

## APPENDIX 4D

ASX Listing Rule 4.2A.3

### MYER HOLDINGS LIMITED

ABN 14 119 085 602

### HALF-YEAR FINANCIAL REPORT

**Current reporting period:** 26 weeks ended 24 January 2015

**Previous corresponding period:** 26 weeks ended 25 January 2014

<b>Results for announcement to the market</b>				<b>\$A'000</b>
Total sales value from ordinary activities	up	1.5%	to	1,763,430
Profit attributable to members of Myer Holdings Limited	down	(23.1%)	to	62,152

<b>Dividends</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
Current reporting period		
2015 interim dividend determined (payable 7 May 2015)	7.0 cents	7.0 cents
2014 final dividend (paid 13 November 2014)	5.5 cents	5.5 cents
Previous corresponding period		
2014 interim dividend (paid 8 May 2014)	9.0 cents	9.0 cents
2013 final dividend (paid 14 November 2013)	8.0 cents	8.0 cents
Record date for determining entitlements to the interim dividend		30 March 2015

#### Commentary on results for the period

For an explanation of the results refer to the ASX and media release.

<b>Net tangible assets per ordinary security</b>	<b>24 January 2015</b>	<b>25 January 2014</b>
Net tangible assets per ordinary security	(\$0.02)	(\$0.01)

#### Information on review

The attached half-year financial report of Myer Holdings Limited has been subject to review by the independent auditors and includes the review report.

**This half-year report should be read in conjunction with the most recent annual financial report.**



# **HALF-YEAR FINANCIAL REPORT**

## **of Myer Holdings Limited**

**ABN 14 119 085 602**

For the half-year ended 24 January 2015

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## Directors' report

Your directors present their report on the consolidated entity consisting of Myer Holdings Limited (the Company) and the entities it controlled (collectively referred to as the Group) at the end of, or during, the half-year ended 24 January 2015.

### Directors

The following persons were directors of the Company during the half-year and up to the date of this Directors' Report:

Paul McClintock AO	Chairman and independent non-executive director
Rupert Myer AM	Deputy Chairman and independent non-executive director
Bernie Brookes	Chief Executive Officer and Managing Director (Resigned on 2 March 2015)
Richard Umbers	Chief Executive Officer and Managing Director (Appointed on 2 March 2015)
Anne Brennan	Independent non-executive director
Ian Cornell	Independent non-executive director
Chris Froggatt	Independent non-executive director
Bob Thorn	Independent non-executive director

### Review of operations

A review of the operations of the Group during the half-year and the results of these operations are contained in Myer's ASX and media release for the period accompanying this report.

### Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

### Rounding of amounts

The company has taken advantage of Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the half-year financial report. Amounts in the half-year financial report have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of directors.



Paul McClintock AO  
Chairman  
Melbourne  
18 March 2015



## Auditor's Independence Declaration

As lead auditor for the review of Myer Holdings Limited for the half-year ended 24 January 2015, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

  
Andrew Mill  
Partner  
PricewaterhouseCoopers

Melbourne  
18 March 2015

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## Consolidated income statement

for the half-year ended 24 January 2015

	Half-Year	
	2015	2014
	26 weeks	26 weeks
	\$'000	\$'000
<b>Total sales value (excluding GST)</b>	<b>1,763,430</b>	<b>1,737,121</b>
Concession sales	(265,148)	(264,340)
<b>Sale of goods (excluding GST)</b>	<b>1,498,282</b>	<b>1,472,781</b>
Sales revenue deferred under customer loyalty program	(22,595)	(23,561)
<b>Revenue from sale of goods (excluding GST)</b>	<b>1,475,687</b>	<b>1,449,220</b>
Other operating revenue (excluding finance revenue)	70,435	68,689
Cost of goods sold	(831,265)	(809,466)
<b>Operating gross profit</b>	<b>714,857</b>	<b>708,443</b>
Other income	306	2,608
Selling expenses	(434,078)	(418,411)
Administration expenses	(180,854)	(166,052)
<b>Earnings before interest and tax</b>	<b>100,231</b>	<b>126,588</b>
Finance revenue	452	529
Finance costs	(11,894)	(11,670)
<b>Net finance costs</b>	<b>(11,442)</b>	<b>(11,141)</b>
<b>Profit before income tax</b>	<b>88,789</b>	<b>115,447</b>
Income tax expense	(26,637)	(34,634)
<b>Profit for the period</b>	<b>62,152</b>	<b>80,813</b>
<b>Profit is attributable to:</b>		
Owners of Myer Holdings Limited	62,152	80,770
Non-controlling interests	-	43
	<b>62,152</b>	<b>80,813</b>
<b>Earnings per share attributable to the ordinary equity holders of the company:</b>	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	10.6	13.8
Diluted earnings per share	10.5	13.7

The above consolidated income statement should be read in conjunction with the accompanying notes.

