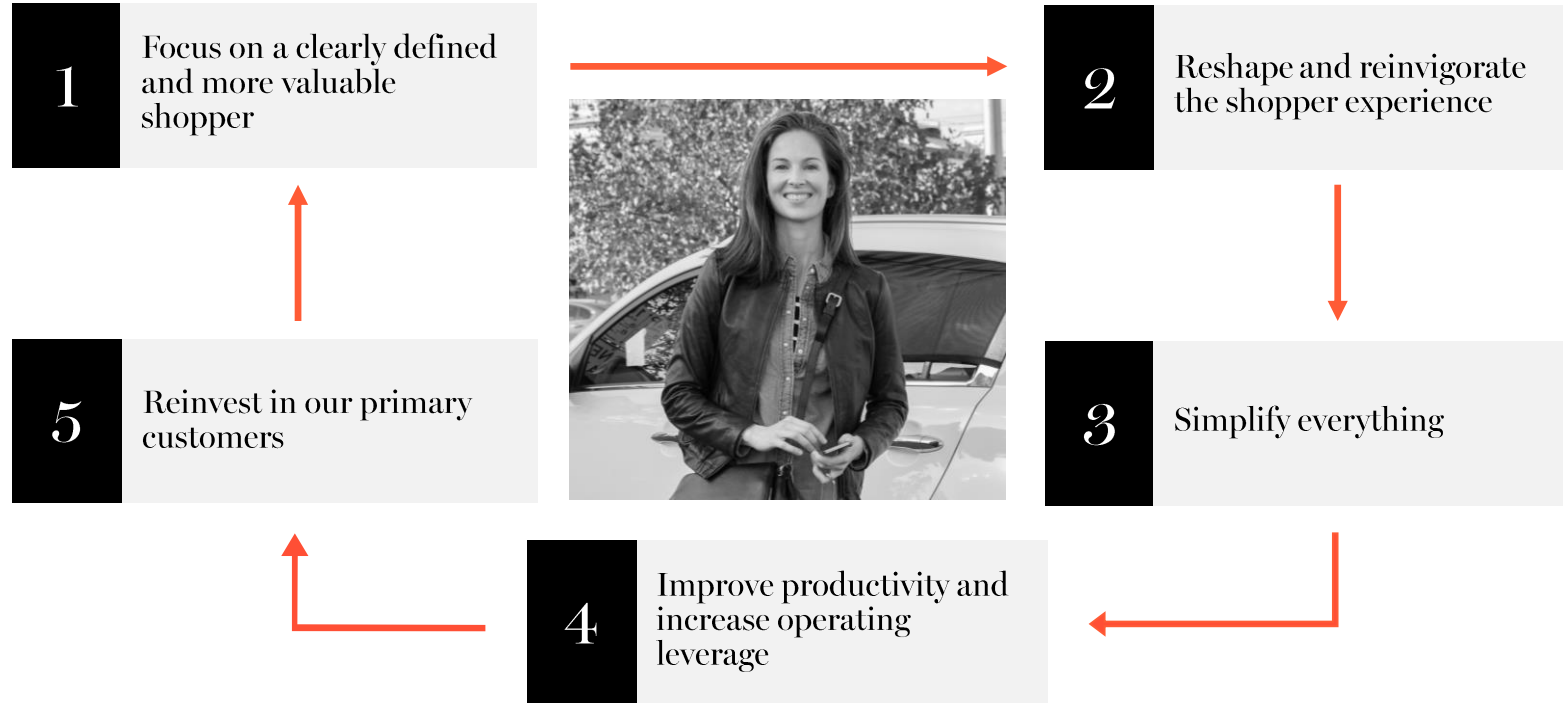
Exceptional foundations for success:

- **130 million** visits to Myer stores each year
- **More than 5 million** members of MYER one
- **Approximately 12,500** highly engaged and experienced team members
- **66** stores across a valuable national network, with over **23** located in prime CBD / flagship and premium locations
- **5%** share of \$63bn market in the categories that Myer competes: significant white space to capture
- Fast growing omni-channel business

MYER

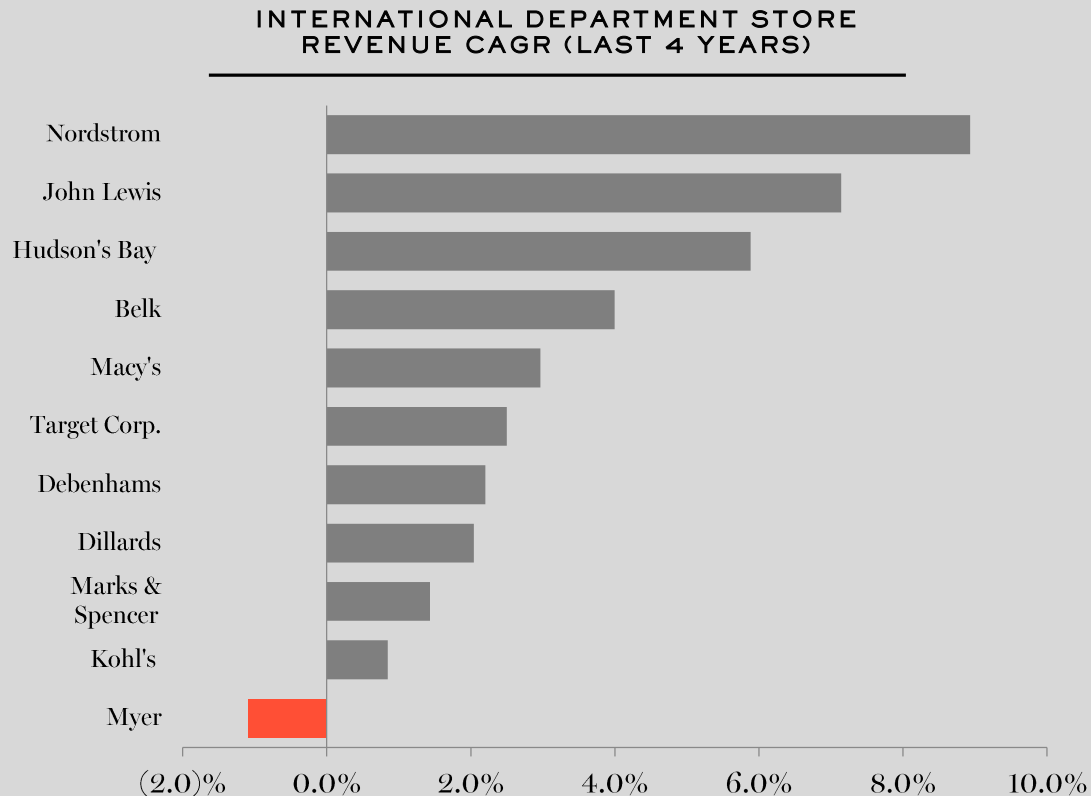


A sharper and more focused offer to serve a more valuable customer driving productivity and growth



