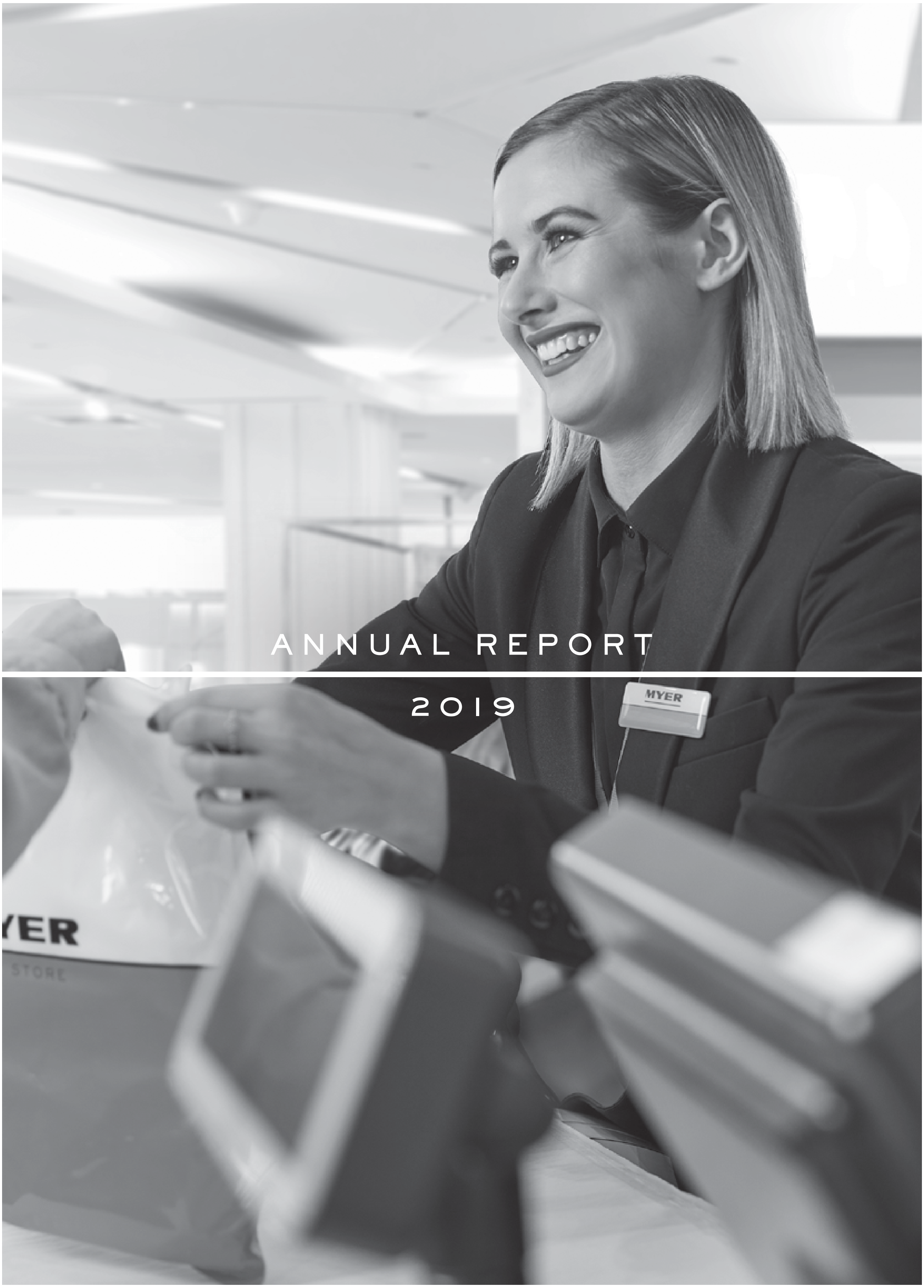
ANNUAL REPORT

2019



MYER

MY STORE

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MYER
MY STORE

ANNUAL GENERAL MEETING

The tenth Annual General Meeting of Myer Holdings Limited will be held on Wednesday 30 October 2019 at 2.30pm (Sydney time) at Dockside, Balcony Level, Cockle Bay Wharf, Darling Park, Sydney 2000.

Myer Holdings Limited ABN 14 119 085 602

The 2019 Myer Annual Report reflects the Company's financial and sustainability performance for the period 29 July 2018 to 27 July 2019. It covers our retail and store support operations in Australia. The Annual Report is prepared for all Myer stakeholders including shareholders, analysts, customers, suppliers, team members, and the wider community. Content is based on ASX financial and governance reporting guidelines, stakeholder feedback, and Myer's business strategy. Further information is available from myer.com.au.

ABOUT MYER

Myer is one of Australia's largest department store groups with a focus on placing customers first in every decision we make, and every action we take.

Myer operates 61 department stores across Australia, and with our team members, we are committed to being Australia's favourite department store.

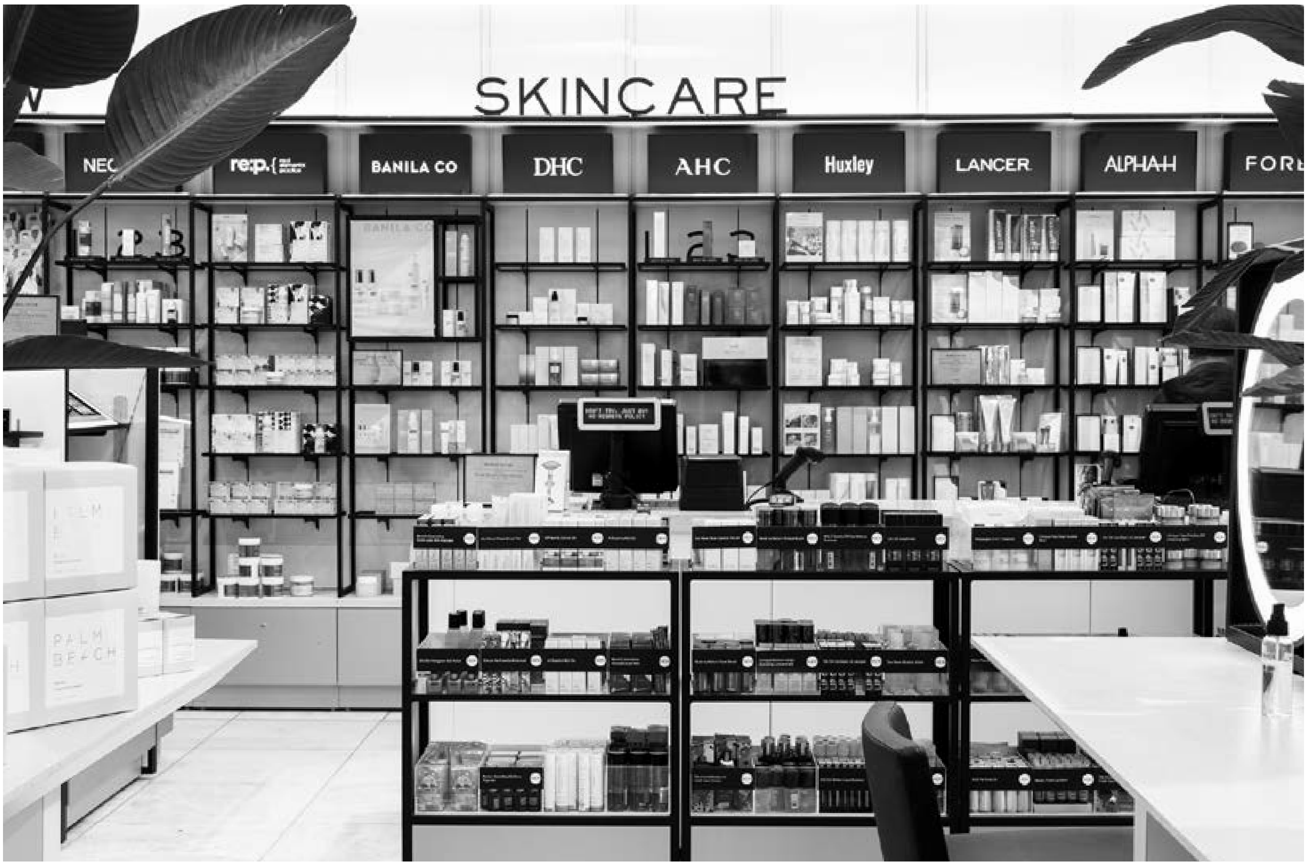
Our merchandise offer includes core product categories: Womenswear; Menswear; Childrenswear; Beauty; Homewares; Electrical Goods; Toys and General Merchandise.

The majority of Myer's operations are in Australia and encompass Myer department stores, sass & bide and Marcs and David Lawrence (MDL). In addition to our Australian operations, we have sourcing offices located in China and Hong Kong.

Myer's online business is a significant asset that continues to deliver strong growth, now representing our largest store by sales.

> "*We will provide friendly, helpful service, high quality and exclusive brands and offer compelling value.*"

Our loyalty program, MYER one, has more than five million membership cards in circulation. Members earn Credits on purchases at Myer that convert into Reward Cards on a quarterly basis. For every $1,000 spent at Myer, Members receive a $20 Reward Card. Members can also earn MYER one Credits at MYER one affiliates and on purchases made with the Myer Credit Card. Further details about the MYER one program are available at: myerone.com.au.



CHAIRMAN & CEO'S REPORT

We are pleased to report on a year where we have continued to strengthen the foundations of our great Company. We have made good progress in executing the Customer First Plan to underpin the future success of the Company and to ensure we are making decisions that are in the best interests of customers and shareholders.

STRENGTHENED BOARD AND EXECUTIVE MANAGEMENT TEAM

During the year we have significantly refreshed the Board to ensure we have the right skills and experience with five of the eight current Board members having joined within the last three years. This includes the appointments of respected IT entrepreneur Lyndsey Cattermole AM and experienced retailer Jacquie Naylor.

Lyndsey founded one of Australia's largest and most successful IT businesses, Aspect Computing, which operated for almost thirty years before being sold to the ASX-listed company KAZ Group. She also has significant board experience including at Foster's Group Ltd, Treasury Wine Estates Ltd, Tatts Group Ltd and the Victorian Major Events Corporation.

Jacquie brings to the Board a wealth of experience and knowledge of both women's and men's apparel, homewares and outdoor brands. She has been an owner, director and executive at some of the most iconic Australian retailers including as an Executive Director and Non-Executive Director at The PAS Group. In addition, Jacquie was a Non-Executive Director of one of the world's most trusted outdoor brands, Macpac, and has also been a Group Executive Director at the Just Jeans Group.

Importantly, we now have an equal split of female and male directors demonstrating our commitment to gender diversity, which better aligns the Board with the diversity of our customer base.

As shareholders know, we have been encouraging directors to have skin in the game to better align their interests with shareholders. Last year the Board introduced a Shareholding Policy whereby each Non-Executive Director targets the purchase of a shareholding that is the equivalent of a minimum of one year's directors' fees within three years. The directors have responded positively to this Policy and collectively we now own over two million shares.

In addition to the significantly refreshed Board, we have strengthened the Executive Management Team to ensure it has the skills and experience needed to deliver the Customer First Plan.

During the year we appointed Geoff Ikin as Chief Customer Officer. Geoff is responsible for the key customer facing functions of online, MYER one, marketing, advertising, public relations, social media, corporate affairs and communications.

In September 2018 Tabitha Pearson joined Myer as Executive General Manager People and Culture, and is responsible for all aspects of Myer's human resources including organisational development, sourcing and talent strategies, industrial relations, and risk and safety.

Paul Goodall joined Myer in October 2018 as Executive General Manager Store Design and Development and is responsible for store design, space planning, project management and visual merchandising.

FY2019 RESULTS

Our FY2019 results demonstrate our focus on profitable sales, a disciplined management of costs and cash, as well as deleveraging the business.

Total sales were down 3.5% to $2,991.8 million and comparable store sales were down 2.9%, in part reflecting our focus on profitable sales. Excluding sales of Apple products (exited May 2019), FY2019 comparable sales were down 1.3%.

Total digital sales in FY2019 grew by 21.9% to $292.1 million (including Marcs and David Lawrence (MDL) and sass & bide online sales, Myer Market, and $29.8 million via in-store iPads), now representing our largest store and 9.8% of total sales.

Operating gross profit (OGP) declined by 1.9% to $1,162.4 million. OGP margin increased by 65 basis points to 38.9%, driven by an improved Myer Exclusive Brands (MEBs) mix as well as lower promotional markdowns and shrinkage. Cost of doing business (CODB) decreased by 3.1% to $1,002.4 million which reflected improved efficiencies both in stores and at the Support Office.

Earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 7.2% to $160.1 million. Net profit after tax (NPAT) pre-implementation costs and individually significant items increased by 2.2% to $33.2 million.

Operating cash flow (before interest & tax) increased by $8 million to $138 million, and closing net debt of $39 million was $69 million below last year. The dividend continues to be suspended.

Garry Hounsell
Chairman

John King
Managing Director and CEO

PUTTING CUSTOMERS FIRST

Myer team members have been focused on the delivery of the Customer First Plan and we are continuing to place customers first, in every decision we make, and every action we take. Much work has been achieved across the key focus areas, but there is much more to be done as we continue to strengthen the foundations of our Company for future growth.

Customer

We have provided additional space in our core categories optimising the brand flow and allowing the prominent display of quality brands that are exclusive to Myer. These improved layouts and brand adjacencies have been undertaken in 34 stores, and in many stores also included the introduction of new brands.

We have completed refurbishments at our Castle Hill and Maroochydore stores and have announced store refurbishments and space reductions for our Cairns and Belconnen stores. As part of this work, we will improve the range and offer at these stores for our loyal customers. In addition to this, we have extended the lease of our historic Ballarat store, and will be undertaking store improvements.

Brands

In the past year we have added more than 50 new brands, which is expected to increase to 90 new brands by this Christmas. New brands include: Oasis, Warehouse, Karl Lagerfeld Paris, Selected Femme, Selected Homme, Vero Moda, Fiorucci, Rotate by Birger Christensen, Jack London, Twisted Tailor and Acqua di Parma.

Online

Throughout the year we have continued to improve the customer's digital shopping experience, following the launch of our new website in September 2018. We have enhanced the experience by focusing on customer feedback and building new features and improvements, in particular on mobile devices. In addition, we continue to close the gap between our in-store and online ranges, and are progressing on completing our aim of matching our store and online ranges by the end of the calendar year.

Efficiency

We have continued with our commitment to always be making money or saving money. As part of this, we have made decisions throughout the year not to chase unprofitable sales.

In addition, we have continued to ensure that our Support Office is operating as closely to our customers as possible by simplifying structures and reducing duplication. This has resulted in a number of non-customer facing management and administration roles leaving the business, and we have further reduced the Support Office by one floor.

COMMUNITY

Each year the Myer Community Fund works with over 55 charities. This year it disbursed over $1.9 million in funding.

Now in its 15th year, the Precious Metal Ball is the Fund's premiere fundraising event. This year it partnered with the Australian Childhood Foundation and supported their Bringing Up Great Kids program. As the event partner they received more than $200,000, which will go to assisting mothers who have been affected by family violence.

This year, with our customers, we also raised $240,000 to assist flood and drought affected communities.

THANK YOU

As we mark one year of delivery against the Customer First Plan, we thank you for the confidence you have shown in the Board and Executive Management Team, as we further strengthen the foundations of this Company for future growth and the delivery of shareholder value. We know there is much more to be done to transform this business in the interests of customers and shareholders and we look forward to working with you to achieve this.

Yours sincerely,

Garry Hounsell
Chairman

John King
Managing Director and CEO

PERFORMANCE REVIEW

The 2019 results reflect our focus on profitable sales, a disciplined management of costs and cash, and on deleveraging the business.

SALES

Total sales were down 3.5% to $2,991.8 million and comparable store sales were down 2.9%, in part reflecting our focus on profitable sales. Excluding sales of Apple products (exited May 2019), FY2019 comparable sales were down 1.3%.

Total digital sales in FY2019 grew by 21.9% to $292.1 million (including Marcs and David Lawrence (MDL) and sass & bide online sales, Myer Market, and $29.8 million via in-store iPads), now representing our largest store and 9.8% of total sales. Online sales (excluding $29.8 million via in-store iPads) increased 25.6% to $262.3m.

OPERATING GROSS PROFIT

OGP declined by 1.9% to $1,162.4 million and OGP margin increased by 65 basis points to 38.9%, driven by an improved Myer Exclusive Brands (MEBs) mix as well as lower promotional markdowns and shrinkage. Total sales of MEBs increased by 1.9% to $527.2 million, now representing 17.6% of total sales as a result of improved merchandise and brand prioritisation.

COST OF DOING BUSINESS

Cost of doing business (CODB) decreased by 3.1% to $1,002.4 million which reflected improved efficiencies both in stores and at the Support Office, as well as cost savings achieved in IT, occupancy and marketing.

> “*Total digital sales now represents our largest store and 9.8% of total sales.*”

NET PROFIT AFTER TAX

Net profit after tax (NPAT) pre-implementation costs and individually significant items increased by 2.2% to $33.2 million. Implementation costs and individually significant items (post-tax) totalled $8.7 million and included redundancies reflecting the simplification of the organisational structure, as well as an onerous lease and impairment of assets for an additional level vacated at the Support Office.

CASH FLOW AND BALANCE SHEET

Operating cash flow (before interest & tax) increased by $8 million to $138 million. Capital expenditure decreased to $45 million reflecting a heightened focus on return hurdles. Net debt was $69 million lower than last year at $39 million reflecting the continued focus on deleveraging. Inventory decreased by 5.4% to $346.9 million.

TOTAL SALES ($B)

2019	**3.0**
2018	3.1
2017	3.2
2016	3.3
2015	3.2

NET PROFIT AFTER TAX ($M)*

2019	**33.2**
2018	32.5
2017	67.9
2016	69.3
2015	77.5

OPERATING GROSS PROFIT MARGIN (%)

2019	**38.9**
2018	38.2
2017	38.1
2016	38.7
2015	40.4

EARNINGS PER SHARE (CENTS)*

2019	**4.0**
2018	4.0
2017	8.3
2016	8.8
2015	13.2

FINANCIAL SUMMARY ($M)

	FY2019	FY2018	Change
Total Sales	2,991.8	3,100.6	(3.5%)
Operating Gross Profit	1,162.4	1,184.4	(1.9%)
Operating Gross Profit Margin	*38.85%*	*38.20%*	*+65bps*
Cost of Doing Business	(1,002.4)	(1,035.0)	(3.1%)
Earnings before interest, tax, depreciation, amortisation (EBITDA)*	160.1	149.4	+7.2%
Earnings before interest and tax (EBIT)*	58.5	55.4	+5.5%
Net profit after tax (NPAT)*	33.2	32.5	+2.2%
Implementation costs and individually significant items (post-tax)	(8.7)	(518.5)	nm**
Statutory NPAT	24.5	(486.0)	nm**

* Excluding implementation costs and individually significant items
** Not meaningful

OUR CUSTOMER FIRST PLAN

Throughout the year we have focused on implementing our Customer First Plan to transform the business in the interests of customers and shareholders. We continue to put customers first – in every decision we make, and every action we take. We are committed to ensuring Myer is Australia's favourite department store, providing friendly, helpful service, high quality and exclusive brands and offering compelling value.

