

MYER

ASX & Media Release

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Q3 FY2014 comparable sales up 0.24 percent

Q3 FY2014 total sales down 0.93 percent to \$646.5 million

Solid result reflecting five-point plan progress despite significant refurbishments

Myer Holdings Limited (MYR) today reported a 0.24 percent increase in comparable store sales in the third quarter (13 weeks to 26 April 2014) compared with last year. Total sales were \$646.5 million, down 0.93 percent compared with last year.

Highlights included:

- Cosmetics, Fashion Accessories, Youth, Small Appliances and Toys were the strongest performing categories during the quarter;
- The mid-season sale which occurred between 2nd and 27th April delivered strong sales growth;
- Best performing states were New South Wales and Victoria;
- Further growth in Concessions during the quarter; and
- Continued strong growth in online sales and key online customer metrics.

Myer Chief Executive Officer Bernie Brookes said: "It was encouraging to achieve another quarter of comparable store sales growth which has now been achieved in seven of the last eight quarters.

"The marginal decline in total sales reflected the continued significant sales impact of the refurbishment of three of our top 20 stores and the commencement of a refurbishment at the Macquarie (NSW) store in February. In addition, sales continued to be impacted by the closure of Dandenong (VIC) last October and more recently the closure of the store at Elizabeth (SA) in February. These refurbishment and closure impacts were partially offset by the sales contribution of the new store at Shellharbour (NSW) which opened in May 2013," said Mr Brookes.

Three of Myer's top 20 stores which continue to undergo significant refurbishment are Adelaide City (SA), Indooroopilly (QLD) and Miranda (NSW).

"In line with our plan to improve the productivity of our store network, the Elizabeth (SA) store was closed in February 2014 with all team members successfully re-deployed to other stores. We are encouraged by the improved trading performance of the nearby store at Tea Tree Plaza since the closure of our store at Elizabeth," said Mr Brookes.

"Trading at our flagship store in Melbourne has benefited from the recent openings of a number of new retailers in the Melbourne CBD, including the first stage opening of the Emporium development, particularly in the key categories of Womenswear and Youth. There has been improved customer traffic flow into the store during the third quarter.

“The cosmetics business has now delivered eight consecutive quarters of growth. The very pleasing performance of cosmetics during the quarter reflects a continued strong response to the introduction of leading make-up brand **Napoleon Perdis** together with solid growth across several key brands including **M.A.C Cosmetics**, **Chanel** and **Benefit**,” he said.

A number of Myer Exclusive Brands performed strongly during the period with **Piper**, **Trent Nathan**, **Chloe & Lola**, **sass & bide intimates** and **Bauhaus** all delivering strong sales growth. The creation of master brands such as **Piper** and **Trent Nathan** across multiple categories continues to be well received by customers.

Several new brands were launched during the quarter including **Peter Alexander** (Sleepwear), **One Tru Luv** (Youth Intimate Apparel), **Ted Baker Kids** (Childrenswear), **YTTRIUM by Aurelio Costarella** (Womenswear), **Tome** (Womenswear), **Zadig & Voltaire** (Womenswear), **DL1961** (Womenswear), **Splendid** (Womenswear), **Wrangler** (Womenswear and Menswear), **Fred Bare** (Childrenswear) and **Donna Hay** (Homewares). In addition, the rollout of **Kurt Geiger** (Women’s Footwear) has begun.

New brands to be launched in the Spring/Summer 2014 season include **Alex Perry** (Womenswear), **Aquila** (Men’s Footwear) and a ready-to-wear range exclusive to Myer, **L by Lisa Ho** (Womenswear).

There was continued strong growth in online sales during the quarter. The online range was expanded with an increase in stock-keeping units (SKUs) to over 119,000. Importantly, there was further growth in key customer metrics with over nine million visits during the quarter. The recently established dedicated fulfilment centre continues to ensure a low cost and efficient supply chain to manage the rapid growth in online orders.

During the fourth quarter, sales are expected to benefit from the completion of the refurbishments of the Adelaide (SA) store in May 2014 and the Indooroopilly (QLD) store in June 2014. The Macquarie and Miranda refurbishments are expected to be completed ahead of Christmas 2014.

The Melbourne City (VIC) store is expected to benefit from the opening of 7,000 square metres of new space within the Emporium development adjacent to the store in the coming months.

“The Emporium development provides us with the opportunity to expand our Menswear offering in our Melbourne City store. Categories such as Men’s footwear and plus size apparel will be expanded and we will introduce a men’s sporting range as well as a men’s personal shopping and styling destination. Within the new Emporium space we are also creating a world class toy destination in the heart of the Melbourne CBD. The new toy department will feature ‘shop in shop’ concepts for key brands like **Lego**, **Barbie** and **Thomas the Tank Engine**, with new interactive displays to add theatre and excitement to the new floor.

“We are looking forward to the opening of two new stores before Christmas 2014. The first will be a new store at Mount Gravatt (QLD) which will form part of a major expansion of the already well-established centre. The second will be at Joondalup (WA), located in a high population growth area and our first new store in Western Australia in 20 years,” said Mr Brookes.

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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 OTCMarkets (MYRSY).

This release 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”, “anticipate”, “believe”, “continue”, “objectives”, “outlook”, “guidance” and similar expressions. Indications of plans, strategies and objectives of management, sales and financial 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 the control of Myer. 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 release. Myer assumes no obligation to update such information.

All numbers are unaudited.