Department stores can thrive in the new retail environment

- Leading department stores have applied a clear strategy to respond to the new retail reality
 - Optimise assortment
 - Localise
 - Re-invent the in-store experience
 - Omni-channel
 - Re-purpose space



Note: compounded growth in last 4 full fiscal years. Source: Company financial reports.

New Myer is the strategic gear change required for the new retail environment



New Myer is delivered across three phases of transformation



What have we done so far

New Executive Team	<i>In place</i>
Strategic Customer Review	<i>Conducted</i>
Asset Productivity	<i>Assessed</i>
Wanted Brands	<i>Acquiring</i>
Debt Refinancing	<i>Completed</i>
New Branding	<i>Launched</i>
Early Wins	<i>Achieved</i>

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We understand which customers represent the greatest opportunity for Myer and how to win

- All store catchments analysed
- MYER one data on existing customers analysed
- External data provided new insights to potential customers
- Data analysed over 50,000 shoppers across multiple segments, demographics, attitudes and behaviours

MYER



We will re-focus our business on growing our primary customers

CATEGORIES IN WHICH MYER PARTICIPATES

PRIMARY CUSTOMERS	CUSTOMER	NEED STATE	PREFERENCE FOR DEPT. STORE ¹	TOTAL ANNUAL SPEND	ANNUAL SPEND PER PERSON ²	MYER SHARE OF WALLET ³	STRATEGY
	MILLENNIAL	"Lifestyle without the price tag"	Indifferent	\$6Bn	~\$3,800	5%	
	FASHION FORWARD	"Lead the fashion pack"	10% more likely	\$5Bn	~\$6,000	6%	ATTRACT
	HIGH VALUE	"Up to date with fashion"	60% more likely	\$13Bn	~\$4,600	7%	GROW
	AFFORDABLE FASHION	"Better everyday value"	30% less likely	\$15Bn	~\$3,000	4%	RETAIN
	DISCOUNT VALUE	"Seeking bargains and promotions"	10% less likely	\$26Bn	~\$2,900	5%	
	TOTAL			\$63Bn		\$3.2Bn	



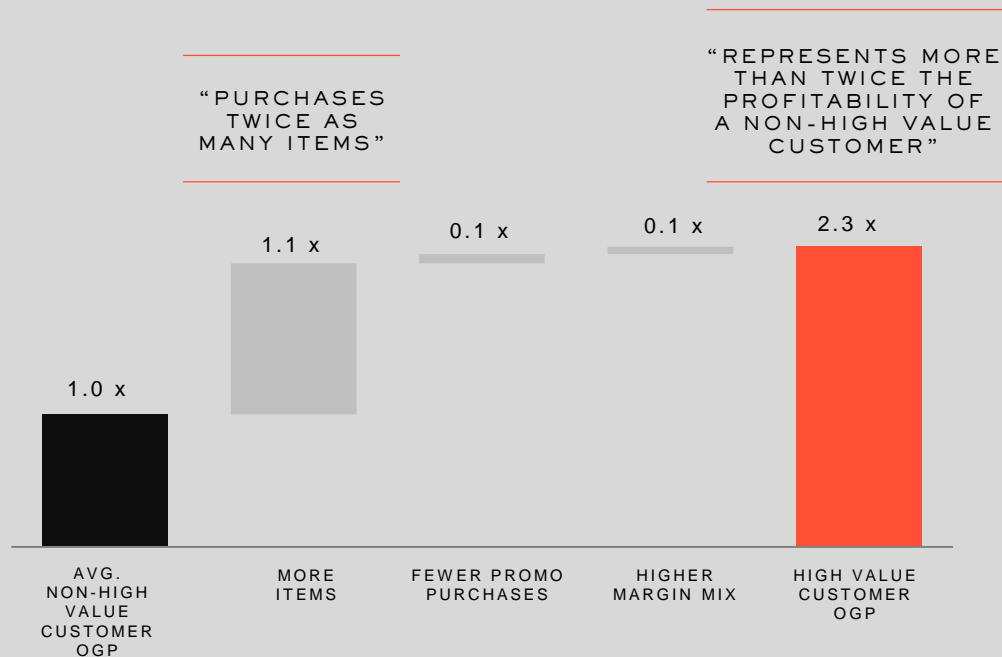
¹ Preference for department store spend is relative to the average customer; ² Average annual spend per person; ³ Myer's share of customer segment spend.

Source: Roy Morgan Retail Currency, Oct 2013 – Sep 2014

High Value customers spend 2.0x the average of other customers

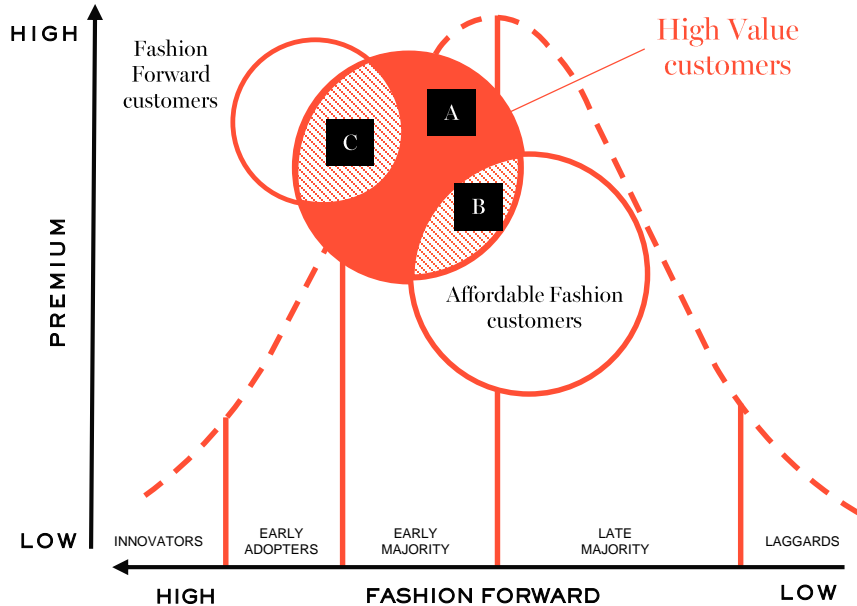
- Purchases twice as many items compared to a non-High Value customer
- Pays full-price more often
- Buys a higher margin mix
- Represents more than twice the profitability of a non-High Value customer
- Is already in our store