OUR VALUES

CUSTOMERS COME FIRST	OWN OUR FUTURE	DO WHAT'S RIGHT	ONE INCLUSIVE TEAM

FOCUS AREAS

TRANSFORM CUSTOMER EXPERIENCE IN STORE	'ONLY AT MYER' BRANDS AND CATEGORIES; VALUE FOR MONEY	CONTINUE ENHANCING MYER.COM.AU

EFFICIENCY LEVERS

SIMPLIFIED BUSINESS PROCESSES *Work smarter*	EFFICIENT FROM FACTORY TO CUSTOMER *Move product at lowest total cost*	ACCELERATED COST REDUCTION *Spend prudently*

OUR MYER VALUES

An integral part of delivering our Customer First Plan lies in our values. They guide our behaviour, shape our culture, and provide a framework for how we work at Myer.

Everyone at Myer has a role to play, from those who source and buy our products to the teams who sell them and everyone in between. The values we share bind us together, and are the things that matter the most to our customers and our people. In 2018 we refreshed our values to ensure we put the customer first, in every decision we make, and every action we take.

Our Customer First Plan Values are:

Customers Come First

We're passionate about the customer; they're at the heart of everything we do.

Own Our Future

We find new ways and adapt to deliver the right results.

Do What's Right

We execute with integrity and we strive to make a difference.

One Inclusive Team

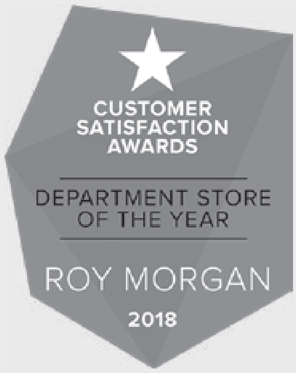
We care as a family, work as a team.

CUSTOMER SATISFACTION

During the year Myer won the Roy Morgan Annual Customer Satisfaction Award for Department Store of the Year. This is the fourth consecutive year that Myer has won this award and the sixth time in the last eight years.

Myer Melbourne General Manager, Loucinda McCorry, said at the awards ceremony:

"This award is wonderful recognition for the team at Myer. Every day across the country, from Penrith to Perth and from Cairns to Chadstone, our 61 stores and their teams strive to give every customer the best experience. We believe that it's because of this customer first approach, that they, our customers, have chosen again to make us their department store of the year. This is now the fourth year in a row that Myer has been given this honour, and it is something that we truly cherish and work tirelessly every day to retain."



TRANSFORM CUSTOMER EXPERIENCE

Listening to our customers

Our Voice of Customer program provides our customers with the opportunity to rate their shopping experience in areas such as product range, value, service and ease of shopping. Each year, over 300,000 customers complete these surveys and tell us about their recent shopping experience at Myer.

Dawn Ralph – Northlakes, QLD

Dawn has received feedback from 175 customers, averaging a Team Member Satisfaction score of 84% for the year.

"She was friendly, approached me and showed me where I could find what I was looking for and helped me use all of my vouchers."

Christopher Dragt – Hobart City, TAS

Christopher has received feedback from 153 customers, averaging a Team Member Satisfaction score of 87% for the year.

"He is highly personable and professional in his practice, knows me by name and looks to be his best at all times, Chris is a credit to Myer. I used to manage a menswear store in Sydney and I rate his service highly."

Penny Heywood – Melbourne City, VIC

Penny has received feedback from 112 customers, averaging a Team Member Satisfaction score of 89% for the year.

"Penny was prepared to help me in every way - she was patient, and she explained things to me. Nothing was too difficult for her; she was also very pleasant to deal with."

Myer's Santaland Wins!

Myer's Santaland has been recognised as the best retail marketing campaign in the world at the 2019 annual Shop! Global Awards, announced at GlobalShop in Chicago.

Myer's Santalands ran in our flagship stores within the Myer Christmas Giftorium. They featured three zones: Santaland Express, Claus' Residence and Santa's Workshop.

Created by Active and IdeaWorks by VMLY&R, Myer Santaland won two of the 16 Global Award categories – Department Store Design and Specialty Store Concepts.

Store portfolio

We continue to improve productivity across our store portfolio, with an absolute focus on removing unnecessary costs, while investing for growth.

In November 2018 we relaunched the Maroochydore store after a refurbishment. Refurbishment works at the Castle Hill store were also completed during the year. Together, these newly refurbished stores demonstrate our strong commitment to our customers and the wider community by offering the latest in fashion, homewares and entertainment with refreshed product ranges and new exclusive brands.

In May 2019 we announced that the Belconnen store would remain open and we have plans for its refurbishment, reversing a previous decision that the store would close this year. We also announced in July this year that our Cairns store will be refurbished. In both instances we will reduce floor space, whilst delivering an improved retail experience and product range for our customers, including many new and exclusive brands.

We closed the Logan store in January 2019 and also made the decision to exit level four of Emporium in Melbourne from May 2020. As previously announced, the Hornsby store will also close by January 2020.

Bringing Myer's iconic 'My Store' campaign back

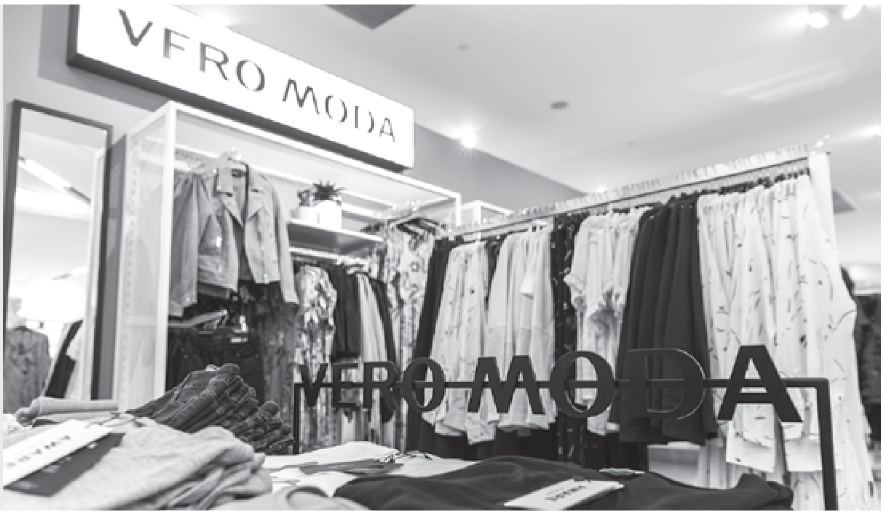
Myer relaunched the 'My Store' campaign in October 2018. The campaign acknowledges the brand's strong history and the special place it holds in the Australian community, whilst also looking to the future to show how Myer is evolving and improving. The 'My Store' campaign showcased how Myer has been, and will continue to be, a part of the Australian way of life.

Naughty or Nice – the smart Christmas decoration

For Christmas 2018 Myer partnered with Clemenger BBDO Melbourne to introduce the 'Naughty or Nice Bauble'. This bluetooth-enabled decoration allowed the user to choose whether it glowed red or green – naughty or nice – via their smartphone. The bauble and associated television campaign resonated strongly with our customers, with 15,000 units selling out in two weeks. Advertising industry news publication Mumbrella named the campaign 2018's Ad of the Year. The campaign also received international recognition at events such as the Cannes Lions International Festival of Creativity, and the ADC Annual Awards.

VERO MODA

Vero Moda was launched in Myer in August 2018, with customers responding positively to the competitive price points and accessible day wear. As a result of its successful launch, the brand was extended to all stores in July 2019.



ONLY AT MYER BRANDS AND CATEGORIES

Throughout the year Myer reviewed every aspect of our brand and product mix to ensure we are offering our customers more of what they want to buy, ensuring the new, innovative and most wanted brands are placed in the best locations.

As part of this, we launched more than 50 new and exciting Australian and international brands in the past year. They included: Selected Femme, Selected Homme, Vero Moda, Jack London, Twisted Tailor and Acqua di Parma. This is expected to increase to over 90 new brands arriving in-store by Christmas 2019.

We expanded several of our most successful brands to additional stores, including: Polo Ralph Lauren, Rodd & Gunn, Tommy Hilfiger, Calvin Klein, Levi's, Forever New, Sunglass Hut, Ferrari and Bestseller Group.

Similarly, a number of brands that were not performing were exited from stores; this reflects our commitment not to chase unprofitable sales and to also ensure space in our stores is used in the most productive and profitable way.

Implemented during the year the store merchandise relay program has significantly enhanced customers' in-store experience. The program has provided additional space in our core categories of menswear and womenswear, optimising the brand flow and allowing the prominent display of quality brands that are exclusive to Myer. The program was implemented in 34 stores.

The introduction of Selected Femme and the expansion of Vero Moda enables Myer to differentiate our womenswear offer, with international brands that are exclusive to Myer. During the year the women's fast fashion offer was further enhanced with the arrival of international brands Girls on Film, Warehouse and Oasis.

Beauty Emporium by Myer

Developed during the year and launched in Melbourne City, Sydney City and Chadstone, Beauty Emporium by Myer is a fresh approach to our beauty business. It offers over 80 innovative brands and incorporates new global trends including wellness, beauty with a conscience products, emerging Korean, Japanese and indie brands and travel retail. Impulse purchase stations are also featured. Complementing this are our newly trained beauty experts, ready to serve and educate our customers in all things beauty.

Aesop

In September 2018 Myer secured Aesop as an exclusive Australian department store brand. This agreement includes expanding the brand's presence to 18 stores.

Selected Femme & Selected Homme

Selected is a modern fashion brand from Denmark. Owned by Bestseller Group (the parent company of other exclusive to Myer brands Jack and Jones, Only, Vero Moda, Y.A.S., Name It, and Only Carmakoma), Selected is new to the Australian market and exclusive to Myer, offering both womenswear (Femme) and menswear (Homme).

Radley

Customers have responded well to the high quality British handbag brand, with classic styling that is both quirky and unique. It is one of the top brands in handbags and will be ranged in all stores from August 2019.

Karl Largerfeld Paris

Karl Largerfeld Paris was launched in March 2019 in women's apparel, footwear and handbags, offering customers accessibly priced products from an iconic fashion brand name. Initially available in 11 stores, it will be expanded to 30 stores.

Warehouse

Warehouse was introduced into our fast fashion department online and in 20 stores in April 2019. This UK brand has been offering the latest catwalk trends at great prices for over 40 years. Based on positive customer response we plan to extend the brand to 50 stores in February 2020.

Jack London

Jack London was secured as an exclusive to Myer menswear brand during the year and is now available online and in 12 stores. The brand creates contemporary clothes and accessories inspired by the sleek and sharp styles worn in the rock scene of the '60s.

Twisted Tailor

Launched in March 2019, online and in 10 stores, Twisted Tailor compliments Myer's existing suiting business by offering younger fashionable customers an alternative to traditional tailoring, featuring slim fitting suits, shirts and outerwear.

Name It

Popular Danish childrenswear brand Name It launched in 20 stores and online in July 2019. The brand is known for its fun loving prints, vibrant colours and detailed styling for both boys and girls aged 5-10 years. For more than 30 years, Name It has been creating contemporary and affordable merchandise for kids and tweens.

Store transformation

Stores were transformed during the year to better meet customer expectations, delivering an elevated shopping experience and refreshed apparel ranges.

These transformations saw the introduction of new, desirable designer brands into womenswear, menswear, and childrenswear.

These changes, whilst significant in the eyes of our customers, were implemented with minimal capital expenditure and focused on product range, merchandise layout and department adjacencies. Range additions have proven popular with customers keen to shop the newly introduced brands and customers have also responded positively to the new store layouts that bring related departments together, in one location.

CONTINUE TO ENHANCE MYER.COM.AU

The digital experience

Throughout the year we have continued working to improve the customer's digital shopping experience, following the launch of the new website in September 2018. We have enhanced the experience by addressing customer feedback, building new features and implementing incremental improvements to the site and overall online customer journey.

We have also made progress in closing the gap between our in-store and online ranges with the implementation of the Myer Product Enrichment Portal. The portal simplifies and automates the process of getting products from registration to selling online, resulting in significant savings in time and costs for the merchandise and online teams, as well as streamlining the process for our suppliers. As of July 2019, all eligible suppliers are using the portal to upload rich product content and imagery, with 39,000 products being published via this process in 2H2019.

The portal was recognised at the 2019 Akeneo PIM Summit, winning the 'Best B2C PIM Project' award. Myer also received a nomination as 'Digital Commerce Retailer of the Year' at the 2018 Australian Retail Awards.

The Myer Market continued to grow during the year, with over 145 sellers and 58,000 products now available. This, combined with a growing range of 'online only' products, is expanding the Myer range well beyond what would be possible in a physical store, enabling us to test new brands and categories quickly and easily.

Popular online shopping events Black Friday (November 2018) and Boxing Day (December 2018) were our two largest online trading days for the year. On both occasions, the site experienced a significant uplift in traffic, orders and sales. Our investment in the new website and underlying cloud based technology meant that the site performed very well on these two occasions and demonstrates that we are well placed to meet continued growth during FY2020.

EFFICIENCY LEVERS

Support Office efficiency

We continued to make progress in our efficiency agenda, vacating further space at the Docklands Support Office in July 2019. Together with the space handbacks that have previously occurred, our Support Office now occupies 30% less space, providing further cost efficiencies.

RFID smart labels

Myer collaborated with Checkpoint Systems and GS1 Australia to improve stock availability and online sales with the trial of radio frequency identification (RFID) smart label merchandise tagging. This end-to-end solution improves inventory management whilst minimising product loss.

RFID smart labels allow Myer to ensure that our inventory is accurate and is able to meet our customers' needs as and when they choose to buy from us. With RFID, we can now track movements of a product at all stages of its journey. If an item is RFID tagged at source, it can be tracked from the manufacturer all the way to the shop floor. RFID technology allows us to know exactly which individual SKUs we have available in-store or online and where they are located, ensuring an even better customer experience.

COMMUNICATING WITH OUR TEAM

Throughout the year we made further enhancements to our team member communications app. This has revolutionised the way we communicate by digitising all store communications and delivering content directly to team members' mobile phones. It allows timely communication to store teams and ensures leaders have more time on the shop floor leading their teams and focusing on the customer.

SUSTAINABILITY AT MYER

At Myer, sustainability is about responsible business growth and development that considers and addresses the environmental, ethical, economic and social impacts of our business operations and strategies.

Sustainability is about maximising positive outcomes and the impact we have on our internal and external stakeholders and the environment. Our Sustainability Strategy has five focus areas: Customer, Team, Environment, Community and Business.

During the second half of the year, Myer commenced a review of the Sustainability Strategy, ensuring that it aligns with our Customer First Plan.

As part of this review, we are taking into consideration Myer's business activities and impacts, internal risk assessment, and our stakeholder concerns and interests. We will review and identify relevant metrics to enable us to measure and track our performance.

CUSTOMER

Myer's customers are key to our sustainability as a business and our MYER one loyalty program has more than five million membership cards in circulation. We continue to work hard to delight them with our product range, services and reward them for their loyalty.

Under the Customer First Plan, several pilot initiatives have been conducted to improve service, layouts, ranging and the appearance of stores, with better store communication and product knowledge supporting these initiatives.

We have also worked with brand partners and team members to improve customer service and enhance the overall in-store experience. We have made significant changes to the way we communicate with team members in stores, introducing an app that provides up to date operational information, product knowledge and customer feedback directly to team members' mobile phones.

TEAM

Myer team members are our most important resource. We are committed to offering our more than 10,900 team members a supportive, challenging and rewarding workplace that enables them to contribute and develop to their full potential.

At Myer, we understand the value of diversity and inclusion and we continue to focus on the delivery of our commitment. Throughout the year, we delivered a range of initiatives including participation in the Diversity Council Australia's inaugural Workplace Inclusion Survey, rolling out flexible work options at the Support Office, facilitating unconscious bias education, trialing cultural awareness tools, partnering with Pride in Diversity, celebrating key events such as National Carer's Week and delivering the Myer Academy diversity masterclass series.

Myer aspires to create and maintain a collaborative and inclusive workplace to reflect the diversity of our customers and our community, to enable all team members and people leaders to reach their full potential and to contribute to Myer's success.

The business focuses on three key inclusion priorities being cultural diversity, LGBTI inclusion and female representation at senior leadership levels.

The Group's workforce composition at 27 July 2019 was 80.2% female, with 55.5% of leadership roles and 57.1% of our Non-Executive Directors being female. Myer monitors progress in female representation through measurable objectives in terms of succession planning, parental leave and leadership development metrics.

Our commitment to developing the capability of our team was also reflected with the introduction of Certificate IV in Retail Management, as well as Merchandiser in Training and Planner in Training programs during the year.

Improving the safety, mental health and wellbeing of our team has also been a key focus throughout the year. We have implemented safety training programs and invested in mental health awareness training for our people leaders, having delivered this training to 415 people leaders in FY2019. We have also implemented programs and systems to improve safety governance and address our critical risks, including a new online incident reporting system. Our safety performance over the year demonstrated a small improvement in the number of injuries incurred with a decrease in the Total Recordable Injury Frequency Rate result of 22.5.

There was a marginal increase in Lost Time Injuries in FY2019 with a Lost Time Injury Frequency rate score of 6.0.

ENVIRONMENT

Reducing energy usage and associated greenhouse gas emissions continues to be a focus for the business.

This year Myer's total energy use for the year reduced by 6.6% to 558,620 GJ, resulting in 124,023 tonnes of carbon dioxide equivalent greenhouse gas emissions which is a reduction of 8.6% from FY2018. The energy intensity of our business further reduced by 6.5% from FY2018.

Since the commencement of the sustainability strategy in 2014, we have achieved a 22% reduction in total net company overall energy use, 29% reduction in CO_2 emissions and 19% reduction in our energy intensity.

We will continue to drive operational efficiencies including the implementation of the Energy Resource Advisor reporting tool, in partnership with Schneider Electric, allowing us to monitor ongoing daily energy performances and action both short-term and long-term initiatives to control and optimise energy use. This year, we have been able to benchmark our overnight 'base load energy' usage and target further energy savings during non-trading periods.

We have set conservative energy targets for FY2020 with a view to hold current results as we continue to work through and reset our ongoing long-term strategy and identify energy reduction opportunities relative to investment returns.

