



MYER CHAIRMAN ADMITS PREMIER'S CLAIMS, WHILE PROTECTING HIS "PERSONAL BRAND"

23 May 2018 – In a two-page letter to Myer shareholders last week, Premier raised a number of serious concerns about Myer's performance and its imperiled future.

Instead of addressing these concerns, Myer last night issued a response focused almost solely on protecting the personal reputations of its failed Board.

Premier's letter said:

1. Myer faces more write-downs to its still-inflated balance sheet intangibles.
Myer's response does not dispute this.
2. Mr Hounsell is softening us up for yet another profit downgrade during Q4 by blaming the weather.
Myer's response does not dispute this.
3. Myer will report a very substantial net loss for the financial year.
Myer's response does not dispute this.
4. Myer is at risk of breaching its debt covenants. At best, this means increased interest and higher charges from its banks. At worst, it puts the company's entire future at risk.
Myer's response does not dispute this.
5. A firm of insolvency experts have already been appointed to advise Myer.
Myer's response does not dispute this.
6. The Myer Board has cancelled our dividends and they may never return under the current Board.
Myer's response does not dispute this.
7. Mr Hounsell backed both the "New Myer" strategy and then the "New, New Myer" strategy which rewarded management for taking the company backwards.
Myer's response does not dispute this.
8. The disastrous **sass & bide** acquisition destroyed approximately \$200 million of shareholder value due to acquisition costs, write offs and operational losses.
Myer's response does not dispute this.
9. Mr Hounsell should stop claiming his \$83,000 per month stipend.
Myer's response does not dispute this.

Premier finds it telling – in the context of the above concerns raised by Myer's largest shareholder on behalf of ALL shareholders – that Mr Hounsell saw fit to respond only to matters impacting his own personal reputation and that of his fellow director Ms Julie Ann Morrison.

Myer shareholders can see clearly what is going on here. It's a shame the Myer Board still has its eyes wide shut.

When Mr Hounsell was appointed Chairman-Elect of Myer (September 2017), he heavily supported the now departed CEO Mr Umbers and the "New Myer Strategy". Further, Mr Hounsell told the market he could see the '**green shoots**' of Myer's turnaround strategy appearing.

To date, instead of '**green shoots**', all Mr Hounsell has produced is: a share price down 36%; the cancellation of the interim dividend; a market capitalisation reduction of more than \$200 million; write down costs of close to a massive \$550 million; and current year to date sales down 3.4%. **The numbers don't lie!**

Premier is in discussion with Myer shareholders with a view to replacing Myer's failed Board with a new set of expert, highly-qualified directors who can rescue the company.

History will judge harshly those who stand by and allow Myer to fail.