OPERATING GROSS PROFIT (OGP) PER CUSTOMER¹



¹ Rebased to the average non-High Value customer.

BUILD OUR PROPOSITION AROUND HIGH VALUE CUSTOMERS



Source: Roy Morgan Retail Currency, Oct 2013 – Sep 2014

CUSTOMER STRATEGY

A

GROW

our proposition around High Value customers

B

RETAIN

share of Affordable Fashion customer where trading up to aspirational brands

C

ATTRACT

Fashion Forward customers whose brand choices overlap or influence High Value customer's choices

“BRANDS THAT INSPIRE HIGH VALUE CUSTOMERS ALSO ATTRACT FASHION FORWARD AND AFFORDABLE FASHION CUSTOMERS”

What are the attributes of our High Value customer?



PRODUCTS AND EXPERIENCES
TO SUIT LIFESTYLE



SUCCESSFUL,
FAMILY IS IMPORTANT



WANTS INSPIRATION,
HELP TO MANAGE LIFE



WANTS TO BE UP TO
DATE WITH FASHION



QUALITY IS IMPORTANT,
BUT SO ARE BRANDS



TECHNOLOGY:
SHOPS ONLINE, SOCIAL,
MOBILE

What does our High Value customer want?

CUSTOMER LED OFFER	WONDERFUL EXPERIENCES	OMNI-CHANNEL SHOPPING
<ul style="list-style-type: none">- Wanted categories- Inspiring brands- Relevant offer	<ul style="list-style-type: none">- Enhanced services- Signature experiences- Contemporary services- In-store presentation- Personal relationships (marketing & rewards)- Enhanced MYER one program	<ul style="list-style-type: none">- Integrated experience and Click & Collect- Seamless user experience- Delivery service and efficient fulfilment

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*(Daniel Bracken – Chief Merchandise & Marketing Officer
and Deputy CEO)*

Delivering New Myer

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How will New Myer be delivered?

1	CUSTOMER LED OFFER	2	WONDERFUL EXPERIENCES	3	OMNI-CHANNEL SHOPPING	4	PRODUCTIVITY STEP CHANGE
	<ul style="list-style-type: none"> - Cluster optimisation - Category optimisation - Brand optimisation - Channel optimisation - Localisation - Supplier collaboration 		<ul style="list-style-type: none"> - Elevated Visual Merchandise - Dwell spaces - Improved fitting rooms - Enhanced Myer Hub - Signature service - Trained and capable staff - Targeted customer engagement 		<ul style="list-style-type: none"> - Strengthen online proposition - Omni-channel experience - Right infrastructure and operations 		<ul style="list-style-type: none"> - Store network optimisation - Flagship store emphasis - Right sizing support office - Cost focus and efficiency focus
UNDERPINNED BY ORGANISATIONAL CAPABILITY							
<ul style="list-style-type: none"> - Efficient operating model - Execution focused culture - Technology, processes, systems - Strengthened balance sheet 							

1

We will cluster our stores to better serve our primary customers

CLUSTER	SALES / SQM ¹	FASHION FORWARD RELEVANCE	HIGH VALUE RELEVANCE	VALUE RELEVANCE	STRATEGY BY CLUSTER
FLAGSHIPS	2.6 x	High	High	Low	<ul style="list-style-type: none"> - Create flagship destinations for High Value and Fashion Forward customers - Prioritise capital allocation
PREMIUM	1.8 x	High	High	Low	<ul style="list-style-type: none"> - Retain and focus around High Value customer proposition
MAINSTREAM	1.4 x	Low	Medium	Medium	<ul style="list-style-type: none"> - Focus on brands relevant for both High Value and Value customer
COMMUNITY	1.0 x	Low	Low	Medium	<ul style="list-style-type: none"> - Prioritise localisation

1

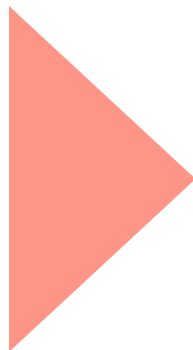
Our success in cosmetics demonstrates potential for category growth

13 QUARTERS OF LFL GROWTH & PROFIT INCREASES

26% OF HIGH VALUE CUSTOMERS WALLET IN THE CATEGORY

COSMETICS SUCCESS BUILT ON

- International brands
- Full brand fit out
- Staff aligned to brand
- Full service offer
- Full product offer