Myer continues its commitment to adopt the Australian Packaging Covenant (APC), Sustainable Packaging Guidelines and related product stewardship. The APC is a key partner with government and industry to help optimise the packaging practices, reduce the environmental impact of packaging in Australian communities and increase recycling diversion.

In FY2019 the Company's total waste generation fell by approximately 8.5% which was driven primarily by an overall reduction in waste sent to landfill, while sustaining effective re-use systems including cardboard and paper, clear flexible plastics, apparel hangers, damaged and unsold stock, timber pallets and security tags.

COMMUNITY

Myer has a longstanding history of community investment and partnerships that are mainly aligned with the theme 'empowering and supporting women; strengthening families'. This year, Myer continued to support the Myer Community Fund, which worked with its stakeholders to contribute a total of $1.9 million to our local communities.

> *"In 2019 the Precious Metal Ball supported the Australian Childhood Foundation, with funds raised going towards the 'Bringing Up Great Kids – Parenting After Family Violence' program."*

In May 2019, the Myer Community Fund hosted the Precious Metal Ball, which is the most successful fundraising activity on the Myer Community Fund calendar. We are proud to have supported the Fund in raising more than $9 million over the past 13 years to aid those in need.

BUSINESS

Myer is committed to the highest levels of integrity and ethics in our business operations and we work with partners that share our values of accountability, corporate responsibility, and sustainability in the industry. This commitment is embedded in our code of conduct and whistle-blower program, supplier terms and Ethical Sourcing Policy.

Myer understands the importance of sourcing products in a responsible manner and integrating an effective and sustainable supply chain within our business. Business partners must adhere to Myer's Ethical Sourcing Policy which covers a range of key labour indicators such as wages and benefits, working hours and discrimination. The policy requires business partners to ensure that workers are treated fairly, with respect, are paid fairly and work in a safe and hygienic environment. The Policy prohibits the use of forced or slave labour, child labour and acts of bribery.

In FY2019, we reviewed audits from 243 business partners (366 factory audits) within our Myer Exclusive Brand network. Our review identified no Zero Tolerance issues and 64 High Risk issues, which primarily related to excessive overtime hours and the need for safety improvements. Myer is continuing its working relationships with the factories to address the High Risk issues.

SUSTAINABILITY PERFORMANCE AND TARGETS

Focus area	Key measure	FY2017 Performance	FY2018 Performance	FY2019 Performance	FY2020 Target[1]
Customer	Net Promoter Score	Target not met	Achieved	Achieved ✓	Improvement
Team	Diversity and inclusion (% female senior managers)	51	57	55 ✓	≥50
	Workplace safety (LTIFR)	5.8	5.4	6.0 ✗	<5.7
Community	Direct community contribution (% EBIT)	1.4	3.0	1.2 ✓	>0.5
Environment	Greenhouse gas emissions reduction (%)[2]	7.7	7.4	8.6 ✓	≥1.0
	Energy intensity (kJ/m2.opening hour)[2]	166.6	156.5	146.4 ✓	≤146.0
	Recycling rate (%)	57	60	64 ✓	≥60
Business	New suppliers agreed to Ethical Sourcing Policy (%)	100	100	100 ✓	100
	Code of Conduct training (% of required team members trained)	85.9	82.5	83.8 ✓	≥80.0

✓ Improved / met target ✗ Did not reach target

(1) Previous financial year targets are available in Myer Annual Reports available on our Investor Centre website

(2) Energy and emission data reported from 1 July to 30 June fiscal year

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of Myer Holdings Limited ABN 14 119 085 602 (the **Company** or **Myer**) and the entities it controlled (collectively referred to as the **Group**) at the end of, or during the financial period ended, 27 July 2019.

1. DIRECTORS

The following persons were Directors of the Company during the financial period and/or up to the date of this Directors' Report:

Director	Position	Date appointed
Garry Hounsell	Independent Non-Executive Director Deputy Chairman from 20 September 2017 to 23 November 2017 Chairman from 24 November 2017 and from 4 June 2018 Executive Chairman from 14 February 2018 to 3 June 2018	20 September 2017
John King	CEO and Managing Director	4 June 2018
Lyndsey Cattermole AM	Independent Non-Executive Director	15 October 2018
Ian Cornell	Independent Non-Executive Director	6 February 2014
Julie Ann Morrison	Independent Non-Executive Director	17 October 2017
Jacquie Naylor	Independent Non-Executive Director	27 May 2019
JoAnne Stephenson	Independent Non-Executive Director	28 November 2016
Dave Whittle	Independent Non-Executive Director	30 November 2015
Chris Froggatt	Independent Non-Executive Director	9 December 2010
Bob Thorn	Independent Non-Executive Director	6 February 2014

Chris Froggatt retired from the Board with effect from 30 November 2018. Bob Thorn resigned from the Board with effect from 24 February 2019. All Directors other than Ms Cattermole AM, Ms Froggatt, Ms Naylor, and Mr Thorn served as Directors of the Company for the whole financial period and until the date of this Directors' Report. Details of the qualifications, experience, and special responsibilities of each current Director are as follows.

GARRY HOUNSELL
Chairman

- Independent Non-Executive Director
- Member of the Board since 20 September 2017
- Chairman from 24 November 2017 and from 4 June 2018
- Executive Chairman from 14 February 2018 to 3 June 2018
- Chairman – Nomination Committee
- Member – Audit, Finance and Risk Committee

Garry has been Chairman of Spotless Holdings Limited, PanAust Limited and eMitch Limited and Deputy Chairman of Mitchell Communications Group Limited. He has also been a Director of Qantas Airways Limited, Orica Limited, Nufarm Limited, Integral Diagnostics Limited and DuluxGroup Limited. Garry was also a Director of the Burnet Institute Limited and Methodist Ladies' College Limited. He was an Advisory Board member of PanAust Limited and Rothschild Australia Limited.

Garry is a former Chief Executive Officer and Country Managing Partner of Arthur Andersen and a Senior Partner of Ernst & Young. He is a Fellow of Australian Institute of Company Directors and a Fellow of Chartered Accountants Australia and New Zealand. Garry resides in Victoria.

Other current directorships

Garry is the Chairman of Helloworld Travel Limited and a Director of Treasury Wine Estates Limited. He is also a Director of Commonwealth Superannuation Corporation Limited.

JOHN KING
Chief Executive Officer & Managing Director

- Member of the Board since 4 June 2018

John was appointed CEO & Managing Director on 4 June 2018. In this role John has overall accountability for Myer strategy and performance. John brings to the role more than 30 years' retail experience in merchandising and management roles across a variety of retail sectors, including department stores, value retail and wholesale apparel.

Most recently John led the successful turnaround of House of Fraser from 2006 to 2015. During his tenure he improved the product differentiation, decreased debt, improved EBITDA and repositioned the business as one of the leading premium department stores in the UK.

John also successfully led Matalan from 2003 - 2006, an apparel and housewares retailer based in the UK. In this role, John launched new brands, opened 20 new stores and successfully sold the company back to the founder. He started his career at Sainsbury's and also worked for Marks & Spencer before taking senior roles in the manufacturing and wholesale sector in the UK and the USA. John resides in Victoria.

LYNDSEY CATTERMOLE AM
Independent Non-Executive Director

- Member of the Board since 15 October 2018
- Member – Nomination Committee
- Member – Human Resources and Remuneration Committee

Lyndsey founded one of Australia's largest and most successful IT businesses, Aspect Computing, which operated for almost thirty years before being sold to the ASX listed company KAZ Group. Aspect Computing specialised in IT consulting, program development and product development, including retail and training. Aspect Computing developed international award winning systems and created one of Australia's biggest software product exports, LANSA. In 2002, Lyndsey became a Non-Executive Director of KAZ Group following its purchase of Aspect Computing.

She has significant board experience including at Foster's Group Ltd, Treasury Wine Estates Ltd, Tatts Group Ltd and the Victorian Major Events Corporation. Lyndsey also has extensive experience on State and Federal Government committees and boards, including the Federal Government's Electronic, Electrical and Information Industry Board and the Prime Minister's Science and Engineering Council. In Victoria, she was a member of the Premier's Business Round Table.

Lyndsey was a Director of the Heide Museum for Modern Art, the Melbourne Theatre Company and has spent over ten years involved with community health, including at the Royal Children's Hospital Foundation and as Chairman for the Women's and Children's Health Care Network. She was instrumental in merging the Royal Children's Hospital Research Institute and the Murdoch Research Institute to form the Murdoch Children's Research Institute; which is now one of Australia's largest biomedical research institutes.

For her significant community involvement Lyndsey has been awarded an Order of Australia (AM). She is also a Fellow of the Australian Computer Society recognising her distinguished contribution to the Australian IT industry. Lyndsey resides in Victoria.

Other current directorships

Lyndsey is a director of PACT Group Holdings Ltd, Florey Neurosciences, and the Melbourne Rebels.

IAN CORNELL
Independent Non-Executive Director

- Member of the Board since 6 February 2014
- Chairman – Human Resources and Remuneration Committee
- Member – Nomination Committee

Ian has extensive experience in the retail industry across a number of senior retail roles, including 11 years at Westfield. During his time at Westfield, Ian was Head of Human Resources for seven years and also responsible for retailing relationships in Australia and New Zealand. He also spent three years as the Head of Management and Marketing for Westfield's shopping centres in Australia and New Zealand and has extensive experience in large scale retail operations and responding to changing consumer trends.

Prior to joining Westfield, Ian was chairman and CEO of supermarket chain, Franklins, and prior to that he spent 22 years at Woolworths, including his role as Chief General Manager Supermarkets.

Ian has previously been a director of Goodman Fielder Limited. Ian is also a Fellow of the Institute of Management, a Fellow of the Human Resources Institute, a member of the Australian Institute of Company Directors, and a graduate of the Advanced Management Programme at Harvard. Ian resides in New South Wales.

Other current directorships

Ian is the Non-Executive Chairman of Baby Bunting Group Limited and a Non-Executive Director of Inglis Bloodstock, as well as the PKD Foundation of Australia, a charitable foundation raising funds for medical research into kidney disease.

JULIE ANN MORRISON
Independent Non-Executive Director

- Member of the Board since 17 October 2017
- Member – Human Resources and Remuneration Committee
- Member – Nomination Committee

Julie Ann has over 30 years' retail experience in brands, fashion and cosmetics from the sales floor through to buying, marketing, HR and as a managing director.

Julie Ann was Managing Director of Bulgari UK (2012 to 2014) concurrent with being Managing Director of Bulgari Australia (2007 to 2014), part of the LVMH Group. She was also the Managing Director of FJB Australia, the then largest luxury goods company in Australia, which had franchise rights for brands including Gucci, Guess, Moschino, Lanvin and Fendi in South East Asia and Australia. While at FJB, she established and headed up an international licensing business for local and US brands overseeing offices in Italy and New York with production in China. Julie Ann was a finalist in the BRW/Qantas Business Woman of the Year and went on to establish a management consulting business specialising in retail and brands. She holds a Master of Arts, Creative Media from RMIT University and a Diploma of Arts, RMIT University. She has been a member of the Institute of Directors (UK) and is currently a member of the Australian Institute of Company Directors.

From February 2017 to June 2018, Julie Ann was Non-Executive Chair of Myer subsidiary boards overseeing the sass & bide, Marcs and David Lawrence brands where she set brand and business strategies. In June 2018 she handed responsibility for overseeing these brands to the incoming CEO, John King.

Julie Ann is an advisory board member and consultant to Carla Zampatti Pty Ltd. She also consults on projects specialising in fashion, retail, brands and the arts. Julie Ann resides in Victoria.

JACQUIE NAYLOR

Independent Non-Executive Director

- Member of the Board since 27 May 2019
- Member – Nomination Committee
- Member – Human Resources and Remuneration Committee

Jacquie was appointed as a Non-Executive Director on 27 May 2019. Jacquie brings to the role a wealth of experience and knowledge of both women's and men's apparel, homewares and outdoor brands. She has been an owner, director and executive at some of the most iconic Australian retailers including as an Executive Director and Non-Executive Director at The PAS Group. In addition, Jacquie was a Non-Executive Director of one of the world's most trusted outdoor brands, Macpac, which is sold in more than thirty countries.

At the Just Jeans Group, Jacquie was a Group Executive Director and responsible for driving the merchandise, marketing and brand strategies of their key brands including Just Jeans, Jay Jays, Portmans, Jacqui E and Dotti.

Jacquie brings to the Myer Board considerable eCommerce experience from her retail career and as a strategic adviser at Practicology, a digital marketing and eCommerce agency.

Jacquie was a Non-Executive Director of the Virgin Australia Melbourne Fashion Festival for more than 12 years and remains committed to showcasing the fashion industry as well as new and emerging talent. Jacquie is also a member of the Australian Institute of Company Directors and of the International Women's Forum. Jacquie resides in Victoria.

Other current directorships

Jacquie is a Non-Executive Director of Cambridge Clothing Ltd.

JOANNE STEPHENSON
Independent Non-Executive Director

- Member of the Board since 28 November 2016
- Chairman – Audit, Finance and Risk Committee
- Member – Nomination Committee

JoAnne has extensive experience spanning over 25 years across a range of industries. JoAnne was previously a senior client partner in the Advisory division at KPMG and has key strengths in finance, accounting, risk management and governance. JoAnne holds a Bachelor of Commerce and Bachelor of Laws (Honours) from The University of Queensland. She is also a member of both the Australian Institute of Company Directors and Chartered Accountants Australia and New Zealand. JoAnne resides in Victoria.

Other current directorships

JoAnne is an Independent Non-Executive Director of Challenger Limited, Asaleo Care Limited and Japara Healthcare Limited. She is also Chair of the Victorian Major Transport Infrastructure Board and the Melbourne Chamber Orchestra.

DAVE WHITTLE
Independent Non-Executive Director

- Member of the Board since 30 November 2015
- Member – Audit, Finance and Risk Committee
- Member – Nomination Committee

Dave has considerable marketing, data, technology, eCommerce and digital transformation experience. Over the last five years Dave has led Lexer, a global data analytics software company helping innovative retail brands genuinely understand and engage their customers.

Previously, Dave spent 10 years with global advertising group M&C Saatchi in a number of local and international leadership roles, culminating in three years as Managing Director in Australia. Prior to joining M&C Saatchi, Dave was the first employee of a marketing services group that built four digital service and software businesses.

Dave has a Bachelor of Arts and a Bachelor of Commerce from Deakin University. Dave resides in New South Wales.

Other current directorships

Dave is a director of Lexer Pty Ltd.

2. DIRECTORSHIPS OF OTHER LISTED COMPANIES

The following table shows, for each Director, all directorships of companies that were listed on the ASX, other than the Company, since 26 July 2016, and the period during which each directorship has been held.

Director	Listed entity	Period directorship held
Garry Hounsell	Helloworld Travel Limited	October 2016 – present
	Integral Diagnostics Limited	October 2015 – March 2017
	Spotless Group Holdings Limited	March 2014 – August 2017
	Treasury Wine Estates Limited	September 2012 – present
	DuluxGroup Limited	July 2010 – December 2017
John King	-	-
Lyndsey Cattermole AM	PACT Group Holdings Limited	November 2013 – present
Ian Cornell	Baby Bunting Group Limited	January 2015 – present
Julie Ann Morrison	-	-
Jacquie Naylor	-	-
JoAnne Stephenson	Challenger Limited Asaleo Care Limited Japara Healthcare Limited	October 2012 – present May 2014 – present September 2015 – present
Dave Whittle	-	-
Chris Froggatt	-	-
Bob Thorn	MotorCycle Holdings Limited PWR Holdings Limited	March 2016 – July 2016 August 2015 – March 2017

3. MEETINGS OF DIRECTORS AND BOARD COMMITTEES

The number of meetings of the Board and of each Board Committee held during the period ended 27 July 2019 are set out below. All Directors are invited to attend Board Committee meetings. Most Board Committee meetings are attended by all Directors; however, only attendance by Directors who are members of the relevant Board Committee is shown in the table below:

Director	Meetings of Directors**		Audit, Finance and Risk Committee		Human Resources and Remuneration Committee		Nomination Committee	
	Meetings Held*	Attended	Meetings Held*	Attended	Meetings Held*	Attended	Meetings Held*	Attended
Garry Hounsell	12	12	1	1	3	3	3	3
John King	12	12	-	-	-	-	-	-
Lyndsey Cattermole AM	10	10	-	-	2	2	2	2
Ian Cornell	12	12	-	-	5	5	3	3
Julie Ann Morrison	12	12	-	-	-	-	3	3
Jacquie Naylor	2	2	1	1	-	-	1	1
JoAnne Stephenson	12	12	4	4	5	5	3	3
Dave Whittle	12	12	4	4	-	-	3	2
Chris Froggatt	4	4	-	-	3	3	1	1
Bob Thorn	7	7	2	2	-	-	1	0

* Number of meetings held during the time the Director held office or was a member of the Committee during the year

** Teleconferences outside of scheduled Board meetings have not been included in the table above

4. DIRECTORS' RELEVANT INTERESTS IN SHARES

The following table sets out the relevant interests that each Director has in the Company's ordinary shares or other securities as at the date of this Directors' Report. No Director has a relevant interest in a related body corporate of the Company.

Director	Ordinary Shares	Performance Rights	Performance Options
Garry Hounsell	1,000,000	Nil	Nil
John King	400,000	2,432,432	9,032,258
Lyndsey Cattermole AM	659,996	Nil	Nil
Ian Cornell	266,000	Nil	Nil
Julie Ann Morrison	124,788	Nil	Nil
Jacquie Naylor	Nil	Nil	Nil
JoAnne Stephenson	95,000	Nil	Nil
Dave Whittle	66,666	Nil	Nil

5. COMPANY SECRETARY AND OTHER OFFICERS

Jonathan Garland was promoted to Company Secretary of the Company effective 31 July 2018 and General Counsel effective 1 September 2018. Prior to joining Myer, Jonathan Garland worked for leading law firms Clayton Utz, Linklaters in London and Norton Rose Fulbright.

Prior to this, Richard Amos was Chief General Counsel and Company Secretary of the Company from 6 July 2015 to 31 July 2018.

Myer's Chief Financial Officer is Nigel Chadwick. Details of Nigel Chadwick's experience and background are set out in the Executive Management Team section of Myer's Investor Centre website.

6. PRINCIPAL ACTIVITIES

During the financial period, the principal activity of the Group was the operation of the Myer department store business.

