

# MYER

ASX & Media Release

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## **Q1 FY2014 total sales up 0.44 percent to \$691.1 million Q1 FY2014 comparable sales up 0.41 percent**

Myer Holdings Limited (MYR) today reported first quarter total sales for the thirteen weeks to 26 October 2013 of \$691.1 million, up 0.44 percent compared to last year. On a comparable store sales basis, sales were up 0.41 percent compared to last year.

Highlights included –

- Key categories of Cosmetics, Youth, Womenswear and Menswear were the strongest performers during the quarter.
- Best performing states were Queensland, ACT and Victoria.
- Sales in Myer Exclusive Brands and concessions continued the trend of FY2013 and posted positive growth during the quarter.
- Online sales more than doubled, reflecting the significant improvements made to the online store and the supporting infrastructure in recent months.
- Leading fashion business, sass & bide, experienced good sales growth during the period.

Myer Chief Executive Officer, Bernie Brookes, said that the Q1 sales result was solid, particularly given the significant impact on sales caused by the refurbishment of three of our top 20 stores.

“We are pleased with this sales result which is in line with our expectations and gives us early encouragement that we are well positioned to make the most of our busiest time of year during the Christmas and Stocktake trading period,” said Mr Brookes.

“Whilst trading prior to the federal election was subdued, the trend improved modestly during the quarter and has been less volatile than in the months prior to the election, but continues to be patchy.

“This result demonstrates the progress we are making in strengthening our competitive position through the execution of our five point plan,” he said.

Three of our top 20 stores continued to be under significant refurbishment at Adelaide City (South Australia), Indooroopilly (Queensland) and Miranda (New South Wales) during the quarter. While we anticipate sales disruption from these refurbishments to continue during FY2014, we are committed to minimising disruption and ensuring that the in-store experience is of a consistently high standard across all of our stores.

In line with our plan to improve the productivity of our store network, during the quarter the Dandenong (Victoria) store was closed (13 October 2013) and we completed the “space optimisation” project in four stores, involving a significant reorganisation of floor space and redesign of floor plans to maximise space for key high-margin categories including women’s and men’s fashion. Store optimisation in four additional stores is on track to be completed by March 2014.

A number of Myer Exclusive Brands performed strongly during the period with **Piper, Trent Nathan, Australian House & Garden, Chloe & Lola, Bauhaus** and **Blaq** all delivering strong sales growth over the quarter.

Several significant new brands were launched during the quarter including **Dita Von Teese** (intimate apparel), **Blue Illusion** (womenswear), **Orla Kiely** (homewares), **Bang & Olufsen** (electrical), **LSA International** (homewares) and **Kate Spade New York** (homewares). The performance of **Seafolly**, which has been a department store exclusive since June 2013, has exceeded expectations and we anticipate a continued strong performance from this leading swimwear brand as the summer season continues.

During the quarter we successfully launched our first **Nike** 'shop-in-shop' in the Sydney City store with three more to be launched across our network. In addition, 61 **Napoleon Perdis** installations (cosmetics) have been rolled out with the balance due to be installed in the coming months. An exciting launch event is planned for Napoleon Perdis at our flagship Melbourne store later this month.

Mr Brookes said that whilst trading conditions are expected to remain competitive throughout FY2014 he is confident in the strength of the Myer brand and team.

"We are ready to deliver a wonderful Christmas experience across all channels with a great merchandise offering, an exciting new advertising campaign, vibrant and festive stores and a team that loves to celebrate the season with our customers," said Mr Brookes.

"Our online fulfilment distribution centre, which has been built to distribute our 15,000 best selling online SKUs, opened in October, significantly transforming our online fulfilment capability and will underpin the online store's ability to meet projected volumes during the upcoming peak trading period.

"We are looking forward to the launch of significant new brands in the coming months including **Peter Alexander** (sleepwear), **Baker by Ted Baker** (childrenswear), **Superdry** (menswear), **Sophie Hulme** (handbags), **Montique** (womenswear) and **Simon Johnson Food** (general merchandise)," he said.

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*All numbers are unaudited.*

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