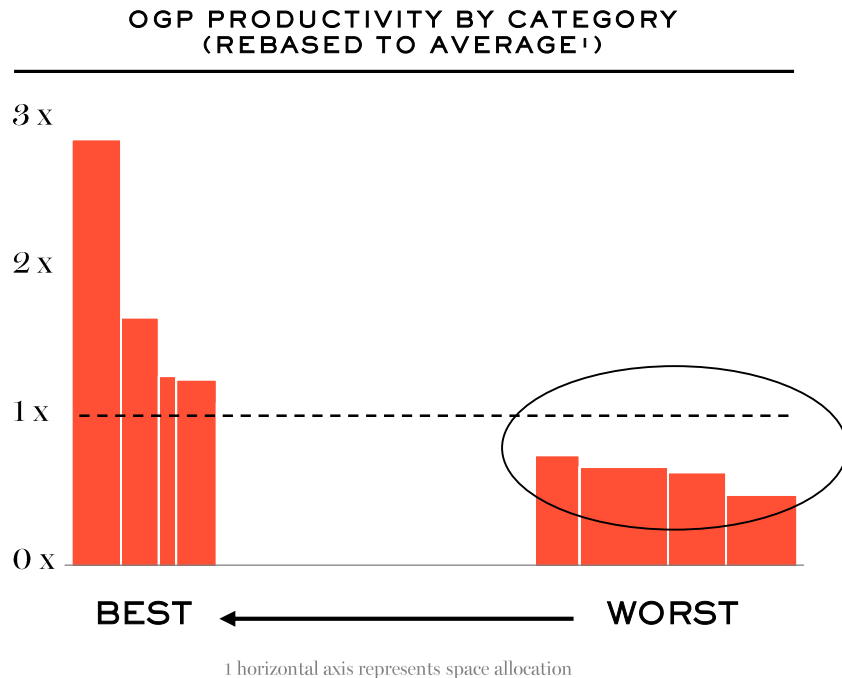


EXTENDS TO ALL MERCHANDISE

- Inspiring / wanted brands
- Shop-in-shop focus
- Partnership / concession model
- Full service ethos
- Total brand experience

1

We will reallocate space from under-productive categories...



ACTIONS

- Identified under productive categories representing c. 41,000 sqm of opportunity
- Reallocating between
 - new categories (e.g. athleisure, connected home)
 - high performing under spaced categories (e.g. footwear, handbags)
 - services (e.g. dwell spaces)
- Significant margin opportunity (3.4x greater gross profit in identified categories)

1

... and increase space for wanted brands

WANTED BRANDS ALREADY SECURED

TOPSHOP **TOPMAN**

TOMS



Aje. seed

FRENCH CONNECTION



NINE WEST

BONDS



SCOTCH & SODA®
AMSTERDAM COUTURE

Calvin Klein

JACK & JONES®

JO MALONE
LONDON

MYER

ACTIONS

- Reallocate space away from over-spaced brands and towards our 40-50 most wanted brands
- C. 3.4x greater gross profit in identified brands/space

1

Myer welcomes TOPSHOP TOPMAN into the family

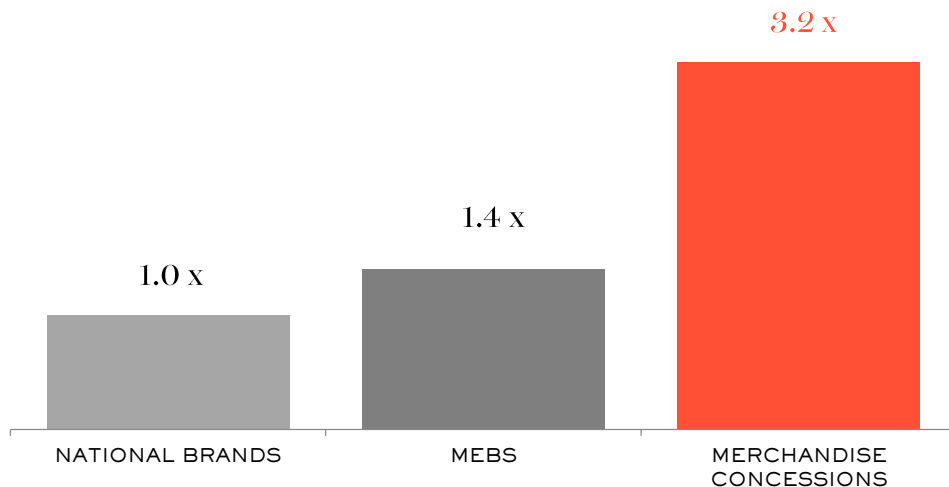
- Myer to become exclusive Australian department store home of British fashion icon, TOPSHOP TOPMAN
- A globally recognised 'style setter', obtaining cult status with fashion-conscious shoppers of all ages
- Core offer to Myer Primary Customer groups
- The partnership based on acquisition of a 25% stake in Australian TOPSHOP TOPMAN Franchisee, Austradia, will see the roll-out of concessions in more than 20 Myer stores
- Enables Myer to share in TOPSHOP TOPMAN concession, standalone store and online growth

MYER

1

Wanted brands may be Concessions, National Brands or Myer Exclusive Brands

CONTRIBUTION (\$/SQM)
IN WOMEN'S APPAREL¹



ACTIONS

- Focus on wanted brands
- Consistent visual merchandising
- Personalised fit-out (i.e. shop-in-shop)
- Higher staff density and service ethos
- Selling teams aligned to brands

1

Current wanted brands have strong adjacencies for our primary customers

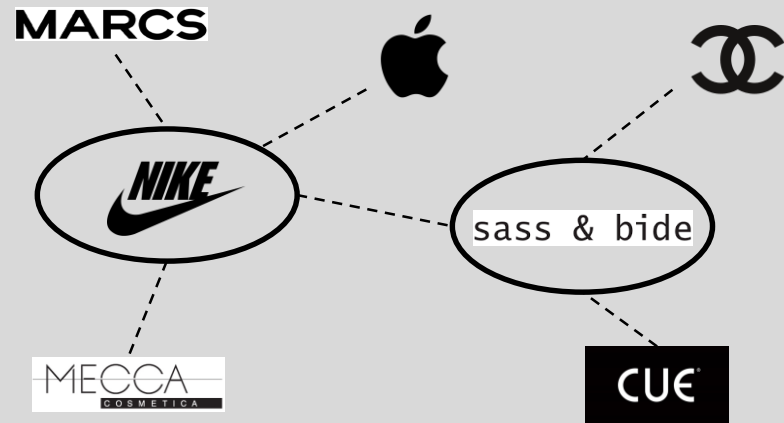
TAILORED OFFER

- Concessions can deliver better experience and be up to 3.1x more profitable¹

	EXISTING CONCESSIONS	
	Example I	Example II
SALES PRODUCTIVITY	2.6x average ²	3.1x average ²
ANNUAL SPEND OF CUSTOMER BUYING THE BRAND	2.7x average ²	3.2x average ²