7. OPERATING AND FINANCIAL REVIEW

SUMMARY OF FINANCIAL RESULTS FOR 52 WEEKS ENDED 27 JULY 2019

- Total sales declined by 3.5% to $2,991.8 million, with comparable store sales down 1.3% excluding sales in Apple products (exited May 2019). The sales result, in part, reflects the focus on profitable sales
- Online sales were up 25.6% to $262.3 million (includes Marcs and David Lawrence (MDL) and sass & bide online sales, Myer Market but excludes $29.8 million via in-store iPads). Digital sales were up 21.9% to $292.1 million (comprises online sales and sales via in-store iPads), now representing our largest store and 9.8% of total sales
- Operating gross profit (OGP) declined by 1.9% to $1,162.4 million, and OGP margin increased by 65 basis points to 38.85%. The improved OGP margin was driven by improved Myer Exclusive Brands (MEBs) mix as well as lower promotional markdowns and shrinkage
- Cost of doing business (CODB) decreased by 3.1% to $1,002.4 million. This has been driven by improved efficiencies both in store and Support Office, and cost savings achieved in IT, occupancy and marketing
- EBITDA increased by 7.2% to $160.1 million
- NPAT pre implementation costs and individually significant items increased by 2.2% to $33.2 million, despite increased depreciation and finance costs
- Implementation costs and individually significant items (post-tax) totalled $8.7 million and included redundancies reflecting the simplification of the organisational structure, as well as an onerous lease and impairment of assets for an additional level vacated at the Support Office
- Statutory NPAT was $24.5 million, compared to a $486.0 million loss in FY2018
- Inventory was down 5.4% to $346.9 million
- Operating cash flow (before interest and tax) increased by $8 million to $138 million with total net debt reduced by $69 million
- The dividend continues to be suspended

INCOME STATEMENT FOR THE 52 WEEKS TO 27 JULY 2019

	2019 $m	2018 $m	Change ($m)	Change (%)
Total Sales	**2,991.8**	3,100.6	(108.8)	(3.5%)
Concessions	**612.2**	654.0	(41.8)	(6.4%)
Myer Exclusive Brands	**527.2**	517.2	10.0	+1.9%
National Brands and other	**1,852.4**	1,929.4	(77.0)	(4.0%)
Operating Gross Profit	**1,162.4**	1,184.4	(21.9)	(1.9%)
Operating Gross Profit margin	***38.85%***	*38.20%*		*+65bps*
Cost of Doing Business	**(1,002.4)**	(1,035.0)	(32.6)	(3.1%)
Cost of Doing Business/Sales	***33.50%***	*33.38%*		*+12bps*
EBITDA*	**160.1**	149.4	10.7	+7.2%
*EBITDA margin**	***5.35%***	*4.82%*		*+53bps*
Depreciation and amortisation	**(101.6)**	(94.0)	7.6	+8.1%
EBIT*	**58.5**	55.4	3.1	+5.5%
Net Finance Costs	**(11.5)**	(9.0)	2.5	+27.0%
Net Profit Before Tax*	**47.0**	46.4	0.6	+1.3%
Tax*	**(13.8)**	(13.9)	(0.1)	(0.7%)
Net Profit After Tax (NPAT) (pre implementation costs and individually significant items)	**33.2**	32.5	0.7	+2.2%
Implementation costs and individually significant items (post-tax)	**(8.7)**	(518.5)	509.8	nm**
NPAT (post implementation costs and individually significant items)	**24.5**	(486.0)	510.5	nm**

* Excluding implementation costs and individually significant items
** not meaningful

BALANCE SHEET AS AT 27 JULY 2019

	July 2019 $m	July 2018 $m
Inventory	**346.9**	366.8
Creditors	**(372.7)**	(381.2)
Other Assets	**41.1**	35.1
Other Liabilities	**(225.8)**	(238.7)
Property	**22.7**	23.2
Fixed Assets	**360.8**	400.9
Intangibles	**467.6**	485.2
Total Funds Employed	**640.7**	691.4
Debt	**(86.1)**	(149.2)
Less Cash	**47.4**	41.8
Net (Debt) / Cash	**(38.7)**	(107.4)
Equity	**602.1**	584.0

CASH FLOW FOR THE 52 WEEKS TO 27 JULY 2019

	2019 $m	2018 $m
EBITDA*	**151.0**	135.0
Working capital movement	**(12.5)**	(4.4)
Operating cash flow (before interest and tax)	**138.5**	130.6
Conversion	***91.7%***	*96.7%*
Tax paid	**(13.6)**	(12.3)
Interest paid	**(9.3)**	(8.7)
Operating cash flow	**115.6**	109.6
Capex**	**(44.7)**	(86.8)
Free cash flow before dividends	**70.9**	22.8
Dividends	**-**	(16.4)
Other	**(0.4)**	(0.2)
Net cash flow	**70.6**	6.2

* EBITDA includes implementation costs and individually significant items with the exception of non-cash asset impairments
** Net of landlord contributions

OTHER STATISTICS AND FINANCIAL RATIOS

	2019	2018
Return on Total Funds Employed*	**8.8%**	5.9%**
Gearing	**6.0%**	15.5%**
Net Debt/EBITDA*	**0.27x**	0.72x

*Calculated on a rolling 12 months basis
**ROFE 4.7% and Gearing 9.0% if goodwill and brand impairment is excluded from total funds employed

SHARES AND DIVIDENDS

	2019	2018
Shares on Issue	**821.3 million**	821.3 million
Basic EPS*	**4.0 cents**	4.0 cents
Dividend per share	**Nil**	Nil

* Calculated on weighted average number of shares of 821.0 million (FY2018: 821.3 million) and based on NPAT pre implementation costs and individually significant items

NON-IFRS FINANCIAL MEASURES

The Company's results are reported under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The Company discloses certain non-IFRS measures in this Directors' Report, that are not audited or reviewed by the Group's auditor, which can be reconciled to the Financial Statements as follows:

Income Statement reconciliation

$ millions	EBIT	INTEREST	TAX	NPAT
Statutory reported result	**46.0**	**(11.5)**	**10.0**	**24.5**
Add back: implementation costs and individually significant items				
Restructuring and redundancy costs	7.8	-	(2.3)	5.5
Store exit costs / (reversals) and other asset impairments	(0.8)	-	0.2	(0.6)
Support Office onerous lease expenses and impairment of assets	5.5	-	(1.7)	3.8
Underlying result	**58.5**	**(11.5)**	**(13.8)**	**33.2**

FY2019 OPERATIONS

During the period the Board strengthened the Executive team with a number of new appointments:

- Mr Geoff Ikin as Chief Customer Officer, responsible for key customer facing functions of online, MYER one, marketing, advertising, public relations, social media, corporate affairs and communications
- Mr Paul Goodall as Executive General Manager Store Design and Development, responsible for store design, space planning, project management and visual merchandising
- Ms Tabitha Pearson as Executive General Manager People and Culture, responsible for all aspects of Myer's human resources including organisational development, sourcing and talent strategies, industrial relations, and risk and safety

During FY2019 there were a number of achievements including:

- Progress was made working with landlords, through a portfolio partnership approach, to reduce Myer's footprint, refurbish stores to transform the customer experience, whilst simultaneously delivering material cost savings
- Improved store layouts and brand adjacencies in 34 stores, which in many stores also included the introduction of new brands
- Myer's Logan store closed in January 2019
- Announced a plan to refurbish the Belconnen store to create an enhanced shopping experience across a reduced floor space
- Agreed to hand back a floor and refurbish the Cairns store from January 2020 and agreed to exit level four of Emporium in Melbourne from May 2020
- Extended the lease of the historic Ballarat store, and will be embarking on store improvements
- Vacated another level at the Support Office
- Added more than 50 new brands, which is expected to increase to 90 by Christmas 2019. New brands include Oasis, Warehouse, Karl Lagerfeld Paris, Selected Femme, Selected Homme, Vero Moda, Fiorucci, Rotate by Birger Christensen, Jack London, Twisted Tailor and Acqua di Parma
- Continued to improve the customer's digital shopping experience, following the launch of Myer's new website in September 2018, and increased the products available online including the addition of several concessions.

In addition to these achievements, section 8 and 9 provide an outline of Myer's corporate developments and strategy. These should be read in conjunction with section 10, which describes factors that could impact Myer's results.

8. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS IN FY2019

The following significant changes occurred during FY2019:

- Tabitha Pearson was appointed Executive General Manager People and Culture in September 2018
- A new Director, Lyndsey Cattermole AM, was appointed to the Board of Myer in October 2018. Her background, experience and particular skills that she brings to the Board are set out on page 13
- Paul Goodall was appointed Executive General Manager Store Design and Development in October 2018
- A debt refinancing was completed in November 2018
- Chris Froggatt retired from the Board with effect from 30 November 2018
- Geoff Ikin was appointed Chief Customer Officer in January 2019
- Bob Thorn resigned from the Board with effect from 24 February 2019
- A new Director, Jacquie Naylor, was appointed to the Board of Myer in May 2019. Her background, experience and particular skills that she brings to the Board are set out on page 14

9. BUSINESS STRATEGIES AND FUTURE DEVELOPMENTS

The Board and the Executive Management Group continue to focus on delivery against the Customer First Plan as follows:

Focus areas:

- Transform customer experience in store;
- 'Only at Myer' brands and categories; value for money; and
- Continue enhancing myer.com.au.

Efficiency levers:

- Simplified business processes;
- Efficient from factory to customer; and
- Accelerated cost reduction.

10. KEY RISKS AND UNCERTAINTIES

The Group's strategies take into account the expected operating and retail market conditions, together with general economic conditions, which are inherently uncertain.

The Group has a structured proactive risk management framework and internal control systems in place to manage material risks. The key risks and uncertainties that may have an effect on the Group's ability to execute its business strategies, and the Group's future growth prospects and how the Group manages these risks, are set out below.

EXTERNAL RISKS

Macro-economic factors such as the fluctuation of the Australian dollar and interest rates; poor consumer confidence; changes in government policies; external, natural or unforeseen events, such as an act of terrorism or national strike; transition to a lower carbon economy; physical impacts of climate change and weakness in the global economy could adversely impact the Company's ability to achieve financial and trading objectives. Myer regularly analyses and monitors economic and other available data to help mitigate the future impact on sales, and has implemented conservative hedging, capital management, and marketing and merchandise initiatives to address the cyclical nature of the business.

COMPETITIVE LANDSCAPE RISKS

The Australian retail industry in which Myer operates remains highly competitive. The Company's competitive position may be negatively impacted by new entrants to the market, existing competitors, changes to consumer demographics and increased online competition, which could impact sales. To mitigate these risks, Myer continues to select optimal merchandise assortment with the right categories and brands.

TECHNOLOGY RISKS, INCLUDING CYBER SECURITY

With Myer's increasing reliance on technology in a rapidly changing digital environment, there is a risk that the malfunction of IT systems, outdated IT infrastructure, a cyber-security violation or a data breach of personal information could have a detrimental effect on our sales, business efficiencies, and brand reputation. To offset these risks, Myer continues to invest and develop our in-house technology capabilities and engage with reputable third-party IT service providers to ensure that we have reliable IT systems and issue management processes in place.

BRAND REPUTATION RISKS

Myer's strong brand reputation is crucial for building positive relationships with customers, suppliers and contractors which in turn generates sales and goodwill towards the Company. A significant event or issue could attract strong criticism of the Myer brand, which could impact sales or our share price. Myer has a range of policies and initiatives to mitigate brand risk, including a Code of Conduct, a Whistleblower Policy, an Ethical Sourcing Policy, marketing campaigns, and ongoing environmental and sustainability initiatives.

STRATEGIC AND BUSINESS PLAN RISKS

A failure to deliver our strategic plan could impact sales, profitability, share price, and our reputation. The cornerstone of our strategic plan is the 'customer' and ensuring every decision made puts the customer first. It includes that all team members, brand partners and suppliers provide our customers with the service, brands and products they desire and expect, both in store and online.

PEOPLE MANAGEMENT RISKS

Myer needs to attract and retain talented senior managers to ensure that our leadership team has the right skills and experience to deliver our strategy. Failure to do so may adversely impact Myer's ability to deliver on its strategic imperatives. During the year, we made a number of new appointments to our Executive Management Group, and we provided our team members with access to training and development to further develop their skills.

Safety is a high priority at Myer to ensure the wellbeing of all of our team members, customers, and suppliers. Failure to manage health and safety risks could have a negative effect on Myer's reputation and performance. We conduct regular detailed risk assessments at each store, distribution centre, and at our Support Office, as well as regular education sessions.

REGULATORY RISKS

From time to time, Myer may be subject to regulatory investigations and disputes, including by the Australian Taxation Office (ATO), Federal or State regulatory bodies including the Australian Competition and Consumer Commission (ACCC), the Australian Securities and Investments Commission (ASIC), the Australian Securities Exchange (ASX) and Federal and State work, health and safety authorities. The outcome of any such investigations or disputes may have a material adverse effect on Myer's operating and financial performance. Myer has an established governance framework to monitor, assess and report on such occurrences to senior management when they arise.

LITIGATION

On 23 December 2016, legal proceedings were served against Myer Pty Ltd by Perpetual Limited and Bridgehead Pty Ltd (the Landlord) in relation to the Myer Chadstone store. The Landlord alleged that there was a mutual mistake in the drafting of the variable outgoings provisions in the lease for the Myer Chadstone store or that those provisions had been misinterpreted. The Landlord sought, amongst other things, rectification of the lease and payment of alleged unpaid outgoings in respect of a period between 2000 and 2016 totalling $19.14 million, plus GST, as well as interest and costs. On 29 January 2018, the Supreme Court of Victoria handed down judgement in favour of Myer and dismissed the claims made by the Landlord. The Landlord's attempt to appeal this decision was rejected by the Court of Appeal on 7 May 2019.

On 30 December 2016, proceedings were served against Myer by a former shareholder, TPT Patrol Pty Ltd as trustee for the Amies Superannuation Fund (TPT Patrol), bringing a group action for itself and on behalf of a defined (but unnamed) group of shareholders in the Federal Court. These proceedings were filed on behalf of TPT Patrol by Portfolio Law Pty Ltd. TPT Patrol alleges loss and damage said to have resulted from statements made in the context of Myer's full year FY2014 results. Myer believes the TPT Patrol claim has no proper basis, denies any liability under it and is vigorously defending it. The hearing concluded on 21 December 2018, with the decision being reserved. No provisions have been recognised at 27 July 2019 in respect of the TPT Patrol dispute.

11. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Tony Carr was appointed Executive General Manager Supply Chain and is expected to commence in October 2019.

Ian Cornell has advised the Board that he will be retiring from the Board at this year's Annual General Meeting of the Company.

No other matter or circumstance has arisen since the end of the financial year which has not been dealt with in this Directors' Report or the Financial Report, and which has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years;

(b) the results of those operations in future financial years; or

(c) the Group's state of affairs in future financial years.

12. DIVIDENDS

The Board determined that no final dividend would be paid for the period ending 28 July 2018.

The Board determined that no interim dividend would be paid for the period ending 26 January 2019.

The Board determined that no final dividend would be paid for the period ending 27 July 2019.

Further information regarding dividends is set out in the Financial Statements (at note F3).

13. PERFORMANCE RIGHTS AND OPTIONS GRANTED OVER UNISSUED SHARES

The Myer Long Term Incentive Plan (**LTIP**) operates for selected senior executives and has been in operation since December 2006. Under the LTIP, the Company has granted eligible executives performance options in FY2019 and rights in previous years over unissued ordinary shares of the Company, subject to certain vesting conditions. Shares delivered to senior executives as a result of the vesting of performance options and rights can either be issued as new shares or purchased on market.

Each performance right entitles the holder to acquire one ordinary fully paid share in the Company (subject to the adjustments outlined below).

Performance options vest and are automatically exercised on a net settlement basis. The executive is allocated the total number of shares that would have been allocated upon exercise, less the number of shares equal to the value of the aggregated exercise price payable (and the exercise price is not required to be paid). The number of shares delivered by the Company represents the value above the exercise price in accordance with the formula below:

(A - B) / C, where:

A = Aggregate value of vested performance options (based on the market value of a share)

B = Aggregate exercise price payable

C = Market value of a share

The net settlement method ensures that executive reward is aligned to shareholder value creation by only rewarding executives if there is a growth in the share price and material reward can be earned only if there is a significant growth to share price. This settlement approach is considered to be appropriate during the turnaround phase of the business.

During FY2019, the Company granted 9,032,258 performance options to the CEO under the FY2019 LTIP; and 26,801,304 performance options were granted to other selected senior executives under the FY2019 LTIP (Offer); totalling 35,833,562 performance options granted.

The performance options and rights granted under each offer are subject to different performance conditions.

No performance options or rights have been granted since the end of the financial period ended 27 July 2019.

In September 2018, a total of 3,104,342 performance rights granted under the LTIP in FY2016 lapsed following testing against the performance criteria. 173,913 performance rights granted to Mr Devonport were linked to his continuous service, these rights vested and ordinary shares were granted in FY2019.

During FY2018, the Company granted 2,432,432 alignment rights to the CEO, and 555,555 alignment rights to the Chief Merchandise Officer. During FY2019, the Company granted 192,307 alignment rights to a person who was not a Key Management Personnel (**KMP**) executive. 810,804 alignment rights vested to the CEO, 185,184 rights vested to the Chief Merchandise Officer and 43,073 rights vested to the non-KMP executive. No shares were issued under the alignment rights plans.

The table in section 14 below sets out the details of performance options and rights that have been granted under the LTIP and the alignment rights plans and which remain on issue as at the date of this Directors' Report.

A holder of a performance option or right may only participate in new issues of securities of the Company if the performance option or right has been exercised, participation is permitted by its terms, and the shares in respect of the performance options or rights have been allocated and transferred to the performance right holder before the record date for determining entitlements to the new issue.

Further information about performance options and rights issued under the LTIP (including the performance conditions attached to the performance options and rights granted under the LTIP, and the performance options and rights granted to the KMP of the Company) is included in the Remuneration Report.

14. SHARES ISSUED ON THE EXERCISE OF PERFORMANCE RIGHTS AND OPTIONS

From time to time, the Company issues fully paid ordinary shares in the Company to the Myer Equity Plans Trust (**Trust**) for the purpose of meeting anticipated exercises of securities granted under the LTIP. To calculate the issue price of shares issued to the Trust, the Company uses the five-day volume weighted average price of the Company's shares as at the close of trading on the date of issue.

During the period ended 27 July 2019, 504,356 fully paid ordinary shares were purchased on market by the Trust and 173,913 shares were transferred from the Trust for performance rights issued to Mr Devonport which were linked to his continuous service. Since 27 July 2019, no shares have been issued to or otherwise acquired by the Trust, and no fully paid ordinary shares of the Company held by the Trust were transferred to participants in the LTIP.