## Consolidated statement of comprehensive income

for the half-year ended 24 January 2015

	Half-Year	
	2015	2014
	26 weeks	26 weeks
	\$'000	\$'000
<b>Profit for the period</b>	<b>62,152</b>	<b>80,813</b>
<b>Other comprehensive income</b>		
Items that may be reclassified to profit or loss:		
Cash flow hedges	13,506	(1,682)
Exchange differences on translation of foreign operations	(1,765)	(544)
Income tax relating to components of other comprehensive income	-	(699)
<b>Other comprehensive income for the period, net of tax</b>	<b>11,741</b>	<b>(2,925)</b>
<b>Total comprehensive income for the period</b>	<b>73,893</b>	<b>77,888</b>
<b>Total comprehensive income for the period is attributable to:</b>		
Owners of Myer Holdings Limited	73,893	77,983
Non-controlling interests	-	(95)
	<b>73,893</b>	<b>77,888</b>

*The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.*

## Consolidated balance sheet

as at 24 January 2015

		24 January 2015 \$'000	26 July 2014 \$'000	25 January 2014 \$'000
	Notes			
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents		46,152	73,564	76,373
Trade and other receivables and prepayments		31,790	30,133	28,998
Inventories		375,217	376,763	351,111
Derivative financial instruments	5	14,538	-	9,656
<b>Total current assets</b>		<b>467,697</b>	<b>480,460</b>	<b>466,138</b>
<b>Non-current assets</b>				
Property, plant and equipment		501,283	502,881	496,163
Deferred tax assets		14,809	13,698	15,148
Intangible assets		932,508	932,598	929,145
Other non-current assets		2,819	3,027	3,434
<b>Total non-current assets</b>		<b>1,451,419</b>	<b>1,452,204</b>	<b>1,443,890</b>
<b>Total assets</b>		<b>1,919,116</b>	<b>1,932,664</b>	<b>1,910,028</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables		474,109	428,066	465,733
Derivative financial instruments	5	567	6,117	423
Current tax liabilities		20,529	7,321	25,941
Provisions		84,786	82,167	84,841
Deferred income		7,011	6,376	5,961
Other liabilities		678	978	715
<b>Total current liabilities</b>		<b>587,680</b>	<b>531,025</b>	<b>583,614</b>
<b>Non-current liabilities</b>				
Borrowings		307,647	422,030	306,414
Derivative financial instruments	5	3,972	2,537	2,007
Provisions		14,264	14,039	13,516
Deferred income		69,512	69,620	65,095
Other liabilities		-	-	1,000
<b>Total non-current liabilities</b>		<b>395,395</b>	<b>508,226</b>	<b>388,032</b>
<b>Total liabilities</b>		<b>983,075</b>	<b>1,039,251</b>	<b>971,646</b>
<b>Net assets</b>		<b>936,041</b>	<b>893,413</b>	<b>938,382</b>
<b>EQUITY</b>				
Contributed equity	3	524,755	524,732	524,732
Retained earnings		408,690	378,751	413,733
Reserves		2,596	(10,070)	(83)
Capital and reserves attributable to owners of Myer Holdings Limited		936,041	893,413	938,382
Non-controlling interests		-	-	-
<b>Total equity</b>		<b>936,041</b>	<b>893,413</b>	<b>938,382</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.



## Consolidated statement of changes in equity

for the half-year ended 24 January 2015

	Notes	Contributed equity \$'000	Retained earnings \$'000	Reserves \$'000	Non- controlling interests \$'000	Total \$'000
<b>Balance as at 27 July 2013</b>		520,216	379,722	(4,024)	9,728	905,642
Net profit for the period		-	80,770	-	43	80,813
Other comprehensive income		-	-	(2,787)	(138)	(2,925)
Total comprehensive income for the period		-	80,770	(2,787)	(95)	77,888
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	3	4,516	-	-	-	4,516
Dividends paid	4	-	(46,759)	-	-	(46,759)
Acquisition of non-controlling interests		-	-	6,028	(9,633)	(3,605)
Employee share schemes		-	-	700	-	700
		4,516	(46,759)	6,728	(9,633)	(45,148)
<b>Balance as at 25 January 2014</b>		524,732	413,733	(83)	-	938,382
<b>Balance as at 26 July 2014</b>		524,732	378,751	(10,070)	-	893,413
Net profit for the period		-	62,152	-	-	62,152
Other comprehensive income		-	-	11,741	-	11,741
Total comprehensive income for the period		-	62,152	11,741	-	73,893
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	3	23	-	-	-	23
Dividends paid	4	-	(32,213)	-	-	(32,213)
Employee share schemes		-	-	925	-	925
		23	(32,213)	925	-	(31,265)
<b>Balance as at 24 January 2015</b>		524,755	408,690	2,596	-	936,041