CROSS BRAND/CATEGORY BEHAVIOUR

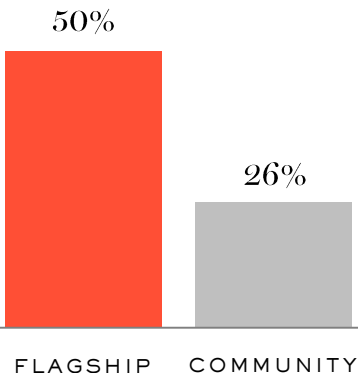
- Cross shop affinity based on MYER one database



1 We will fine-tune the offer for each cluster and location

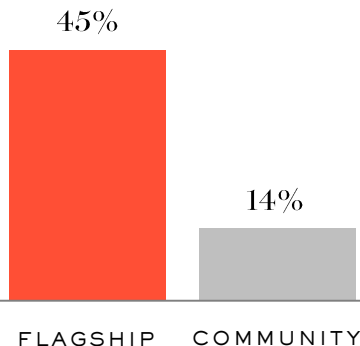
CLUSTER LOCALISATION EXAMPLES

'CONTEMPORARY'
PRODUCT MIX TARGET



Where merchandise mix allocated between 'contemporary', 'modern' or 'classic'

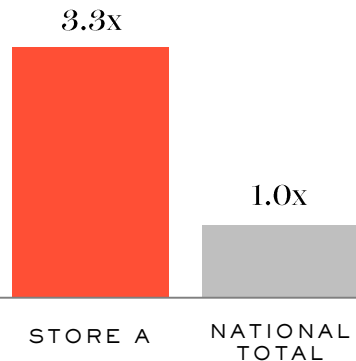
'BEST' PRICE
PRODUCT MIX TARGET



Where merchandise mix allocated between 'good', 'better' or 'best'

STORE LOCALISATION EXAMPLE

CHILDRENSWEAR
TARGET

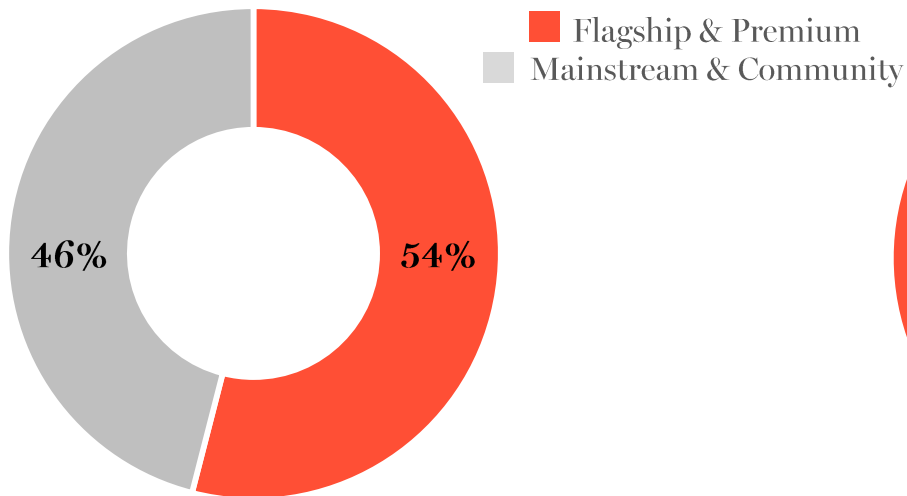


Where merchandise mix allocated for specific local demographic or geographic factors

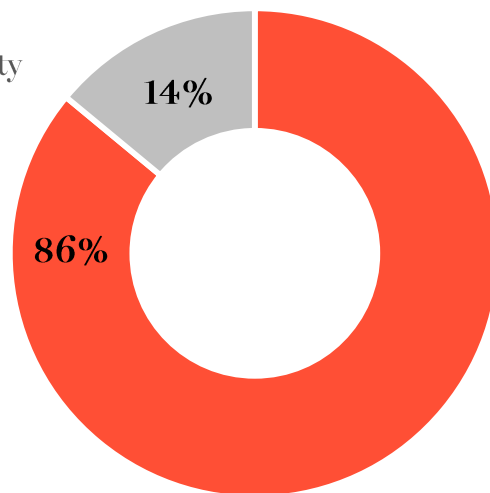
2

A more focused spend on our Flagship and Premium stores

STORE SPEND PAST 5 YEARS



STORE SPEND FUTURE 5 YEARS



2 We have identified key areas to prioritise investment & improve experiences across priority stores

		ACTIONS
A	VISUAL MERCHANDISE	Elevate visual merchandise in Flagship and Premium stores including fixture upgrades and presentation differentiation, digital technology and inspirational cross-merchandising
B	DWELL SPACES	Dedicated dwell spaces in Flagship and Premium stores, including beauty bars , restaurants and pop-up food concepts
C	FITTING ROOMS	Premium fitting rooms in Flagship and Premium stores, including personal shopping suites and stylist services
D	MYER HUB ROLLOUT	Comprehensive Myer Hub rollout in Flagship and Premium stores, including digital services and Click & Collect
E	FACILITIES UPGRADE	Upgraded facilities, including in-store wi-fi across selected stores and enhanced lighting
F	DIFFERENTIATED CUSTOMER SERVICE	Improved customer service and MYER one loyalty program , supported by a new recruitment and training strategy

**Improved
Customer
Experience
(Net Promoter
Score) &
Productivity**

2

We are investing in people and training

INVESTMENT IN CULTURE, PROCESSES AND ORGANISATIONAL
CAPABILITY FOR A BETTER CUSTOMER EXPERIENCE

THE RIGHT PEOPLE AT THE RIGHT TIMES...