Date performance rights or options granted	Expiry date	Issue price	Number of performance rights or options remaining on issue[(1)]
22 December 2016 (rights grant to senior executives under the LTIP Offer)	31 Oct 2019	nil	1,148,812
21 December 2017 (rights grant to senior executives under the LTIP Offer)	31 Oct 2020	nil	4,491,531
4 June 2018 (rights grant to CEO under Alignment Rights Plan)[(2)]	4 Jun 2021	nil	2,432,432
25 June 2018 (rights grant to senior executive under Alignment Rights Plan)[(3)]	25 Jun 2021	nil	555,555
10 October 2018 (rights grant to senior executive under Alignment Rights Plan)[(4)]	10 Oct 2021	nil	192,307
24 December 2018 (options grant to CEO under the FY19 LTIP Offer)	24 Dec 2022	nil	9,032,258
24 December 2018 (options grant to senior executives under the FY19 LTIP Offer)	24 Dec 2022	nil	25,240,014
Closing balance of rights and options			**43,092,909**

[(1)] Each performance right entitles the holder to receive one fully paid ordinary share in the Company, subject to the satisfaction of the relevant performance outcomes. Performance options vest and are automatically exercised on a net settlement basis. The executive is allocated the total number of shares that would have been allocated upon exercise, less the number of shares equal to the value of the aggregated exercise price payable (and the exercise price is not required to be paid). The number of shares delivered by the Company represents the value above the exercise price in accordance with the formula overleaf:

(A - B) / C, where:

A = Aggregate value of vested performance options (based on the market value of a share)

B = Aggregate exercise price payable

C = Market value of a share

The number of performance options or rights that a holder is entitled to receive on the exercise of a performance options or right may also be adjusted in a manner consistent with the ASX Listing Rules if there is a pro-rata issue of shares or a reconstruction of the capital of the Company.

(2) Mr King was appointed as CEO and Managing Director on 4 June 2018. The performance rights referred to in this table were rights granted upon his appointment. These rights vest in equal monthly instalments over the period 4 June 2018 to 4 June 2021.

(3) Mr Winstanley was appointed as Chief Merchandise Officer on 25 June 2018. The performance rights referred to in this table were rights granted upon his appointment. These rights vest in equal monthly instalments over the period 25 June 2018 to 25 June 2021.

(4) The performance rights referred to in this table were rights granted upon the appointment of a non-KMP executive. These rights vest in equal monthly instalments over the period 10 October 2018 to 10 October 2021.

15. REMUNERATION REPORT

The Remuneration Report, which forms part of this Directors' Report, is presented separately from page 27.

16. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company's Constitution requires the Company to indemnify current and former directors, alternate directors, executive officers and officers of the Company on a full indemnity basis and to the full extent permitted by the law against all liabilities incurred as an officer of the Group, except to the extent covered by insurance. Further, the Company's Constitution permits the Company to maintain and pay insurance premiums for directors' and officers' liability insurance, to the extent permitted by law.

Consistent with (and in addition to) the provisions in the Company's Constitution outlined above, the Company has also entered into deeds of access, indemnity and insurance with all Directors of the Company which provide indemnities against losses incurred in their role as Directors, subject to certain exclusions, including to the extent that such indemnity is prohibited by the *Corporations Act 2001* or any other applicable law. The deeds stipulate that the Company will meet the full amount of any such liabilities, costs and expenses (including legal fees).

During the financial period, the Company paid insurance premiums for a directors' and officers' liability insurance contract that provides cover for the current and former directors, alternate directors, secretaries, executive officers and officers of the Company and its subsidiaries. The Directors have not included details of the nature of the liabilities covered in this contract or the amount of the premium paid, as disclosure is prohibited under the terms of the contract.

The Group's auditor is PricewaterhouseCoopers (PwC). No payment has been made to indemnify PwC during or since the financial period end. No premium has been paid by the Group in respect of any insurance for PwC. No officers of the Group were partners or directors of PwC whilst PwC conducted audits of the Group.

17. PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with the leave of the court under section 237 of the *Corporations Act 2001*.

18. ENVIRONMENTAL REGULATION

The Group is subject to and has complied with the reporting and compliance requirements of the *National Greenhouse and Energy Reporting Act 2007* (the **NGER Act**).

The NGER Act requires the Group to report its annual greenhouse gas emissions and energy use. The Group has implemented systems and processes for the collection and calculation of the data required. In compliance with the NGER Act, the Group submitted its tenth report to the Clean Energy Regulator in October 2018 and is due to submit its 11th report by 31 October 2019.

No significant environmental incidents have been reported internally, and no breaches have been notified to the Group by any government agency.

The Group is a signatory to the Australian Packaging Covenant, which is a national co-regulatory initiative in place of state-based regulatory arrangements for sustainable packaging management. Members are required to adhere to the covenant commitments, which include development and implementation of an action plan and report annually on progress. Myer submitted its 12th annual report in March 2019.

19. NON-AUDIT SERVICES

The Company may decide to employ its external auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor (PwC) for audit and non-audit services provided during the financial period are set out in the Financial Statements (at note H5).

The Board has considered the position and, in accordance with advice received from the Audit, Finance and Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of the non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit, Finance and Risk Committee to ensure that they do not impact on the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

20. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached to this Directors' Report.

21. ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 relating to the 'rounding off' of amounts in the Directors' Report and, in accordance with that instrument, amounts in the Directors' Report have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

22. ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on Wednesday 30 October 2019.

The Directors' Report is made in accordance with a resolution of Directors.

Garry Hounsell
Chairman

Melbourne, 4 September 2019

CORPORATE GOVERNANCE STATEMENT

To view our Corporate Governance Statement please visit myer.com.au/investor.

Auditor's Independence Declaration

As lead auditor for the audit of Myer Holdings Limited for the period 29 July 2018 to 27 July 2019, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Myer Holdings Limited and the entities it controlled during the period.

Jason Perry
Partner
PricewaterhouseCoopers

Melbourne
4 September 2019

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REMUNERATION REPORT

Dear Shareholder,

On behalf of the Board, I am pleased to present the FY2019 Remuneration Report. This report sets out the remuneration information for our Non-Executive Directors and Executive KMP and describes our remuneration framework. Our remuneration strategy has been set to align with our broader business strategy to turnaround the business and deliver shareholder value. Through short and long-term variable reward programmes, it aims to reward Executives for delivering superior financial outcomes and shareholder value.

During FY2019, further changes have been made to strengthen the Executive team by recruiting Geoff Ikin as Chief Customer Officer, Tabitha Pearson as Executive General Manager People and Culture and Paul Goodall as Executive General Manager Store Design and Development. These appointments add strong customer, marketing, advertising, people and culture and store design experience to our Executive team and ensure we have the skills and experience needed to deliver the Customer First Plan.

Executive Remuneration outcomes in FY2019

Myer Holdings Limited (the **Company** or **Myer**) performance is reflected in the FY2019 remuneration outcomes.

The Short Term Incentive (**STI**) plan requires that the Net Proft After Tax (**NPAT**) gateway is achieved before any payments are made. The gateway was not achieved in FY2018, and accordingly no STI was paid to the Executive Management Group, including Executive KMP during FY2019.

Performance rights granted to the Executive KMP under the FY2016 Long Term Incentive (**LTI**) plan were tested for vesting post the release of our results in September 2018. The Return on Funds Employed (**ROFE**) and growth in sales per square metre hurdles were not met, and accordingly the rights under the FY2016 plan have not vested.

Despite the 7.2 percent increase in Earnings Before Interest, Tax, Depreciation and Amortisation (**EBITDA**) and the 3.1 percent decline in cost of doing business, under the FY2019 STI plan, the NPAT gateway was not exceeded sufficiently to allow a bonus pool to be created, without causing the NPAT gateway to fail. Accordingly, no award was payable to Executive KMP.

Performance options under the FY2019 LTI plan were granted to Executives, including the Executive KMP. Two performance hurdles, designed to reflect long-term performance will apply to the performance options – relative Total Shareholder Return (**TSR**) and Earnings per Share (**EPS**). The hurdles have been chosen to align with shareholder returns and the delivery of shareholder value over the performance period. Further information on the LTI is detailed in Section 3.3.

Given the focus on prudent cost management, in the 2019 annual fixed remuneration review we made no changes to the fixed remuneration of Executive KMPs with the exception of Mr Chadwick who took on additional responsibilities post the departure of Mr Cripsey from the role of Chief Operating Officer. There was no change made to the fees of Chairman or Non-Executive Directors in FY2019, noting that in FY2018 there was a decrease made to both Chairman and Non-Executive Director fees.

Response to second strike

At the 2018 Annual General Meeting (**AGM**), the majority of shareholder votes cast (62.46 percent) were in favour of adopting the 2018 Remuneration Report. However, 37.54 percent of the votes cast were against the Remuneration Report, constituting a second strike under the *Corporations Act 2001*.

We have made a number of changes to our remuneration structure during FY2019 to better align the remuneration of our Executives with the interest of our shareholders and will continue to do so going into FY2020. A notable change in the FY2020 STI plan is that members of the Executive Management Group will have a portion of their STI deferred in equity. In the FY2019 STI plan, 40 percent of any award payable to members of the Executive Management Group was deferred for 12 months following the end of the performance period and paid in cash following the end of the deferral period. For FY2020, 40 percent of the award payable will continue to be deferred for 12 months with 50 percent of the deferred component provided as restricted shares and the remaining 50 percent paid in cash.

We believe the Company's approach to Executive KMP remuneration, clearly outlined in the Remuneration Report, will support them in delivering a strategy that will importantly put our customers first and ultimately deliver value to our shareholders.

Finally, I would like to acknowledge the many stakeholders who have shared their feedback with us over the past year. I can assure you that we are committed to ensuring the needs of our shareholders are front and centre in the development of our remuneration approach.

Yours faithfully,

Ian Cornell
Chairman, Human Resources and Remuneration Committee

CONTENTS

1. INTRODUCTION

The Directors of the Company present the Remuneration Report for the financial period ended 27 July 2019 prepared in accordance with the requirements of the *Corporations Act 2001* and its regulations.

This report outlines the remuneration strategy, framework and other conditions of employment for Executive KMP and Non-Executive Directors, and details the role and accountabilities of the Board and relevant Committees that support the Board on these matters.

The information provided within this report has been audited as required by section 308(3C) of the *Corporations Act 2001* and forms part of the Directors' Report. The table below details the Company's Executive KMP and Non-Executive Directors during FY2019:

Name	Role	Appointment Date(1)	End Date
Non-Executive Directors			
G Hounsell	Chairman, Independent Non-Executive Director		
I Cornell	Independent Non-Executive Director		
J Morrison	Independent Non-Executive Director		
J Stephenson	Independent Non-Executive Director		
D Whittle	Independent Non-Executive Director		
L Cattermole AM	Independent Non-Executive Director	15 October 2018	
J Naylor	Independent Non-Executive Director	27 May 2019	
Former Non-Executive Directors			
C Froggatt	Independent Non-Executive Director		30 November 2018
B Thorn	Independent Non-Executive Director		24 February 2019
Executive Directors			
J King	Chief Executive Officer and Managing Director		
Executive KMP			
N Chadwick	Chief Financial Officer		
A Sutton	Executive General Manager Stores		
A Winstanley	Chief Merchandise Officer		
Former Disclosed Executive KMP			
M Cripsey(2)	Chief Operating Officer		31 October 2018

(1) For new appointments during the period only.
(2) Mr Cripsey stepped down as Chief Operating Officer on 31 October 2018 and was paid the minimum payment required under the terms of his employment.

2. SNAPSHOT OF REMUNERATION REPORT

2.1 OBJECTIVE AND GUIDING PRINCIPLES

Our remuneration objective is to support Executive KMP in delivering a business strategy that will put our customers first and ultimately deliver value to our shareholders.

GUIDING PRINCIPLES TO DELIVER OUR OBJECTIVE

Align Executive KMP and stakeholder interests through rewarding Executive KMP for long-term shareholder value.	Pay for performance. Remunerate and reward based on Company performance against financial and non-financial measures.	Attract and retain high calibre talent by rewarding competitively in markets in which Myer competes for talent.	Reward outcomes that reinforce our Customer First Plan through the inclusion of customer experience and profit preservation metrics in the FY2020 STI plan.

2.2 RESPONSE TO THE SECOND STRIKE

Following feedback from shareholders with regard to the FY2018 Remuneration Report, we have reviewed our remuneration frameworks and taken action to address the issues appropriately. The Company will continue to engage proactively with stakeholders to ensure that any concerns can be discussed at the earliest opportunity.

Summary of responses to concerns raised in relation to the FY2018 Remuneration Report

Fixed Pay

Concern	Response
Level of CEO fixed remuneration sits higher against a comparator group based on market capitalisation.	Executive KMP remuneration is principally benchmarked against companies in the retail industry. Mr King's package was set with reference to the skills and experience required to turn around the company's performance in what is a very challenging time in the retail industry. It must also be noted that Myer is competing for talent in a very small pool of international candidates and the current package was necessary to attract and retain a high quality, experienced CEO of Mr King's calibre. Mr King's fixed remuneration was set at the same level as the previous CEO, which had not been reviewed since 2015. In FY2019, some of Mr King's notable achievements have been: • Progress made working with landlords, through a portfolio partnership approach, to reduce Myer's footprint, refurbish stores to transform the customer experience, whilst simultaneously delivering material cost savings. • Added more than 50 new brands, and this is expected to increase to more than 90 by Christmas 2019. • There were continued improvements to the customer's digital shopping experience, following the launch of Myer's new website in September 2018 and the product available online was increased, including the addition of several concessions. • Costs were reduced by $32.6 million, reflecting the enhanced new staffing model in store, more focused marketing spend, store occupancy savings, as well as efficiencies and reduced waste across all areas of the business. Mr King did not receive an increase to his Fixed Remuneration in FY2019.

Long Term Incentive

Concern	Response
TSR comparator group comprises companies that are outside the retail industry and not comparable to Myer.	The peer group constituents for the relative TSR measure for the FY2018 and FY2019 plan consists of S&P ASX 200 companies excluding companies in the: • Financials, Health Care, Utilities, Consumer Staples, Energy and Telecommunication Services Global Industry Classification Standard (**GICS**) Sectors; and • Metals & Mining GICS Industry. Based on investor feedback the comparator group has been amended to include a more relevant base of listed companies from the retail and consumer services sector. The constituents are: Accent Group, Adairs, AP Eagers, Automotive Holdings, Baby Bunting, Bapcor, Beacon Lighting, Coles Group, Collins Foods, Corporate Travel Management, Domino's Pizza Enterprises, Flight Centre Travel Group, Harvey Norman Holdings, Helloworld Travel, JB Hi-Fi, Kogan, Lovisa Holdings, Metcash, Michael Hill International, Motorcycle Holdings, National Tyre & Wheel, Nick Scali, Noni B, Premier Investments, Super Retail Group, Webjet, Wesfarmers and Woolworths Group.

Normalised EPS Hurdle does not include write-downs.	When determining normalised EPS for LTI purposes, statutory earnings is adopted as the base and the Board will allow adjustments to be made for significant items on a case-by-case basis. To the extent a write-down occurs that is considered to have been within management's control, it will form a part of the EPS calculation. Each year in the Remuneration Report, Myer will communicate its approach to the treatment of write downs as they relate to remuneration outcomes.
Lack of transparency on disclosure of the fair value methodology used to value CEO performance options under the LTI plan.	Mr King is entitled to performance options under the FY2020 LTI plan to the maximum value of 90 percent of fixed remuneration. The number of performance options to be granted will be determined by reference to the maximum value of the proposed grant (being $1,080,000) divided by the value attributed to the performance options. The value attributed to the performance options will be calculated using the Black Scholes option valuation approach, consistent with market practice. An 'indicative' number of options will be disclosed in the Notice of Meeting. To avoid any unfair advantage or disadvantage to the CEO by artificially setting a price, the actual valuation and the number of options granted will be dependent on the share price at the grant date (after the AGM).

2.3 REMUNERATION STRUCTURE FOR FY2019

	Strategic objectives & performance link	Performance measures
Total Fixed compensation (TFC)	> To attract and retain high calibre talent. > Provides 'predictable' base level of reward. > Set with reference to market using external benchmark data.	> Varies based on employee's experience, skills and performance. > Consideration is given to both internal and external relativities across retail and other relevant sectors.
Short Term Incentive	> Delivered in cash, with a portion deferred. The CEO did not participate in the FY2019 plan. Deferral of 40 percent of the award is made in cash for other members of the Executive Management Group. > Designed to drive the short-term financial and strategic objectives of the Company, which are aligned to creating shareholder value. > An NPAT gateway ensures a minimum acceptable level of Company profit before Executive KMP receive any STI award. > Supports retention and encourages focus on long-term value in addition to annual results, through a deferred component.	> NPAT 'gateway' – minimum threshold performance level below which no STI is paid. > Once the gateway is achieved, performance is assessed against a set of measures outlined below: • Company EBITDA accounts for up to 80 percent of the maximum STI. • Individual objectives, relevant to the specific role, account for at least 20 percent of the maximum STI. Individual objectives are aligned to the strategy by including measures related to inventory management, customer experience, cash flow, gross profit and occupancy costs.
Long Term Incentive	> Delivered in equity, in the form of performance options, to align Executive KMP with shareholder interests. Options ensure that Executives are only rewarded for a growth in share price from the grant date. > Focused on delivery of long term business strategy and shareholder value. > Measures complement those in the STI to provide a holistic and aligned reward offer. > Supports ongoing, sustainable performance and the retention of key talent.	> Performance measures: • Relative TSR (50 percent of award) • EPS compound annual growth (50 percent of award) > Performance measured over a 3 year performance period (FY2019 – FY2021) > Shares provided on vesting subject to restriction for 1 year, making the total alignment period with shareholders 4 years. For the CEO and Chief Merchandise Officer vesting period is 4 years and no further restriction period applies.

2.4 COMPANY PERFORMANCE AND REMUNERATION OUTCOMES FOR FY2019

The Company's remuneration structure aligns Executive KMP remuneration with shareholder interests over the short and long term and provides an appropriate reward on delivering our strategy.

Key aspects of the FY2019 performance include:

- Total sales declined by 3.5% to $2,991.8 million, with comparable store sales down 1.3% excluding sales in Apple products (exited May 2019). The sales result, in part, reflects the focus on profitable sales
- Online sales were up 25.6% to $262.3 million (includes Marcs and David Lawrence (MDL) and sass & bide online sales, Myer Market but excludes $29.8 million via in-store iPads). Digital sales were up 21.9% to $292.1 million (comprises online sales and sales via in-store iPads), now representing our largest store and 9.8% of total sales
- Operating gross profit (OGP) declined by 1.9% to $1,162.4 million, and OGP margin increased by 65 basis points to 38.85%. The improved OGP margin was driven by improved Myer Exclusive Brands (MEBs) mix as well as lower promotional markdowns and shrinkage
- Cost of doing business (CODB) decreased by 3.1% to $1,002.4 million. This has been driven by improved efficiencies both in-store and Support Office, and cost savings achieved in IT, occupancy and marketing
- NPAT pre implementation costs and individually significant items increased by 2.2% to $33.2 million, despite increased depreciation and finance costs
- Statutory NPAT was $24.5 million, compared to a $486.0 million loss in FY2018
- Operating cash flow (before interest and tax) increased by $8 million to $138 million with total net debt reduced by $69 million
- Announced the refurbishment of the Belconnen store to create an enhanced shopping experience across a reduced floor space
- Agreed to hand back a floor and refurbish the Cairns store from January 2020 and agreed to exit level four of Emporium in Melbourne from May 2020
- Myer's Logan store closed in January 2019
- Continued to improve the customer's digital shopping experience, following the launch of Myer's new website in September 2018. Increased the product available online including the addition of several concessions.

