



Myer Pty Ltd  
ABN 83 004 143 239

Level 7, 800 Collins Street  
Docklands VIC 3008  
Australia  
T: +61 3 8667 6800

30 October 2017

## IMPORTANT INFORMATION

### **SUPPORT AN INDEPENDENT MYER** **BY VOTING IN FAVOUR OF ALL RESOLUTIONS**

Dear fellow shareholder,

Following a letter you may have received from Premier Investments, I would like to respond and explain the reasons why you should confidently support your Myer Board and the work we are undertaking to transform Myer at a time of historically tough and rapidly changing conditions for the retail industry.

#### **The new Myer Board under my leadership has the right skills to lead the transformation**

I acknowledge shareholders' disappointment and frustration with Myer's share price. Today's Myer Board has a fresh perspective on the business and is committed to the New Myer strategy with a dedicated focus on building shareholder value. Since 2014, five Board members have retired and seven new members have been appointed including me.

The Myer Board is highly capable and has the right mix of skills with experience in traditional retail and also in fields that are shaping the new retail environment such as digital, data, customer experience and brand management.

I was appointed to the Myer Board only last month and I hope you will support me to play a leading role in Myer's transformation. My conviction in our Company's future prospects and the skills of the Board and management team is reflected in my recent purchase of 500,000 Myer shares.

The Myer Board and management are a highly cohesive team that are focussed on delivering a complex transformation in tough trading conditions. However, successful transformations take time and we are two years into a five year transformation.

For those of you who are not familiar with my track record on Boards, I have been a part of a number of recent successful business transformations including Qantas and Treasury Wine Estates where I have helped unlock billions of dollars of shareholder value.

I know from my time at Qantas the value that lies in a strong customer loyalty program. I am determined to see value unlocked through the effective use of the Myer One customer loyalty program. You can be absolutely assured that I will take a personal interest and accountability for ensuring the company delivers on this part of the strategy – our digital and data assets are absolutely critical to our future success as a business and to building long term shareholder value. Since I joined the Treasury Wine Board in 2012, its iconic brands such as Penfolds have increased in profitability with shareholder value increasing more than threefold since 2012. I therefore believe I offer shareholders the track record and experience in helping turn around much loved icons such as Myer.

## **Premier nominees on the Myer Board are a risk to our Company and the new Myer transformation**

We appreciate the attraction of a company that promises to change Myer's fortunes. However, appointing Premier nominees to the Myer Board is a risk. As you may be aware, Premier is not only a Myer supplier but also operates businesses that are outright competitors to Myer. Therefore, Premier is also a threat to the performance of our Company as it fights for the business of Myer customers.

It should go without saying that the potential risks in allowing a competitor into our boardroom where we discuss highly sensitive matters such as performance and strategy would be enormously damaging and against the best interests of Myer shareholders. In fact, they are against our fiduciary duty to you.

Further, we believe Premier's campaign of hostility and obstructive actions shows it is acting for its own benefit rather than in the interest of all Myer shareholders. It also shows its disregard for the cohesive functioning of Myer's Board and management at a critical time in our transformation and for proper Board functioning.

## **Your independent Myer Board will demand a control premium for your shares**

The Myer Board and shareholders should be deeply concerned that Premier has expressed an intention to seek the appointment of three non-executive directors related to or effectively affiliated with it, which would result in its 10.77% shareholding controlling 43% of the non-executive Board seats!

The issue of Premier gaining control of Myer without paying you a takeover premium must not be ignored. You should note that Premier has only gone as far as to say that it has "*no current intention of making a takeover offer for Myer*". Only Premier knows what its true agenda is for Myer and as your independent directors we have an obligation and duty to work in the best interests of all shareholders. PREMIER DOES NOT. Premier and Mr. Lew's objective is to pursue its self-interests which by virtue of its conflicts cannot be aligned with Myer's.

Premier is asking you to vote against Myer's highly experienced, conflict free and committed independent directors while at the same time failing to disclose its true plans and motives.

## **Act now to support an independent Myer**

For these reasons, I am asking for your support to help us build and grow this great Company. You were recently sent our Notice of Meeting which we ask that you carefully read and consider.

ACT NOW – have your say in the future of an independent Myer by completing and returning your proxy form VOTING IN FAVOUR of all the resolutions as recommended by your Myer Board. For your convenience you can also vote online or by fax as set out on your proxy form. If you have any questions please email us at [Myer.InvestorRelations@myer.com.au](mailto:Myer.InvestorRelations@myer.com.au). I welcome your attendance at our AGM and look forward to meeting with you on the day.

Yours sincerely,



Garry Hounsell  
Chairman-elect  
**Myer Holdings Limited**