- **Empowerment:** Team rebasing to put more flexible rosters in the hands of managers
- **Resources:** “Understand Your Customer” training based on customer research provides localised data on customer habits
- **Service ethos:** Building a service ethos in stores and Store Support Office with the Myer (Future) Way of Working (MWOW)

...WITH THE RIGHT CAPABILITIES

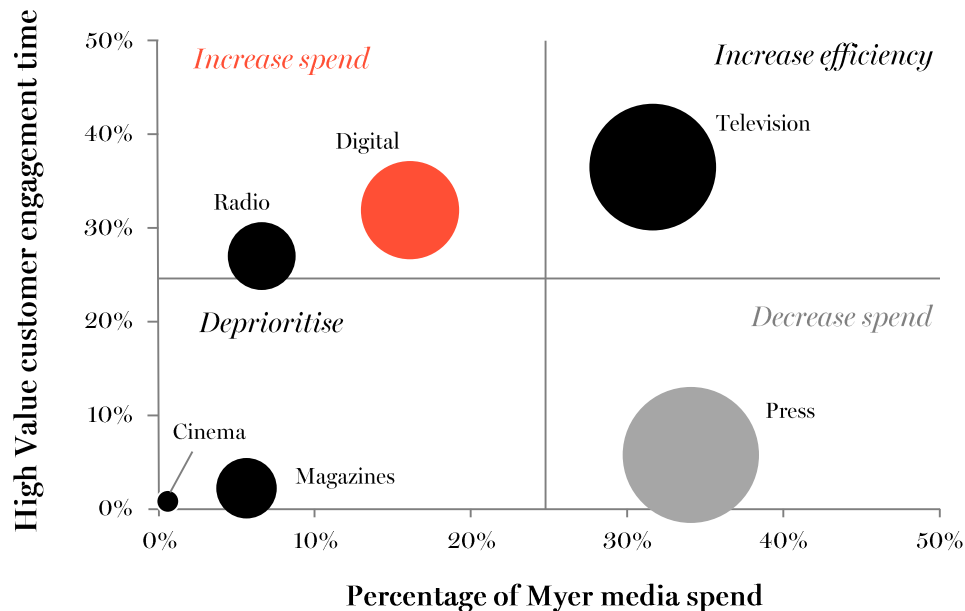
- **Selling culture:** Training staff to delight customers while maximising sales
- **Relevant capability:** Training hundreds of staff at our Intimate Apparel Fitting School
- **Digital fitness:** Training for Myer Hub teams to ensure their skills reflect an omni-channel customer's needs

INTIMATE APPAREL FITTING SCHOOL



2

We will shift media channel mix towards High Value customers



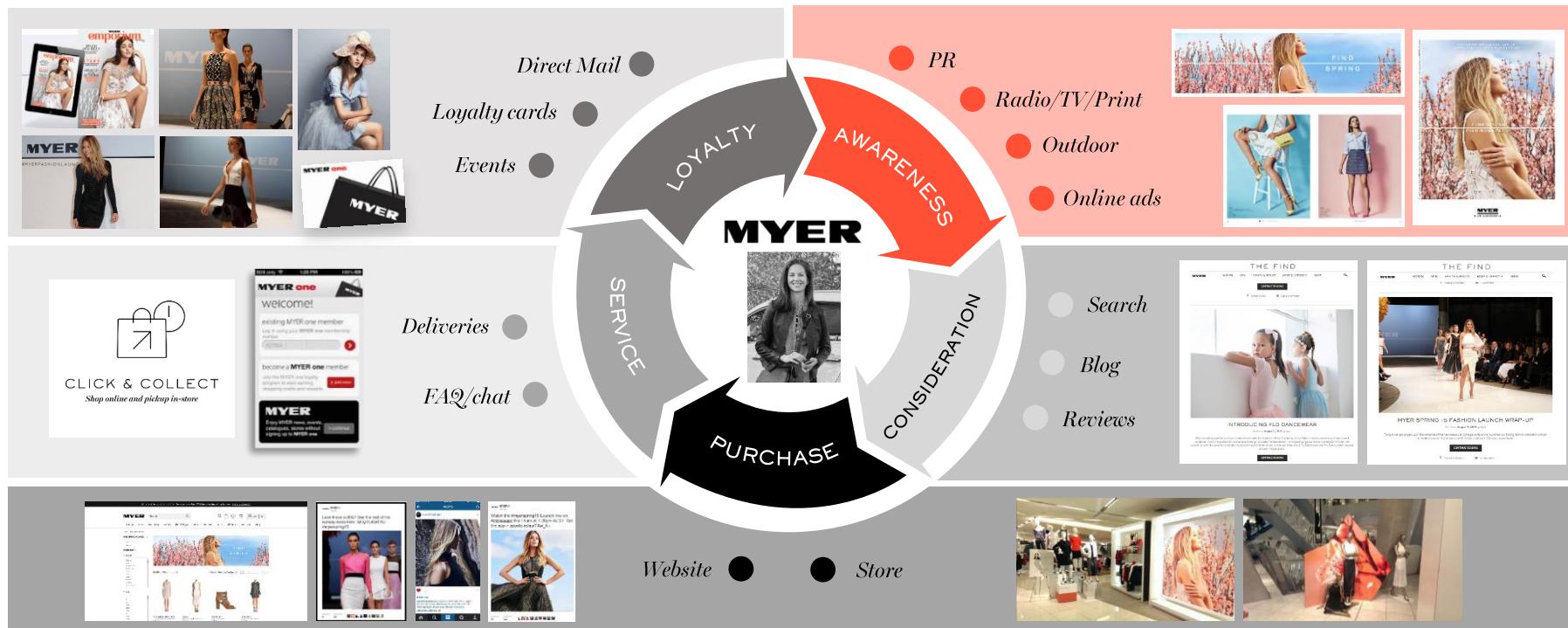
Note: Some digital ads are free with equivalent press spend, thus digital spend may be under-inflated
 Source: Ikon analysis of Roy Morgan data sets (January, 2015)

ACTIONS

- Increase spend for online & digital channels
- Catalogues continue to play an essential role in New Myer's customer communications mix
- Increase brand-building as well as sales-driving activities
- Different marketing strategies by store cluster