The table below presents the Company's annual performance against key financial metrics since 2015.

	FY2015	FY2016(1)	FY2017	FY2018	FY2019
Basic EPS (cents)	5.1	7.7	1.5	(59.2)	3.0
Basic EPS (cents) – adjusted(2)	13.2	8.8	8.3	4.0	4.0
NPAT (pre implementation costs and individually significant items) ($m)	77.5	69.3	67.9	32.5	33.2
NPAT (post implementation costs and individually significant items) ($m)	29.8	60.5	11.9	(486.0)	24.5
Dividends (cents per share)	7.0	5.0	5.0	-	-
Share price at beginning of year ($)	2.24	1.18(3)	1.34	0.77	0.46
Share price at end of year ($)	1.18	1.34(4)	0.77	0.46	0.53
Market capitalisation ($m)	694.0	1,100.5	632.4	377.8	435.3

(1) FY2016 results were impacted by the fully underwritten accelerated pro rata non-renounceable Entitlement Offer completed by the Company in September 2015. The Entitlement Offer resulted in the issue of 234,661,660 new shares at $0.94 per share.
(2) Basic EPS is adjusted to exclude implementation costs and individually significant items. Refer to section 7 of the Directors' Report for further details. The directors believe this metric is more relevant as it excludes individually significant items that may not recur and may not be predictive of future performance.
(3) Share price before the Entitlement Offer completed in September 2015.
(4) Share price after the Entitlement Offer completed in September 2015.

Remuneration outcomes for FY2019

Executive KMP and TFC	Short Term Incentive	Long Term Incentive
During the year, Mr Cripsey stepped down from the role of Chief Operating Officer and ceased to be an Executive KMP. There was no change to the TFC for Executive KMP effective in FY2019 with the exception of Mr Chadwick who took on additional responsibilities after the departure of Mr Cripsey.	The NPAT gateway condition was not achieved in FY2018, and accordingly no STI was paid during FY2019 to the Executive Management Group, including Executive KMP.	The LTI awards under the FY2016 plan did not meet the required performance hurdles and hence no performance rights under the FY2016 plan have vested.

2.5 PAYMENTS TO EXECUTIVE KMP IN FY2019

The table below sets out the actual remuneration received by Executive KMP in FY2019. The table has not been prepared in accordance with accounting standards but has been provided to outline clearly the remuneration outcomes for Executive KMP. Remuneration outcomes prepared in accordance with the accounting standards are provided in Section 7.

			Short Term Incentive		Long Term Incentive		
Name	**Cash salary(1) $**	**Super-annuation(2) $**	**FY2018 STI(3) $**	**STI deferred from prior year(4) $**	**Vested & exercised LTI(5) $**	**Termination and other payments $**	**Actual FY2019 Remuneration $**
Executive Directors							
J King(6)	1,200,000	-	-	-	-	-	**1,200,000**
Executive KMP							
N Chadwick(7)	755,679	20,571	-	-	-	-	**776,250**
A Sutton	639,429	20,571	-	-	-	-	**660,000**
A Winstanley(8)	795,000	-	-	-	-	-	**795,000**
Former Disclosed Executive KMP							
M Cripsey(9)	156,980	5,133	-	-	-	334,734	**496,847**
R Umbers(10)	-	3,462	-	-	-	753,178	**756,640**
G Devonport(11)	-	-	-	-	88,696	-	**88,696**

(1) Cash salary includes short-term compensated absences and any salary sacrifice arrangement implemented by the Executive KMP, including additional superannuation contributions.
(2) Executive KMP receive a statutory superannuation contribution up to a threshold limit in line with the ATO published maximum superannuation contribution base.
(3) STI payments relating to FY2018 performance and conditions, but paid during FY2019. Includes only the non-deferred component.
(4) Deferred STI relating to FY2017 performance and conditions, paid during FY2019.
(5) The number of performance rights vested and exercised under the FY2016 LTI plan multiplied by the Myer share price at vesting (calculation assumes share price of $0.51). Mr King and Mr Winstanley had rights vest under their alignment equity plans; these rights are not exercisable until the end of the three-year performance period.
(6) Mr King does not receive superannuation contributions due to his tax status. As per the terms of his employment contract, and consistent with market practice, Mr King is entitled to relocation and expatriate support, including rental assistance. This support has not been included in this table. More details can be found in Section 7.
(7) Mr Chadwick's TFC was increased by 10.4 percent in FY2019 as a result of additional responsibilities performed by him post the departure of Mr Cripsey in the role of Chief Operating Officer. Mr Chadwick took over responsibility for Myer's entire Information Technology function from Mr Cripsey. In addition, he took on responsibility for the Myer legal function in FY2019.
(8) Mr Winstanley does not receive superannuation contributions due to his tax status. As per the terms of his employment contract, and consistent with market practice, Mr Winstanley is entitled to relocation and expatriate support, including rental assistance. This support has not been included in this table. More details can be found in Section 7.
(9) Mr Cripsey stepped down as Chief Operating Officer on 31 October 2018 and was paid the minimum payment required under the terms of his employment.
(10) Mr Umbers stepped down as CEO and Managing Director on 14 February 2018, and his notice period concluded on 31 July 2018. His termination payment consists of all payments made in FY2019, which were the minimum payments required under the terms of his employment.
(11) Mr Devonport stepped down as Chief Financial Officer on 28 January 2018, and his notice period concluded on 21 March 2018. Mr Devonport had sign on rights vest in FY2019. The figure reported in the table above, refers to the number of performance rights vested and exercised multiplied by the Myer share price at vesting (calculation assumes a share price of $0.51).

2.6 EQUITY VESTED IN FY2019

Following the release of our financial results in September 2018, the performance rights granted to Executive KMP in January 2016 were tested against the two hurdles of ROFE and growth in sales per square metre. Both hurdles were not met, and accordingly the rights granted to Executive KMP under the FY2016 LTI plan lapsed.

In addition to the FY2016 LTI plan, in January 2016 Mr Devonport was granted performance rights in recognition of significant incentive arrangements forfeited upon leaving his previous employer to join Myer. As part of the terms of Mr Devonport's separation, these rights granted to him vested in FY2019.

On commencement, Mr King and Mr Winstanley were granted share rights, creating an immediate alignment between them and shareholders. These rights vest on a monthly basis, in 36 equal tranches and will convert to ordinary Myer shares at the end of the three year period. Mr King was granted 2,432,432 share rights worth $900,000 at the time of announcement of his appointment and Mr Winstanley was granted 555,555 share rights worth $250,000 at the time of announcement of his appointment. During FY2019, Mr King and Mr Winstanley had rights vest under their alignment equity plans; these rights are not exercisable until the end of the three-year performance period.

3. EXECUTIVE KMP REMUNERATION

Executive KMP remuneration is delivered through a mix of fixed and variable (or 'at risk') pay, and a blend of short and longer-term incentives. As outlined in the Remuneration Structure in Section 2.3, Executive KMP remuneration is made up of three components:

- Total Fixed Compensation;
- Short-Term Incentives; and
- Long-Term Incentives.

The combination of these components comprises an Executive KMP's total remuneration.

3.1 TOTAL FIXED COMPENSATION

TFC provides the base level of reward and is set at a level to attract and retain high calibre Executives.

Features of Total Fixed Compensation

What is included in TFC?	TFC is structured as a total fixed remuneration package, made up of base salary, superannuation, other benefits and Fringe Benefits Tax, where applicable. Some of the benefits include the opportunity to receive a portion of their fixed remuneration in a variety of forms, including fringe benefits such as motor vehicles, or to make additional contributions to superannuation or retirement plans (as permitted by relevant legislation).
How is TFC reviewed?	TFC levels for each Executive KMP are set with reference to the market, the scope and nature of each role, the incumbent's experience and individual performance. The Human Resources and Remuneration Committee (**Committee**) typically reviews and makes recommendations to the Board regarding TFC for Executive KMP annually, having regard to Company and individual performance and relevant comparative remuneration in the market. However, given current financial performance, the Board decided not to increase TFC as part of the annual remuneration review in FY2019. The Board may also consider adjustments to Executive KMP remuneration outside the annual remuneration review process as recommended by the CEO, such as on promotion or as a result of additional duties performed by the Executive KMP. Where new Executive KMP join the Company or existing Executive KMP are appointed to new roles, a review and benchmarking of fixed and total remuneration is conducted prior to the offer and execution of a new employment contract. Mr Chadwick's TFC was increased by 10.4 percent in FY2019 as a result of additional responsibilities performed by him post the departure of Mr Cripsey in the role of Chief Operating Officer. Mr Chadwick took over responsibility for Myer's entire Information Technology function from Mr Cripsey. In addition, he took on responsibility for the Myer legal function in FY2019.
Which benchmarks are used?	Remuneration for Executive KMP is considered in the context of the skills and experience being sought and the global senior retail market, as well as in relation to the other industries where we are increasingly seeking talent. Benchmarking is also undertaken against local industry peer groups and companies with a similar market capitalisation to Myer where relevant for the roles under review.

3.2 SHORT TERM INCENTIVE PLAN

Myer's STI plan for Executive KMP and other senior Executives operates on an annual basis subject to Board review and approval. The FY2019 STI applied to all eligible Executives, including Executive KMP, subject to certain conditions and performance criteria being met which are reviewed and approved annually by the Board.

Form and purpose of the plan

What is the STI plan?	The STI plan is an annual, at risk component of an Executive KMP's reward opportunity, designed to put a meaningful part of the Executive KMP's remuneration at risk. Payment under the STI is subject to achieving pre-determined Company and individual-performance criteria. All senior managers, including Executive KMP, participate in the STI, with the exception, initially, of Mr King. Mr King is entitled to participate in the STI starting in FY2020.
What is the value of the STI opportunity?	STI targets are set as a percentage of the Executive KMP's TFC. The current maximum levels for Executive KMP are set out below. • CEO – Not participating in FY2019; 80 percent of TFC in FY2020 • Other Executive KMP – 60 percent of TFC.
Does the STI include a deferred component?	40 percent of any award payable to members of the Executive Management Group, is deferred for 12 months following the end of the performance period. The deferred component is paid in cash following the end of the deferral period. The CEO did not participate in the FY2019 STI plan. For FY2020, the deferred component of the CEO's STI will be provided as restricted shares while 50 percent of the deferred component (i.e. 20 percent of any award) for other members of the Executive Management Group, including Executive KMP, will be provided as restricted shares. The remaining 50 percent of the deferred component will be paid in cash.

Gateway and performance measures	
Is there a performance 'gateway' and how is it determined?	The Board considers it critical that the Company should achieve a minimum acceptable level of profit before any payments are made under the STI plan, to reflect the focus on returns to shareholders. No STI is awarded to any participants if minimum performance across the Company does not reach the pre-determined threshold NPAT level. The NPAT gateway is determined by the Board each year, with reference to the annual business plan, economic conditions and other relevant factors.
What were the FY2019 performance measures?	The FY2019 STI was structured around two key components: • Company EBITDA accounts for 80 percent of the STI scorecard for Executive KMP. • Key financial and strategic objectives aligned to the strategy account for the remaining 20 percent of the STI scorecard. It includes measures related to inventory management, customer experience, cash flow, gross profit and occupancy costs.
Why were the performance measures selected?	Overall performance measures are selected to align with annual and long-term business plans. Details of the FY2019 performance measures, and the strategic objectives they are aligned to, are set out in Section 2.3 The Board believes that the largest component of an Executive KMP's STI award should be driven by the financial performance of the Company, and accordingly 80 percent of the STI is dependent on Company EBITDA, providing close alignment with shareholder outcomes. Other financial and strategic objectives in the performance scorecard are set by the CEO (and approved by the the Committee and the Board), and, combined with the Company EBITDA measure, are intended to drive our strategy and deliver our financial results. These objectives and their targets align with our key financial metrics and strategic goals, and the measures selected for each Executive KMP are determined by reference to the specific objectives of their role for the financial year.
Are the STI performance measures and targets disclosed?	The disclosure of prospective STI measures and targets would provide the market and our competitors with our financial forecasts, and it is for this reason that we do not disclose them in advance. We will disclose outcomes and/or performance against targets in instances where the disclosure would not involve the release of commercially sensitive information.
Governance	
When are performance targets set and reviewed?	Performance objectives and targets are set at the beginning of the financial year, while performance against these targets is reviewed following the end of the financial year.
How is performance measured?	The Committee determines whether, or the extent to which, each target is satisfied following the end of the financial year, once the Company's annual accounts are audited and have been approved by the directors. If the gateway is satisfied, an STI may be paid to participating Executive KMP and other Executives. The quantum of any STI reward provided will depend on the extent to which the maximum reward is achieved. A minimum threshold is also set, below which no STI reward will be provided. Once it has been determined whether each objective has been satisfied, the Committee will make a recommendation to the Board for approval of the STI awards to be paid to the CEO, Executive KMP and other Executives. The Committee is responsible for assessing whether the performance criteria are met. To help make this assessment, the Committee receives reports on the Company's performance from management. All proposed STI awards are only made once the Company's financial performance has been verified by internal and external audit. The Committee has the discretion to recommend to the Board an adjustment to any award in light of unexpected or unintended circumstances.
When are incentives paid?	The component of the STI awards approved by the Board that is not subject to deferral is paid to participating Executive KMP and other Executives in the month following the release of the Company's results to the ASX. When eligible to participate in FY2020, the deferred component of the CEO's STI will be provided as Restricted Shares, which the CEO will not be able to trade during the 12-month deferral period. In FY2019, the deferred component of other Executive KMP is paid in cash following the end of the 12-month deferral period. In FY2020, 50 percent of the deferred component (i.e. 20 percent of any award) of other Executive KMP will be provided in Restricted Shares. The remaining 50 percent of the deferred component will be provided in cash.

Cessation of employment, clawback or change of control

If an individual ceases employment during the performance year, will they receive a payment?	Participants leaving employment during the performance year are generally not eligible to receive an award under the STI. In certain circumstances (such as redundancy), the Board may consider eligibility for a pro rata payment.
Does a 'clawback' apply?	The STI Plan allows the Board to take any steps that it determines appropriate to recover from the individual Executives any STI reward that was incorrectly provided as a result of a material misstatement in, or omission from, the Company's financial statements. The provision applies only to those who were Executives of the Company at the time the financial statements were approved by the Board and issued by the Company.
How would a change of control impact on STI entitlements?	The Board has absolute discretion in relation to the treatment, payment or provision of STI awards on a change of control, which it would exercise in the best interests of the Company. The Board may also give the CEO notice that the restriction period for any restricted shares will end if certain change of control events occur.

FY2019 Outcome

The NPAT gateway condition was not exceeded sufficiently to allow a bonus pool to be created, without causing the NPAT gateway to fail and accordingly no STI was payable to the Executives, including Executive KMP.

3.3 FY2019 LONG TERM INCENTIVE PLAN

Features of the LTI plan applicable in respect of FY2019 are outlined in the table below. In FY2019, the Board granted performance options under the LTI plan to Executive KMP and other Senior Executives.

Form and purpose of the plan

What is the LTI plan?	The LTI plan is an incentive that is intended to promote alignment between Executives and shareholder interests over the longer term. Under the LTI plan, performance options may be offered annually to the CEO and nominated Executives, including Executive KMP. The employees invited to participate in the plan include Executives who are considered to play a leading role in achieving the Company's long-term strategic and operational objectives. Performance options were chosen as the vehicle to deliver equity to ensure that participants are only rewarded for an increase in share price from the grant date, further strengthening the alignment between Executive remuneration and growth in shareholder value.
How is the LTI plan delivered?	The LTI plan is delivered via a grant of performance options. The number of performance options that vest is not determined until after the end of the performance period. The performance options will therefore not provide any value to the holder between the dates the performance options are granted and the end of the vesting period and restriction period (if applicable), and then only if the performance hurdles are satisfied and there has been share price growth over the exercise price. Performance options do not carry entitlements to ordinary dividends or other shareholder rights until the performance options vest and shares are provided. Accordingly, participating Executives do not receive dividends during the vesting Period.

How was the number of performance options determined?	The number of performance options for each Executive was determined as part of the calculation of total remuneration for an Executive role. The Committee determined LTI plan awards by assessing the quantum required to provide a market competitive total remuneration level, for on target performance. The number of performance options granted was determined by reference to the maximum value of the grant. The maximum value was determined by a fixed percentage of the Executive's TFC. The CEO was entitled to a maximum value of $1,400,000 in FY2019, and in subsequent years, to 90 percent of TFC. Executive KMP are entitled to a maximum value of 60 percent of TFC. The maximum value divided by the value attributed to the performance option was used to determine the exact number of performance options granted. The value attributed to the performance option was calculated using the Black-Scholes option valuation approach as at the grant date. The exercise price was set based on the volume weighted average price (VWAP) of the Company's shares over the five trading days up to and including the day before the closing date of the grant.
Vesting and performance hurdles	
What is the performance period?	The performance period commences at the beginning of the financial year in which the performance options are granted. For the performance options granted under the FY2019 LTI plan, the performance period started on 29 July 2018 and ends after three years on 31 July 2021. Following the end of the performance period and after the Company has lodged its audited financial results for FY2021 with the ASX, the Board will test the performance hurdles that apply to the FY2019 LTI plan offer and will determine how many performance options (if any) are eligible to vest.
What are the performance hurdles?	The performance measures approved by the Board for the FY2019 LTI plan offer were EPS and relative TSR: • 50 percent of the award is subject to the EPS hurdle • 50 percent of the award is subject to the TSR hurdle
Why were the performance hurdles chosen?	The hurdles were chosen to align shareholder returns with Executive reward outcomes over the three year performance period and to complement the STI plan measures. The Board considers EPS the most effective measure for determining the underlying profitability of the business. When determining normalised EPS for LTI purposes statutory earnings is adopted as the base and the Board will allow adjustments to be made for significant items on a case-by-case basis. To the extent a write-down occurs that is considered to have been within management's control, it will form a part of the EPS calculation. The TSR hurdle was selected to ensure alignment between comparative shareholder return and reward for Executives. This measure also provides a direct comparison of the Company's performance over the performance period against a comparator group of companies that would, broadly, be expected to be similarly impacted by changes in market conditions. For FY2019, the comparator group selected consists of S&P ASX 200 companies excluding companies in the: • Financials, Health Care, Utilities, Consumer Staples, Energy and Telecommunication Services Global Industry Classification Standard (GICS) Sectors; and • Metals & Mining GICS Industry. Based on investor feedback, for FY2020, the comparator group (see section 2.2) has been amended to include a more relevant base of listed companies from the retail and consumer services sector.

