



## TRIAL SHOWS JOHN KING IS HAVING TO BATTLE HIS OWN BOARD AT MYER

**15 October 2018** – Premier Investments Ltd (“Premier”) is the largest shareholder in Myer Holdings Ltd (“Myer”) and has consistently raised concerns about the dismal performance of the Myer Board and called for its removal.

Premier is alarmed at today’s media reports in the *Dataroom* column of *The Australian* that the recent sensible decision by new Myer CEO, Mr John King, to close down the disastrous Myer clearance floors has been reduced to a trial closure of only three stores for three weeks.

Premier believes this development is proof that Mr King is battling against his own Board in making the necessary decisions to improve Myer’s performance.

At Myer’s full year 2018 results announcement on September 12, Mr King was asked by Shaun Cousins of JPMorgan if he planned to close the clearance floors and his answer was unequivocal.

*“Yes. They are going to go. Yes absolutely. I hate them. They are going to go through 2019.”* Mr King said.

These comments were widely reported by media, and Premier welcomed Mr King’s sensible decision to rid the business of the blight of the clearance floors.

It now appears, based on a Myer memo to its suppliers, that Mr King is being forced to trial the closure of three stores rather than just getting on with a plan to close all of them.

Premier has the following questions:

1. What is the point of this trial if the CEO is already publicly committed to closing all of the clearance floors by the end of 2019?
2. What can be gained by trialling a process of switching the lights off on three stores for three weeks in any case?
3. Why should the clearance stock be left in a closed, dark space for three weeks where it cannot possibly be sold? Surely the stock should be written off.
4. Is Mr King being forced by his Board to backtrack on his commitment to close all of the clearance floors?

The failed Myer Board were responsible for the clearance floors strategy as part of “New, New Myer”. Mr King is right to want to close them and should just get on with it.

Myer investors who support Mr King and want him to succeed in turning Myer around should note that Mr King needs a Board he can work with, not against. Mr King needs the advice and guidance of a group of experienced directors, not the failed individuals he has at present.

Premier Chairman Mr Solomon Lew said today “The awful clearance floors are part of Garry Hounsell’s “green shoots” for Myer and it appears he doesn’t want to allow Mr King to close them. Green shoots don’t grow in the dark, Mr Hounsell, but mould does. Don’t just switch off the lights for three weeks at three stores- back your CEO and close all of the clearance stores now.”