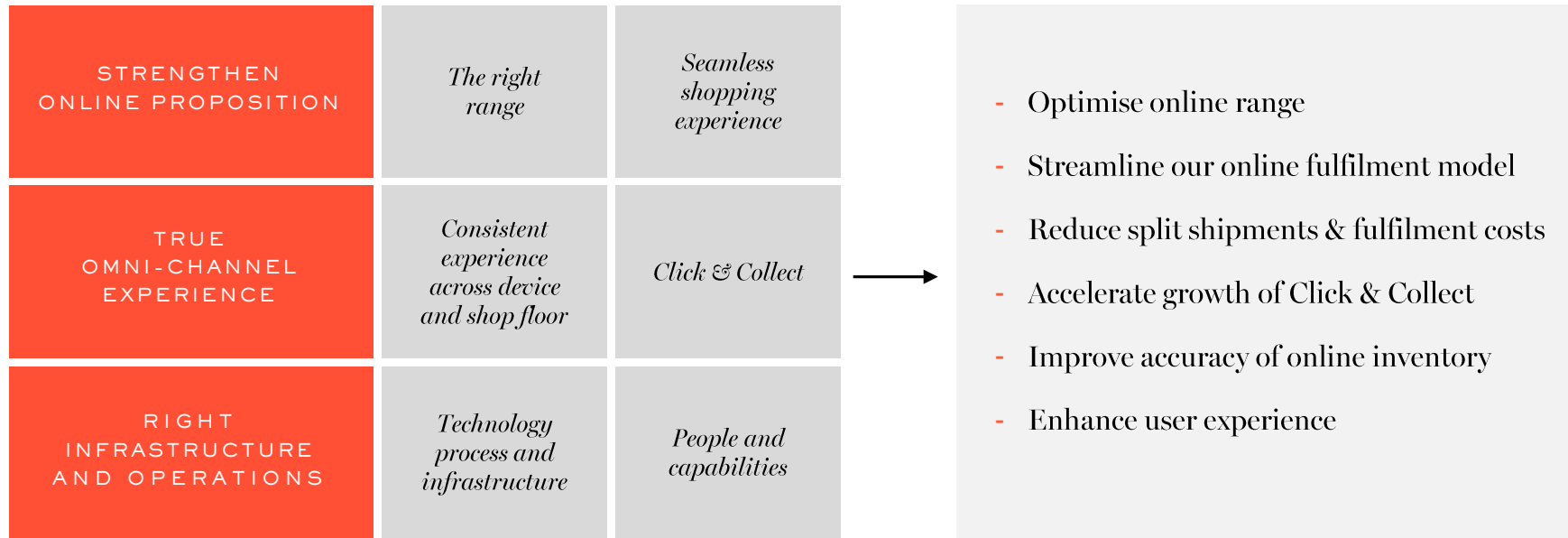
2

We are engaging more effectively with our primary customers



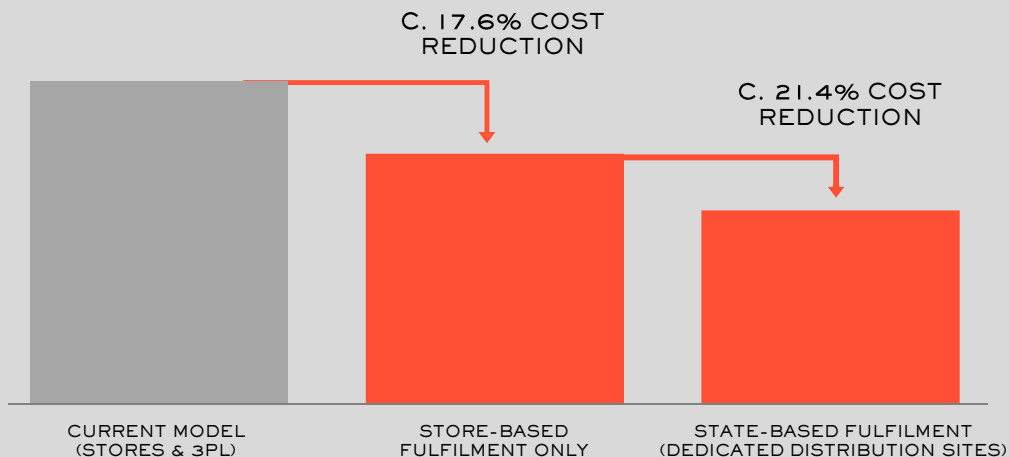
MYER

3 Omni-channel customers can shop where they like, when they like & how they like



3 Delivering a step-change in our online fulfilment, service proposition & costs

FULFILMENT COST PER ORDER



4

New Myer improves productivity

- Store network thoroughly reviewed through detailed catchment analysis
- Multiple lenses adopted including
 - Strategic fit
 - Financial performance
 - Alternative uses / expand
 - Viable exit
- Portfolio view with productivity emphasis



4

Our store portfolio is a valuable asset

- High EBIT contributing stores are secured with long term leases
- Lease obligations are concentrated over high EBIT contributing stores
- Lower performing stores have significantly lower lease liabilities and shorter average lease lengths
- Myer will actively manage its store portfolio to align with its primary customers and improve overall productivity
 - a. Selected landlord discussions have commenced
 - b. Recent closures ahead of lease expiry with relatively low cost to exit
 - c. Potential rationalisation of c.20% of footprint

FY2015 STORE CONTRIBUTION BY CLUSTER



Note: Store Contribution percentage is equal to Store EBITDA excluding central support office costs for department stores only

FY2015 LEASE COMMITMENTS BY CLUSTER*



* Department stores only ** Excluding Top Ryde (closed July 2015)

4 We are developing a more efficient supply chain distribution model

DESIGN
AN EFFICIENT
STORE FULFILMENT
MODEL ACROSS
ALL STATES

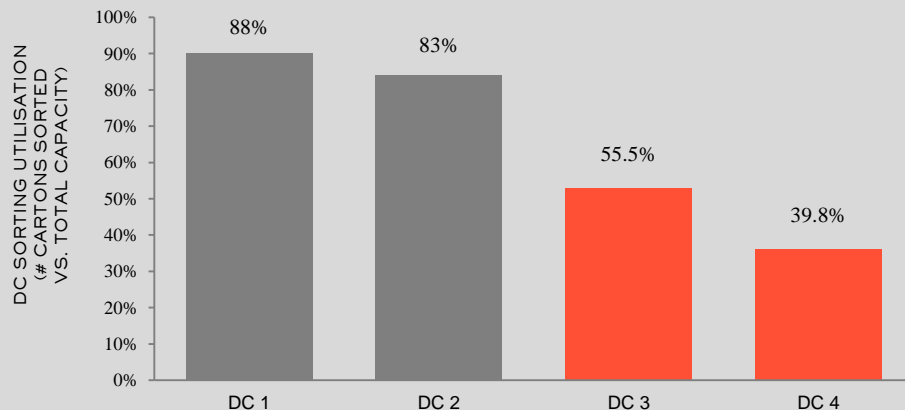
Assess viability
of subleasing
unutilised space