What is the vesting framework?

The number of performance options that vest will depend on how well Myer has performed during the performance period. For superior performance, 100 percent of the performance options will vest. Only a percentage of performance options will vest for performance below that level. If Myer does not achieve certain minimum thresholds then all the applicable performance options will lapse, and no performance options can vest.

For the FY2019 LTI plan offer, the following vesting hurdles apply:

Performance options subject to the EPS hurdle (50 percent of the Award)

The EPS hurdle will be tested over the performance period by calculating the compound annual growth rate in the Company's EPS using EPS at the end of FY2018 as the base year. The resulting growth rate will be used to determine the level of vesting for the performance options subject to the EPS Hurdle.

The Board has determined that the write-down incurred during FY2018 will be excluded from the calculation of EPS for the purpose of the FY2019 LTI plan. This has the effect of increasing the base year EPS, from which growth rates will be measured.

The table below sets out the percentage of performance options subject to the EPS Hurdle that can vest depending on the Company's growth in EPS:

Growth in EPS from base year EPS	% of performance options subject to the EPS Hurdle that will vest (rounded down to the nearest whole number)
Below 13% compound annual growth	Nil
At 13% compound annual growth	50%
Between 13% and 20% (inclusive) compound annual growth	Straight line pro-rata vesting between 50% and 100%
At or above 20% compound annual growth	100%

Performance options subject to the TSR Hurdle (50 percent of the Award)

The TSR Hurdle will be tested following the end of the performance period by comparing the Company's total shareholder return performance over the performance period relative to a set peer group. The peer group for the FY2019 Grant will consist of S&P ASX 200 companies excluding companies in the:

- Financials, Health Care, Utilities, Consumer Staples, Energy and Telecommunication Services Global Industry Classification Standard (GICS) Sectors; and
- Metals & Mining GICS Industry.

The comparator group may, at the discretion of the Board, be adjusted to take into account events during the performance period including, but not limited to, takeovers, mergers, de-mergers and de-listings.

The table below sets out the percentage of performance rights subject to the TSR Hurdle that can vest depending on the Company's relative TSR performance:

TSR performance relative to peer group	% of performance options subject to the TSR Hurdle that will vest (rounded down to the nearest whole number)
Below the 50th percentile	Nil
At the 50th percentile	50%
Between the 50th percentile and the 75th percentile	Straight line pro-rata vesting between 50% and 100%
At or above the 75th percentile	100%

For the CEO and Chief Merchandise Officer the vesting period is 4 years during which a continuous service condition applies.

Are the performance hurdles subject to retesting?

No. Each performance hurdle is only tested once at the end of the performance period.

How are shares allocated?	Under the plan, following vesting, shares are allocated on a net settlement basis, where the Executive is allocated the total number of shares that would have been allocated upon exercise less the number of shares equal to the value of the aggregated exercise price. The number of shares delivered by the Company represents the value above the exercise price in accordance with the formula below: (A - B) / C, where: A = Aggregate value of vested performance options (based on the market value of a share) B = Aggregate exercise price payable C = Market value of a share This approach ensures that Executives are only rewarded for the increase to share price from the grant date, thereby strengthening the alignment between Executive remuneration and growth in shareholder value. The exercise price of $0.42 for the FY2019 LTI plan was calculated using the VWAP of a share over the five trading days up to and including the day before the closing date of the grant.
Do any restrictions apply once the options vest?	Any shares provided on vesting of the performance options will be subject to a restriction period of one year, during which they cannot be sold, transferred or otherwise dealt with. A continuous service restriction will also apply during the restriction period. For the CEO and Chief Merchandise Officer, the vesting period is 4 years and there is no additional restriction period following the vesting.

Cessation of employment, change of control, clawback, forfeiture, participation in future issues and hedging arrangements

Cessation of employment	The treatment of performance options on cessation of employment will depend on the date as well as the circumstances of cessation. Generally, if an Executive ceases employment on or before the end of the restriction period due to resignation, termination for cause or gross misconduct, they will forfeit any interest in the options. If employment ceases on or before the end of the restriction period for other reasons, the Executive KMP will retain an interest in the vested shares. Subject to applicable law, the Board has the discretion to allow different treatment (although the discretion is only likely to be exercised in exceptional circumstances).
How would a change of control impact LTI plan entitlements?	The Board has absolute discretion to allow full or pro-rated accelerated vesting of performance options in the event of certain change of control events, and would exercise this discretion in the best interests of the Company.
Does a 'clawback' and/or forfeiture apply?	The LTI plan includes provisions for options to lapse and interests in shares allocated and subject to restriction to be forfeited, at the Board's discretion, if options or shares are granted, eligible to vest or allocated as a result of a material misstatement in, or omission from, the Company's financial statements. The Myer Board would only exercise this discretion in respect of those Executives who were Executives of the Company at the time the financial statements were approved by the Board and issued by the Company.
How would a bonus or rights issue impact performance options under the LTI plan?	The options and entitlements attaching to performance options may be adjusted if the Company undertakes a bonus or rights issue or a capital reconstruction in relation to the Company's shares. For example, in the event of a rights issue, the number of shares which an Executive is entitled to be allocated on the exercise of performance options may be changed in a manner determined by the Myer Board and consistent with the ASX Listing Rules.
Do performance options expire?	The expiry date for performance options under the FY2019 LTI plan is 24 December 2022.
Do any other restrictions apply to performance options prior to vesting or subject to restriction?	Executives are forbidden from entering into any hedging arrangements affecting their economic exposure to performance options or restricted shares. Executives are also forbidden from entering into transactions or arrangements prohibited under the Company's Securities Dealing Policy.

In FY2019, Executive KMP and other senior Executives received a grant of performance options. The awards granted may deliver value to Executives at the end of the three year performance period, subject to satisfaction of performance hurdles as set out in the table below.

The following table summarises the FY2019 performance options granted to Executive KMP:

Name	Total value of performance options at grant date $	Valuation of each performance option at grant date(1) $	Number of performance options granted	Exercise price $	Applicable hurdles	End of performance period
J King	1,400,000	0.1246	4,516,129	0.42	EPS	31 July 2021
		0.1203	4,516,129	0.42	TSR	31 July 2021
N Chadwick	477,000	0.1246	1,538,710	0.42	EPS	31 July 2021
		0.1203	1,538,710	0.42	TSR	31 July 2021
A Sutton	396,000	0.1246	1,277,419	0.42	EPS	31 July 2021
		0.1203	1,277,419	0.42	TSR	31 July 2021
A Winstanley	477,000	0.1246	1,538,710	0.42	EPS	31 July 2021
		0.1203	1,538,710	0.42	TSR	31 July 2021

(1) The valuation is calculated in accordance with AASB 2 Share Based Payment.

4. EXECUTIVE KMP SERVICE AGREEMENTS

Remuneration and other terms of employment for the CEO and other Executive KMP are formalised in service agreements. The termination provisions for Executive KMP, as set out in their service agreements, are described below:

Name	Contract type	Termination notice period initiated by Executive KMP	Termination notice period, or payment in lieu of notice, initiated by Company
J King	Rolling contract	12 months	12 months
N Chadwick	Rolling contract	6 months	6 months
A Sutton	Rolling contract	3 months	6 months
A Winstanley	Rolling contract	6 months	6 months
Former Disclosed Executive KMP			
M Cripsey(1)	Rolling contract	6 months	6 months
R Umbers(2)	Rolling contract	6 months	12 months

(1) Mr Cripsey stepped down as Executive KMP on 31 October 2018 and was paid the minimum payment required under the terms of his employment.

(2) Mr Umbers stepped down as Executive KMP on 14 February 2018 and his notice period concluded on 31 July 2018.

The agreements also provide for an Executive KMP's participation in the STI and LTI plans subject to Board approval of their eligibility and in accordance with the terms and conditions of the respective plans.

In addition, Mr King and Mr Winstanley have been provided with support relating to their relocations, and are entitled to the following benefits:

- Coverage of costs associated with moving personal and household items, and tax services for the first year of their assignments; and
- Ongoing rental assistance, health care coverage and two return flights for self and spouse to and from the USA or the United Kingdom annually, and other costs related to their Australian residency.

The cost to the Company in providing this support for the period ended 27 July 2019 is summarised in Section 7.

5. NON-EXECUTIVE DIRECTOR REMUNERATION

Fees and payments to Non-Executive Directors reflect the demands upon and responsibilities of those directors. The Board, on the recommendation of the Committee, reviews Non-Executive Directors' fees and payments at least once a year. As part of that review, the Board considers the advice of independent remuneration consultants in relation to:

- Chairman's fees and payments;
- Non-Executive Directors' fees and payments; and
- payments made in relation to the Chairman of committees or for other specific tasks that may be performed by directors.

Non-Executive Directors' fees are determined within an aggregate directors' fee pool limit as approved from time to time by Myer shareholders at the AGM. The maximum aggregate limit includes superannuation contributions for the benefit of Non-Executive Directors and any fees which a Non-Executive irector agrees to sacrifice for other benefits. It does not include reimbursement of genuine out-of-pocket expenses, genuine special exertions fees paid in accordance with the Company's constitution, or certain issues of securities under ASX Listing Rule 10.11 or 10.14, with the approval of shareholders. The current maximum aggregate fee pool limit is $2,150,000 per annum. The aggregate fee pool limit has not changed since the Company was listed in November 2009.

Base fees for Non-Executive Directors include payment for participation on Board Committees; however, an additional payment is made to those who serve as Chairman on a Committee to recognise the additional responsibility and time requirements involved in chairing a Committee.

In FY2018, the Chairman and Non-Executive Directors' fees had been reduced to align them with market benchmarks for companies with a similar market capitalisation. The Chairman fee was initially reduced from $400,000 in FY2017 to $350,000 from the start of FY2018. From 21 March 2018, the Chairman fee was subsequently further reduced from $350,000 to $300,000, Non-Executive Directors' fees were reduced from $150,000 to $120,000, the Audit Finance and Risk Committee Chairman fees were reduced from $30,000 to $20,000 and Human Resources and Remuneration Committee Chairman fees were reduced from $22,500 to $20,000. No change was made to the fee structure in FY2019.

The following yearly fees applied in FY2019:

Base annual fees	**$**
Chairman (all inclusive)	300,000
Other Non-Executive Directors	120,000
Additional annual fees	
Audit Finance and Risk Committee – Chairman	20,000
Audit Finance and Risk Committee – member	-
Human Resources and Remuneration Committee – Chairman	20,000
Human Resources and Remuneration Committee – member	-
Nomination Committee – Chairman	-
Nomination Committee – member	-

Non-Executive Directors are not entitled to any additional remuneration upon retirement. Superannuation contributions required by legislation are made from the fee paid to directors and fall within the aggregate fee pool limit.

Non-Executive Directors do not receive performance based pay. However, they are able to purchase shares in the Company, which can be acquired on market during approved trading 'windows' for share trading consistent with the Company's Securities Dealing Policy.

Each Non-Executive Director will target the purchase of a shareholding in the Company that, as at the date of the last purchase, is equivalent to at least one year's Non-Executive Director's base fees, progressively over three years from the date of their appointment, for new Non-Executive Directors, and within three years from April 2018 for Non-Executive Directors appointed before this date.

The table below shows the remuneration amounts recorded in the financial statements in the period for Non-Executive Directors:

Name	FY	Myer Holdings Limited Board & Committee Fees $	Additional fees $	Superannuation $	Total $
Non-Executive Directors					
G Hounsell(1)	2019	279,429	-	20,571	300,000
	2018	146,896	294,378	16,748	458,022
I Cornell(2)	2019	126,700	-	13,300	140,000
	2018	125,877	-	13,214	139,091
J Morrison(3)	2019	108,600	-	11,400	120,000
	2018	97,596	140,178	10,245	248,019
J Stephenson	2019	126,700	-	13,300	140,000
	2018	141,098	-	14,811	155,909
D Whittle	2019	108,600	-	11,400	120,000
	2018	125,877	-	13,214	139,091
L Cattermole AM	2019	86,565	-	9,087	95,652
	2018	-	-	-	-
J Naylor	2019	20,067	-	2,107	22,174
	2018	-	-	-	-
Former Non-Executive Directors					
C Froggatt(4)	2019	35,567	-		35,567
	2018	145,417	-	15,265	160,682
B Thorn(5)	2019	61,540	-	6,460	68,000
	2018	125,877	-	13,214	139,091
P McClintock(6)	2019	-	-	-	-
	2018	104,786	-	6,683	111,469
A Brennan(7)	2019	-	-	-	-
	2018	51,832	-	5,441	57,273
Total Non-Executive Directors	**2019**	**953,768**	-	**87,625**	**1,041,393**
	2018	1,065,256	434,556	108,835	1,608,647

(1) During FY18, Mr Hounsell commenced as a Non-Executive Director and Deputy Chairman on 20 September 2017; was appointed Chairman on 24 November 2017; and was appointed Executive Chairman on 14 February 2018 for the period until 3 June 2018, and he reverted to Non-Executive Chairman on 4 June 2018. Mr Hounsell was a paid a fee of $83,333 per month for the period he was Executive Chairman. The Company paid $587 FBT in relation to car parking provided to Mr Hounsell.
(2) Mr Cornell will retire as a Non-Executive Director on 30 October 2019.
(3) During FY18, Ms Morrison commenced as a Non-Executive Director on 17 October 2017. In addition to her Non-Executive Director fees, Ms Morrison was paid $68,075 for her role as a Director of the sass & bide and Marcs and David Lawrence entities during the period up until 4 June 2018, and $72,103 for marketing consulting services provided to the Company.
(4) Ms Froggatt retired as Non-Executive Director on 30 November 2018.
(5) Mr Thorn retired as Non-Executive Director on 24 February 2019.
(6) Mr McClintock retired as Non-Executive Director on 24 November 2017.
(7) Ms Brennan retired as Non-Executive Director on 24 November 2017.

6. REMUNERATION GOVERNANCE

6.1 HUMAN RESOURCES AND REMUNERATION COMMITTEE

The Board reviews its role, responsibilities, and performance annually to ensure that the Company continues to maintain and improve its governance standards.

The Board is responsible for ensuring the Company's remuneration strategy is equitable and aligned with Company performance and shareholder interests. The Board conducts an annual review of the remuneration strategy of the business. To assist with this, the Board has established a Human Resources and Remuneration Committee made up of Non-Executive Directors only. The Committee charter is available on the Company's Investor Centre website.

When making remuneration decisions, the Committee will also consider the Company's internal succession plan and capability profile.

Mr Ian Cornell has served as Chairman of the Committee since July 2018. Mr Gary Hounsell stepped down as a Committee member in March 2019 and Ms Lyndsey Cattermole was appointed to the Committee from March 2019. Ms JoAnne Stephenson was a member of the Committee throughout FY2019.

In performing its role, the Committee has the responsibility to make recommendations to the Board on:

- Non-Executive Director fees;
- Executive remuneration (for the CEO and Managing Director and other Executives) including specific recommendations on remuneration packages and other terms of employment;
- the overarching remuneration framework including the policy, strategy and practices for fixed reward and both short and long term incentive plans and performance hurdles; and
- the health of the organisation, suitable succession coverage, organisational culture and diversity.

The Committee has been established under rule 8.15 of the Constitution of the Company. Further information on the role of the Committee, its membership and meetings held throughout the year will be set out in the Corporate Governance Statement (available on the Company's website) and the Directors' Report.

The CEO and the Executive General Manager Human Resources are regular attendees at the Committee meetings. The CEO was not present during any Committee or Board meetings when his remuneration was considered or discussed during the financial year.

The Committee must at all times have regard to, and notify the Board as appropriate, of all legal and regulatory requirements, including any shareholder approvals required in connection with remuneration matters.

The Committee Chairman or, if he is not available, a Committee member, will attend the AGM and be available to answer any questions from shareholders about the Committee's activities or, if appropriate, the Company's remuneration arrangements.

6.2 USE OF REMUNERATION CONSULTANTS

To ensure it is fully informed when making remuneration decisions, the Committee draws on services from a range of external sources, including remuneration consultants where appropriate. The Company's guidelines on the use of remuneration consultants aim to ensure the independence of remuneration consultants from Myer's management, and include the process for the selection of consultants and the terms of engagement.

Remuneration consultants are engaged by the Committee Chairman, and report directly to the Committee. As part of this engagement, an agreed set of protocols to be followed by the consultants, the Committee, and management, have been devised that determine the way in which remuneration recommendations are developed and provided to the Board. This process is intended to ensure that any recommendation made by a remuneration consultant is free from undue influence by the Executive KMP to whom any recommendations may relate.

During FY2019, the Board continued to engage Ernst & Young (EY) to provide various remuneration advice, including benchmarking data, market commentary and professional guidance regarding Myer's Executive remuneration and incentive plans. During this engagement, no remuneration recommendations as defined by the *Corporations Act 2001* were provided to the Company by EY.

7. EXECUTIVE KMP STATUTORY DISCLOSURES

The following table shows details of the nature and amount of each element of the remuneration paid or awarded for services provided in this period. In the case of share based payments and retention incentives, the amounts disclosed reflect the amount expensed during the period in accordance with relevant accounting standards and accordingly this does not necessarily reflect the amount actually paid to the individual during the period, which may be more or less than the amount shown in the following tables.