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## Consolidated statement of cash flows

for the half-year ended 24 January 2015

		Half-Year	
		2015 26 weeks \$'000	2014 26 weeks \$'000
<b>Cash flows from operating activities</b>	<b>Notes</b>		
Receipts from customers (inclusive of goods and services tax)		1,715,704	1,684,630
Payments to suppliers and employees (inclusive of goods and services tax)		(1,522,447)	(1,428,241)
		<u>193,257</u>	<u>256,389</u>
Other income		306	2,608
Interest paid		(12,316)	(12,179)
Tax paid		(14,488)	(27,037)
<b>Net cash inflow from operating activities</b>		<u>166,759</u>	<u>219,781</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(43,712)	(29,978)
Payments for intangible assets		(10,841)	(8,755)
Payment for acquisition of non-controlling interests		-	(33,363)
Lease incentives received		6,906	4,000
Interest received		453	507
<b>Net cash outflow from investing activities</b>		<u>(47,194)</u>	<u>(67,589)</u>
<b>Cash flows from financing activities</b>			
Repayment of borrowings net of transaction costs		(115,000)	(115,027)
Proceeds from the issue of shares	3	23	4,516
Dividends paid to equity holders of the parent	4	(32,213)	(46,759)
Other		213	(19)
<b>Net cash outflow from financing activities</b>		<u>(146,977)</u>	<u>(157,289)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(27,412)</u>	<u>(5,097)</u>
Cash and cash equivalents at the beginning of the period		73,564	81,470
<b>Cash and cash equivalents at end of the period</b>		<u>46,152</u>	<u>76,373</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## Notes to financial statements

for the half-year ended 24 January 2015

### 1 Basis of preparation of half-year report

The condensed consolidated interim financial report for the half-year ended 24 January 2015 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. This condensed consolidated interim financial report does not include all the information and disclosures required in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 26 July 2014 and any public announcements made by Myer Holdings Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. Certain new accounting standards and interpretations have been published that are not mandatory for this interim reporting period. The Group's assessment of the impact of these new standards and interpretations, that were considered relevant for the consolidated entity, are listed below:

- AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2017. When adopted, the standard will affect the group's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. The standard sets out new rules for hedge accounting including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. The standard also introduces expanded disclosure requirements and changes in presentation.

There will be no material impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The Group also does not have any available for sale financial assets. The Group has not yet assessed how its hedging arrangements would be affected by the new rules; however, it does not expect the impact to be material. Increased disclosures may be required in the financial statements.

- IFRS 15 *Revenue from Contracts with Customers* is a new revenue recognition standard that's core principle is that revenue must be recognised when the goods or services are transferred to the customer, at the transaction price. The standard is not applicable until 1 January 2017 and the Group does not expect the standard to have a significant impact.

#### Comparative amounts

Where current period balances have been classified differently when compared to the prior period, comparative disclosures have been restated to ensure consistency of presentation between periods. To better reflect the nature of certain items of income and expense within the Income Statement, certain items previously classified as 'Other Income' within Operating Gross Profit have been reclassified to Other Operating Revenue (\$5.4m), Cost of Goods Sold (\$3.6m), Selling Expenses (\$4.6m) and Administration Expenses (-\$3.6m). This resulted in the reduction of 'Other Income' from \$12.7m to \$2.6m with the remaining balance reclassified below Operating Gross Profit. These adjustments resulted in a net reduction in Operating Gross Profit of \$3.7m with a corresponding decrease in items below Operating Gross Profit.

### 2 Segment information

#### Description of segments

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer that are used to make strategic decisions about the allocation of resources.

The Chief Executive Officer considers the business based on total store and product portfolio, and has identified that the Group operates in Australia in the department store retail segment.

The Group also undertakes activities outside the department store retail business through its subsidiaries, sass & bide and FSS Retail Pty Ltd. On the basis that this aspect of the business represents less than 10% of the total Group's operations, it has not been disclosed as a separate reporting segment.

#### Seasonality of operations

The financial performance of the Group is subject to seasonal fluctuations in sales volumes, and as such revenue and profit is historically weighted in favour of the first half of the financial year, driven by the Christmas trading period.