Assess viability of
transitioning
to a 3PL model

NEW RETAIL
END-TO-END
SUPPLY CHAIN

Assess potential to
co-locate online
fulfilment centres

TWO DISTRIBUTION CENTRES HAVE A MUCH LOWER UTILISATION
THAN OUR TWO MOST PRODUCTIVE CENTRES



4 New Myer has a strong focus on costs

*Create positive operating leverage: sales growth greater than CODB growth by 2017
Targeted CODB as a % of sales savings of 150bps by FY2020*

		C O D B					
1	OGP IMPROVEMENT	2	PROCUREMENT	3	SUPPORT OFFICE	4	IN-STORE
<ul style="list-style-type: none">- Product sourcing- Markdown strategy- Shrinkage management		<ul style="list-style-type: none">- Supply chain function- IT infrastructure- Outsourcing		<ul style="list-style-type: none">- Support office optimisation- Floor space optimisation		<ul style="list-style-type: none">- Roster optimisation- Variabilisation of store labour costs- Improved stock flow and merchandise planning	
PROCESS SIMPLIFICATION AND EFFICIENCY							

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New Myer's success is underpinned by our people and organisational capability

KEY FOCUS AREAS		BUILD THE RIGHT TEAM WITH CUSTOMER FOCUS
		INVEST IN OUR TEAM, BUILDING COMPETENCIES
		A NEW OPERATING MODEL AND MYER WAY OF WORKING
		AN EXECUTION FOCUSED CULTURE
		MEASURE AND REWARD OUTCOME DRIVEN BEHAVIOURS

We have established a Transformation Office to ensure full potential for the change is realised

- Key talent appointed to team
- Prioritisation of activities and allocation of resources
- Execution focused culture achieving sustained behavioural change across the organisation
- Governance structure
- Strict project investment return hurdle of IRR of >20% pre tax



The key operational drivers that will deliver New Myer

1	CUSTOMER LED OFFER	2	WONDERFUL EXPERIENCES	3	OMNI-CHANNEL SHOPPING	4	PRODUCTIVITY STEP CHANGE
<ul style="list-style-type: none">- Reallocate space to new categories- Allocate additional space to 40-50 Wanted Brands- Increase productivity through localised assortment		<ul style="list-style-type: none">- Elevate visual merchandise- Introduce dwell spaces including restaurants, cafes & event spaces- Upgrade fitting rooms- Enhance Myer Hub- Improve physical environments and facilities- Improve productivity & team Net Promoter Score- Focus marketing to target High Value customers		<ul style="list-style-type: none">- Strengthen online proposition and reduce fulfilment cost per order by c. 35%- Develop the right infrastructure and improve supply chain efficiencies- Grow online sales as percentage of total sales- Improve omni-channel experience and increase Click & Collect		<ul style="list-style-type: none">- Optimise store network and improve sales and gross profit per sqm- Smaller footprint: Rationalise up to 20% of our footprint and give greater emphasis to flagship and premium stores- Right-size Support Office and focus on costs	

Our strategy is underpinned by over \$600 million in total capital investment and implementation costs. ROFE improves from 11% to greater than 15%

FY16-20 CUMULATED DATA	1	2	3	4
	CUSTOMER LED OFFER	WONDERFUL EXPERIENCES	OMNI-CHANNEL SHOPPING	PRODUCTIVITY STEP CHANGE
CAPEX AND IMPLEMENTATION COSTS ¹	C.\$150M	C.\$150M	C.\$100M	C.\$200M

- Comprises over \$480m capital and over \$120m pre-tax implementation costs
- Expenditure relates to;
 - Introduction of wanted categories and ranges
 - Investing in in-store experiences to enhance the shopping experience
 - Improving our online offering
 - Improving efficiency in stores, Distributions Centres and the Support Office
 - Implementation costs including lease surrenders, store exit costs, redundancies and other project related opex

New Myer Target Metrics

SALES	Target average sales growth greater than 3% between 2016 - 2020
SALES / SQM	Target greater than 20% improvement by 2020
EBITDA	Target EBITDA growth ahead of sales growth by 2017
ROFE	Target ROFE greater than 15% by 2020

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A sharper and more focused offer to serve a more valuable customer driving productivity and growth

- There is strong international evidence that department stores can thrive in the new retail environment
- New Myer provides the framework for a modern interpretation of all of Myer's best attributes; our brand, our people, our stores and our retailing DNA
- We have identified four strategic priorities to build New Myer
- We will re-focus our business on re-invigorating and simplifying our offer to our primary customers
- We will use capital more effectively
- We are ready to deliver the new strategy, financially and operationally
- We have the right team in place to set a new sustainable, profitable future for Myer

MYER



...TO BRING THE LOVE OF
SHOPPING TO LIFE

through:

Passionate people

Inspiring brands

Wonderful experiences

Personal connections

Embracing change

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Key assumptions adopted in preparing forward looking statements

- No material change in the competitive environment in which Myer operates
- No significant deviation from current market expectations of global or local Australian economic conditions (including financial market stability) relevant to Myer
- No material changes in Commonwealth, State or local government legislation (including tax legislation), regulatory requirements or government policy
- No material business acquisitions or disposals, excluding the rationalisation of up to 20% of the footprint
- Continued online sales growth, in line with the recent trend
- Successful roll-out of selected concessions in Myer department stores
- Sales transferred from reduced footprint to remaining stores in line with historical assumptions
- Implementation of a tighter mark-down policy
- Key personnel, particularly the senior management team, are retained and Myer maintains its ability to recruit and retain required personnel

There is a risk that one or more of these key assumptions may prove incorrect, which may affect whether the forward looking statements are achieved.

Please also refer to 'Key Risks' in Appendix B of the Myer Entitlement Offer and Full Year Results Presentation.

To the extent that one or more of those key risks are realised, that may adversely affect whether the forward looking statements are achieved.

SEPTEMBER 2015

NEW MYER

STRATEGY UPDATE

RICHARD UMBERS
CEO AND MANAGING DIRECTOR

DANIEL BRACKEN
CHIEF MERCHANDISE & MARKETING
OFFICER AND DEPUTY CEO