## Notes to financial statements

for the half-year ended 24 January 2015

### 3 Contributed equity

The movement in ordinary and treasury shares during the half-year are as follows:

	2015	2014	2015	2014
	Shares	Shares	\$'000	\$'000
Opening balance	585,684,551	583,594,551	564,246	558,728
Shares issued to Myer Equity Plans Trust at market value	5,000	2,090,000	12	5,518
	<b>585,689,551</b>	<b>585,684,551</b>	<b>564,258</b>	<b>564,246</b>
<b>Treasury shares</b>				
Opening balance	(9,200)	(29,700)	(39,514)	(38,512)
Shares issued to Myer Equity Plans Trust at market value	(5,000)	(2,090,000)	(12)	(5,518)
Shares allocated on exercise of options at \$2.14	-	2,110,500	-	4,516
Shares allocated on exercise of options at \$2.34	10,000	-	23	-
Closing balance of Treasury shares	<b>(4,200)</b>	<b>(9,200)</b>	<b>(39,503)</b>	<b>(39,514)</b>
Closing balance	<b>585,685,351</b>	<b>585,675,351</b>	<b>524,755</b>	<b>524,732</b>

### 4 Dividends

#### (a) Ordinary shares

Final fully franked dividend for the period ending 26 July 2014 of 5.5 cents (2013: 8.0 cents) per fully paid share paid 13 November 2014 (2013: 14 November 2013)

2015	2014
\$'000	\$'000
32,213	46,759

#### (b) Dividends not recognised at the end of the half-year

In addition to the above dividends, since the end of the half-year the directors have recommended the payment of an interim dividend of 7.0 cents per fully paid ordinary share (2014: 9.0 cents), fully franked based on tax paid at 30% (2014: 30%).

The aggregate amount of the proposed dividend expected to be paid on 7 May 2015, but not recognised as a liability at the end of the half-year, is:

2015	2014
\$'000	\$'000
40,998	52,712

## Notes to financial statements

for the half-year ended 24 January 2015

### 5 Fair value measurements

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liabilities either directly (as prices) or indirectly (derived from prices) (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

As at 24 January 2015 and 26 July 2014, the Group held the following classes of financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
<b>At 24 January 2015</b>				
<b>Assets</b>				
Derivatives used for hedging	-	14,538	-	14,538
<b>Total assets</b>	-	14,538	-	14,538
<b>Liabilities</b>				
Derivatives used for hedging	-	4,539	-	4,539
<b>Total liabilities</b>	-	4,539	-	4,539
<b>At 26 July 2014</b>				
<b>Assets</b>				
Derivatives used for hedging	-	-	-	-
<b>Total assets</b>	-	-	-	-
<b>Liabilities</b>				
Derivatives used for hedging	-	8,653	-	8,653
<b>Total liabilities</b>	-	8,653	-	8,653

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These instruments comprise of derivative financial instruments (interest rate swaps and forward exchange contracts) and are included in level 2. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period.

During the half-year ended 24 January 2015, there have been no transfers between Level 1, 2 and 3 fair value measurements.

The carrying amount of other financial assets and financial liabilities recorded in the financial statements approximate their fair value.

### 6 Subsequent events

Subsequent to 24 January 2015, the Directors have determined to pay an interim dividend of 7.0 cents per fully paid ordinary share, fully franked at the 30% corporate income tax rate, payable on 7 May 2015. The financial effect of the interim dividend has not been recognised in the interim financial statements for the half-year ended 24 January 2015 and will be recognised in subsequent financial statements.

Other than the interim dividend declared, there has been no item, transaction or event of a material or unusual nature likely to significantly affect the operations of the Group, the results of these operations, or the state of affairs of the Group, in future financial periods.

## Directors' declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 4 to 11 are in accordance with the Corporations Act 2001, including:

(i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 24 January 2015 and of its performance for the half-year ended on that date; and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Paul McClintock AO  
Chairman  
Melbourne  
18 March 2015



## **Independent auditor's review report to the members of Myer Holdings Limited**

### ***Report on the Half-Year Financial Report***

We have reviewed the accompanying half-year financial report of Myer Holdings Limited (the Company), which comprises the consolidated balance sheet as at 24 January 2015, the consolidated income statement and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Myer Holdings Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

### ***Directors' responsibility for the half-year financial report***

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 24 January 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Myer Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Independence***

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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**PricewaterhouseCoopers, ABN 52 780 433 757**

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### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Myer Holdings Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 24 January 2015 and of its performance for the half-year ended on that date;
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*PricewaterhouseCoopers*

PricewaterhouseCoopers

  
Andrew Mill  
Partner

Melbourne  
18 March 2015