		Short-term employee benefits			Post employment benefits[4]		Long-term benefits		Total remuneration expense				
Name	FY	Cash salary[1] $	STI[2] $	Other[3] $	Super-annuation[5] $	Subtotal $	Long service leave[6] $	Termination & other payments $	Excluding share based payments $	Share-based payment expense[7] $	Total $	% of Performance related remuneration	% of Remuneration consisting of rights and/or options
Executive Directors													
J King[8]	2019	1,200,000	-	153,239	-	1,353,239	3,243	-	1,356,482	508,246	**1,864,728**	27%	27%
	2018	195,238	-	72,321	-	267,559	158	-	267,717	162,857	**430,574**	38%	38%
Executive KMP													
N Chadwick[9]	2019	755,679	-	(12,084)	20,571	764,166	2,560	-	766,726	88,298	**855,024**	10%	10%
	2018	351,710	-	11,519	10,787	374,016	301	-	374,317	58,058	**432,375**	13%	13%
A Sutton	2019	639,429	-	16,089	20,571	676,089	11,489	-	687,578	96,520	**784,098**	12%	12%
	2018	639,911	-	18,610	20,089	678,610	(176,891)	175,887	677,606	210,594	**888,200**	24%	24%
A Winstanley[10]	2019	795,000	-	207,655	-	1,002,655	2,076	-	1,004,731	150,820	**1,155,551**	13%	13%
	2018	82,024	-	74,665	-	156,689	66	-	156,755	26,516	**183,271**	14%	14%
Former Disclosed Executive KMP													
M Cripsey[11]	2019	156,980	-	(4,240)	5,133	157,873	(4,740)	334,734	487,867	25,982	**513,849**	5%	5%
	2018	342,217	-	1,661	10,283	354,161	4,740	-	358,901	181,780	**540,681**	34%	34%
R Umbers[12]	2019	-	-	-	3,462	3,462	-	753,178	756,640	-	**756,640**	-	-
	2018	639,140	-	(75,562)	20,049	583,627	(9,161)	1,297,441	1,871,907	(655,720)	**1,216,187**	0%	0%
G Devonport[13]	2019	-	-	-	-	-	-	-	-	-	**-**	-	-
	2018	435,887		(78,582)	13,366	370,671	(4,757)	510,294	876,208	58,526	**934,734**	6%	6%
D Bracken	2019	-	-	-	-	-	-	-	-	-	**-**	-	-
	2018	-	-	-	-	-	(8,425)	583,251	574,826	(177,915)	**396,911**	0%	0%
Total KMP Remuneration													
	2019	**3,547,088**	-	**360,659**	**49,737**	**3,957,484**	**14,628**	**1,087,912**	**5,060,024**	**869,866**	**5,929,890**		
	2018	2,686,127	-	24,632	74,574	2,785,333	(193,969)	2,566,873	5,158,237	(135,304)	5,022,933		

Footnotes

(1) Cash salary includes short-term compensated absences and any salary sacrifice arrangement implemented by the Executive KMPs, including additional superannuation contributions.
(2) STI payments relate to program performance and conditions for the year they were earned, not the year of actual payment.
(3) Other short-term employee benefits include the movement in annual leave accrual, and Fringe Benefits Tax paid by the Company in respect of Company provided car parking up to the end of March 2019 (in accordance with the FBT year), mobile phone expenses and expatriate support for Mr King and Mr Winstanley.
(4) There were no post-employment benefits other than superannuation.
(5) Executive KMPs receive a statutory superannuation contribution up to a threshold limit in line with the ATO published maximum superannuation contribution base, with the exception of Mr King and Mr Winstanley, who do not receive superannuation due to their tax status.
(6) This benefit includes the movement in long service leave accrual.
(7) The share based payment expense represents the amount expensed for the period based on valuations determined under AASB 2 Share Based Payment. This expense is based on the fair value at grant date, and reflects expectations of the number of rights and options expected to vest. Where expectations change in relation to vesting, adjustment is made in the current period to reflect this change. As the equity grant may fully vest, partially vest or not vest at all, the benefit that the Executive KMP ultimately realises is likely to be different to the amount disclosed in a particular year. The amount disclosed does not represent cash payments received in the period, and if vesting conditions are not met, may result in reversal of the remuneration amount in a future period. There were no other equity-settled share based payments and there were no cash-settled share based payments.
(8) Mr King's other short-term benefits include annual leave accrual, and allowances for rental assistance and health insurance, and return flights home under the expatriate terms of his employment contract.
(9) Mr Chadwick's TFC was increased by 10.4 percent in FY2019 as a result of additional responsibilities performed by him post the departure of Mr Cripsey in the role of Chief Operating Office. Mr Chadwick took over responsibility for Myer's entire Information Technology function from Mr Cripsey. In addition, he also took on responsibility for the Myer legal function in FY2019.
(10) Mr Winstanley's other short-term benefits include annual leave accrual, and allowances for rental assistance and health insurance, and return flights home under the expatriate terms of his employment contract.
(11) Mr Cripsey stepped down as Chief Operating Officer on 31 October 2018 and was paid the minimum payment required under the terms of his employment.
(12) Mr Umbers stepped down as CEO and Managing Director on 14 February 2018, and his notice period concluded on 31 July 2018. His termination payment consists of all payments made post 14 February 2018, which were the minimum payments required under the terms of his employment.
(13) Mr Devonport stepped down as Chief Financial Officer on 28 January 2018, and his notice period concluded on 21 March 2018. His termination payments were made in FY2018, which were the minimum payments required under the terms of his employment. In January 2016, Mr Devonport was granted performance rights in recognition of significant incentive arrangements forfeited upon leaving his previous employer to join Myer. As part of the terms of Mr Devonport's separation 173,913 rights valued at $88,696 granted to him vested in FY2019.
(14) Mr Bracken stepped down as Chief Merchandise and Marketing Officer on 19 July 2017, and his notice period concluded on 19 January 2018. His termination payment was the minimum amount required under the terms of his employment.

7.1 UNVESTED PERFORMANCE RIGHTS AND OPTIONS

Details of performance rights and options granted to Executive KMP under the previous equity incentive plans that remain unvested as at 27 July 2019 are set out in the table below.

Grant type	Grant date	Number of instruments	Value per instrument at grant date $	Vesting date (if holder remains employed by a Myer Group company)
Rights (ROFE hurdle)	22-Dec-16	243,374	$1.25	End of performance period
Rights (EPS hurdle)	22-Dec-16	121,687	$1.25	End of performance period
Rights (TSR hurdle)	22-Dec-16	121,689	$0.84	End of performance period
Rights (ROFE hurdle)	21-Dec-17	756,439	$0.47	End of performance period
Rights (EPS hurdle)	21-Dec-17	378,220	$0.21	End of performance period
Rights (TSR hurdle)	21-Dec-17	378,219	$0.47	End of performance period
Rights (CEO only service hurdle)	4-Jun-18	1,554,061	$0.29	End of performance period
Rights (CMO only service hurdle)	25-Jun-18	370,371	$0.35	End of performance period
Options (EPS hurdle)[1]	24-Dec-18	8,870,968	$0.12	End of vesting period
Options (TSR hurdle) [1]	24-Dec-18	8,870,968	$0.12	End of vesting period
Total		**21,665,996**		

(1) Performance options granted on 24 December 2018 will expire on 24 December 2022.

Details of performance rights or options over ordinary shares in the Company currently provided as remuneration and granted during FY2019 to Executive KMP are set out overleaf. Further information on the LTI plan is set out in note H4 of the Financial Statements.

7.2 EQUITY INSTRUMENTS GRANTED TO EXECUTIVE KMP IN FY2019

Name	Vesting Date	Number of performance options granted(1)	Value of performance options at grant date(2) $	Number of rights vested during the period
J King(3)	1-Aug-22	9,032,258	1,400,000	810,804
N Chadwick	1-Aug-21	3,077,420	477,000	-
A Sutton	1-Aug-21	2,554,838	396,000	-
A Winstanley(4)	1-Aug-22	3,077,420	477,000	185,184

(1) No performance rights were granted to Non-Executive Directors during the reporting period.
(2) The Black Scholes valuation for determining the face value under the FY2019 LTI plan grant was $0.155.
(3) Mr King was appointed as CEO and Managing Director on 4 June 2018. The number of performance rights vested refer to rights granted on his commencement. This plan vests monthly in 36 equal tranches.
(4) Mr Winstanley was appointed as Chief Merchandise Officer on 25 June 2018. The number of performance rights vested refer to rights granted on his commencement. This plan vests monthly in 36 equal tranches.

7.3 SHARES PROVIDED ON EXERCISE OF RIGHTS

In January 2016, Mr Devonport was granted performance rights in recognition of significant incentive arrangements forfeited upon leaving his previous employer to join Myer. As part of the terms of Mr Devonport's separation, these rights granted to him vested in FY2019 and as such 173,913 ordinary shares were provided. No other Non-Executive Directors of the company or Executive KMP were provided ordinary shares as a result of exercise of options or rights.

7.4 PERFORMANCE OPTIONS AND PERFORMANCE RIGHTS ON ISSUE

For each grant of options or grant of performance rights included in this report, the percentage of the grant that was paid, or that vested, in the financial year, and the percentage and value that was forfeited because the service and performance criteria were not met is set out below. Options and performance rights vest provided the vesting conditions or performance hurdles are met. No options or performance rights will vest if the hurdles (either service or performance) are not satisfied, therefore the minimum value of the options or performance rights yet to vest is nil.

Name	Grant date	Equity Vehicle	Vested %	Forfeited %	Maximum total value of grant yet to be expensed(1) $
J King(2)	24-Dec-18	Options(3)	-	-	612,908
	4-Jun-18	Rights	33%	-	110,555
N Chadwick(4)	24-Dec-18	Options(3)	-	-	208,827
	29-Jan-18	Rights	-	-	54,138
A Sutton	24-Dec-18	Options(3)	-	-	253,857
	21-Dec-17	Rights	-	-	37,054
	22-Dec-16(5)	Rights	-	-	3,570
	5-Jan-16	Rights	-	100%	-
A Winstanley(6)	24-Dec-18	Options(3)	-	-	208,827
	25-Jun-18	Rights	33%	-	30,708
M Cripsey	21-Dec-17	Rights	-	-	19,891
	22-Dec-16	Rights	-	-	2,292

(1) This represents the maximum remaining accounting value of the LTI plan awards (rights and options) as at their grant date.
(2) Mr King was appointed as CEO and Managing Director on 4 June 2018. The performance rights referred to in this table were rights granted upon his appointment. These rights vest monthly over the period 4 June 2018 to 4 June 2021.
(3) Performance options granted on 24 December 2018 will expire on 24 December 2022.
(4) Mr Chadwick was appointed as Chief Financial Officer on 29 January 2018, and was granted performance rights upon his appointment.
(5) The grants under the FY2017 LTI plan will be tested for vesting following the release of the FY2019 results and details disclosed in the FY2020 Remuneration Report.
(6) Mr Winstanley was appointed as Chief Merchandise Officer on 25 June 2018. The performance rights referred to in this table were rights granted upon his appointment. These rights vest monthly over the period 25 June 2018 to 25 June 2021.

7.5 TRANSACTIONS WITH KMP

Mr King is a director of Raging Bull Group Limited and has a relevant interest in 20 percent of the shares. During the period ended 27 July 2019, Myer Pty Ltd placed orders for apparel totalling $0.5m with Raging Bull Leisure Limited, whose ultimate parent is Raging Bull Group Limited.

The order has been placed on an arm's length basis under a standard wholesale agreement. As at 27 July 2019, the apparel product ordered had not been received and no payment had been made.

8. EQUITY

The number of rights and options over ordinary shares in the Company held during the financial period by Executive KMP of the Company, including their personally related parties, are set out below. No rights or options over ordinary shares are held by Non-Executive Directors.

	Opening balance		**Granted as compensation**		**Exercised**		**Lapsed**		**Closing balance**	
	Options	**Rights**	**Options**	**Rights**	**Options**	**Rights**	**Options**	**Rights**	**Options**	**Rights**
2019										
J King	-	2,432,432	9,032,258	-	-	-	-	-	**9,032,258**	**2,432,432**
N Chadwick	-	681,818	3,077,420	-	-	-	-	-	**3,077,420**	**681,818**
A Sutton	-	1,209,471	2,554,838	-	-	-	-	(313,042)	**2,554,838**	**896,429**
A Winstanley	-	555,555	3,077,420	-	-	-	-	-	**3,077,420**	**555,555**
Former Disclosed Executive KMP										
M Cripsey(1)	-	554,545	-	-	-	-	-	(323,485)	-	**231,060**
R Umbers(2)	-	3,383,936	-	-	-	-	-	(3,383,936)	-	-
G Devonport(3)	-	858,695	-	-	-	(173,913)	-	(684,782)	-	-
2018										
J King	-	-	2,432,432	-	-	-	-	-	**2,432,432**	
N Chadwick	-	-	681,818	-	-	-	-	-	**681,818**	
M Cripsey	-	-	554,545	-	-	-	-	-	**554,545**	
A Sutton	834,471	-	600,000	-	(19,825)	-	(205,175)	-	**1,209,471**	
A Winstanley	-	-	555,555	-	-	-	-	-	**555,555**	
Former Disclosed Executive KMP										
R Umbers	2,316,322	-	1,636,363	-	(295,099)	-	(273,650)	**-**	**3,383,936**	
G Devonport	1,597,896	-	1,281,818	-	-	-	(2,021,019)	**-**	**858,695**	

(1) Mr Cripsey's performance rights relate only to the time he was considered as Executive KMP.
(2) Mr Umbers stepped down as CEO and Managing Director on 14 February 2018, and is no longer considered Executive KMP from this date. The performance rights held by Mr Umbers lapsed when his notice period concluded on 31 July 2018.
(3) Mr Devonport stepped down as Chief Financial Officer on 28 January 2018 and is no longer considered Executive KMP from this date. A portion of the performance rights referred to in this table held by Mr Devonport, granted on 5 January 2016, were linked to his continuous service, these rights vested in FY2019. All other rights were forfeited.

REMUNERATION REPORT

Continued

The number of shares in the Company held during the financial period by each director of the Company and other Executive KMP of the Company, including their personally related parties are set out below. There were no shares granted during the reporting period as compensation.

	Opening balance	Received on exercise of rights and/or options to shares	Other changes during the year	Closing balance
2019				
Directors				
G Hounsell	1,000,000	-	-	**1,000,000**
I Cornell[(1)]	266,000	-	-	**266,000**
J Morrison	89,788	-	35,000	**124,788**
J Stephenson	95,000	-	-	**95,000**
D Whittle	12,345	-	54,321	**66,666**
L Cattermole AM	-	-	659,996	**659,996**
J Naylor	-	-	-	-
Former Directors				
C Froggatt[(2)]	24,056	-	-	-
B Thorn[(3)]	225,400	-	-	-
Executive KMP				
J King	50,000	-	350,000	**400,000**
N Chadwick	50,000	-	150,000	**200,000**
A Sutton	-	-	-	-
A Winstanley	-	-	200,000	**200,000**
Former Disclosed Executive KMP				
M Cripsey[(4)]	-	-	-	-
2018				
Directors				
G Hounsell	-	-	1,000,000	**1,000,000**
I Cornell	16,000	-	250,000	**266,000**
C Froggatt	24,056	-	-	**24,056**
J Morrison	-	-	89,788	**89,788**
J Stephenson	-	-	95,000	**95,000**
B Thorn	225,400	-	-	**225,400**
D Whittle	12,345	-	-	**12,345**
Executive KMP				
J King	-	-	50,000	**50,000**
N Chadwick	-	-	50,000	**50,000**
M Cripsey	-	-	-	-
A Sutton	11,145	19,825	(30,970)	-
A Winstanley	-	-	-	-
Former Disclosed Executive KMP				
R Umbers[(5)]	326,847	295,099	-	-
G Devonport[(6)]	252,000	-	-	-

(1) Mr Cornell will retire as Non-Executive Director on 30 October 2019.
(2) Ms Froggatt retired as Non-Executive Director on 30 November 2018. Her holdings for the end of the period have not been reported in the table above.
(3) Mr Thorn retired as Non-Executive Director on 24 February 2019. His holdings for the end of the period have not been reported in the table above.
(4) Mr Cripsey stepped down as Executive KMP on 31 October 2018. His holdings for the end of the period have not been reported in the table above.
(5) Mr Umbers stepped down as CEO and Managing Director on 14 February 2018, and his notice period concluded on 31 July 2018. His holdings for the end of the period have not been reported in the table above.
(6) Mr Devonport stepped down as Chief Financial Officer on 28 January 2018 and his notice period concluded on 21 March 2018. His holdings for the end of the period have not been reported in the table above.

9. LOANS

There were no loans made to Executive KMP or entities related to them, including their personally related parties, or other transactions at any time during FY2018 or FY2019.

10. DEALING IN SECURITIES

Under the Securities Dealing Policy, directors and senior Executives are prohibited from entering into hedging arrangements with respect to the Company's securities. A copy of the Securities Dealing Policy is available on the Myer Investor Centre website.

FINANCIAL STATEMENTS

for the period ended 27 July 2019

Contents

CONSOLIDATED INCOME STATEMENT

for the period ended 27 July 2019

	Notes	2019 52 weeks $'000	2018 52 weeks $'000
Total sales	A2	**2,991,795**	3,100,554
Concession sales		**(612,193)**	(653,983)
Sale of goods	A2	**2,379,602**	2,446,571
Sales revenue deferred under customer loyalty program		**(34,545)**	(36,583)
Revenue from sale of goods	A2	**2,345,057**	2,409,988
Other operating revenue	A2	**153,576**	162,299
Cost of goods sold		**(1,336,194)**	(1,387,903)
Operating gross profit		**1,162,439**	1,184,384
Selling expenses		**(822,832)**	(831,192)
Administration expenses		**(281,109)**	(297,765)
Restructuring and store exit costs, onerous lease expense and impairment of assets	A3	**(12,458)**	(541,190)
Earnings/(loss) before interest and tax		**46,040**	(485,763)
Finance revenue	A2	**556**	397
Finance costs	A3	**(12,081)**	(9,471)
Net finance costs		**(11,525)**	(9,074)
Profit/(loss) before income tax		**34,515**	(494,837)
Income tax (expense)/benefit	A4	**(10,041)**	8,835
Profit/(loss) for the period attributable to owners of Myer Holdings Limited		**24,474**	(486,002)

	Notes		
Earnings/(loss) per share attributable to the ordinary equity holders of the Company:		**Cents**	Cents
Basic earnings per share	A5	**3.0**	(59.2)
Diluted earnings per share	A5	**3.0**	(59.2)

The above consolidated income statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended 27 July 2019

	Notes	2019 52 weeks $'000	2018 52 weeks $'000
Profit/(loss) for the period		**24,474**	(486,002)
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss:			
Cash flow hedges	F2	**(1,920)**	13,552
Exchange differences on translation of foreign operations	F2	**(484)**	(439)
Other comprehensive income/(loss) for the period, net of tax		**(2,404)**	13,113
Total comprehensive income/(loss) for the period attributable to owners of Myer Holdings Limited		**22,070**	(472,889)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

as at 27 July 2019

	Notes	2019 $'000	2018 $'000
ASSETS			
Current assets			
Cash and cash equivalents	D1	**47,450**	41,793
Trade and other receivables and prepayments	B1	**31,114**	26,616
Inventories	B2	**346,940**	366,839
Derivative financial instruments	E1	**5,688**	6,725
Total current assets		**431,192**	441,973
Non-current assets			
Property, plant and equipment	C1	**383,487**	424,076
Intangible assets	C2	**467,604**	485,151
Derivative financial instruments	E1	**101**	269
Other non-current assets		**4,228**	1,529
Total non-current assets		**855,420**	911,025
Total assets		**1,286,612**	1,352,998
LIABILITIES			
Current liabilities			
Trade and other payables	B3	**372,653**	381,156
Provisions	C3	**64,386**	70,007
Deferred income	C4	**8,295**	10,294
Derivative financial instruments	E1	**132**	64
Current tax liabilities		**5,280**	4,321
Other liabilities		**373**	472
Total current liabilities		**451,119**	466,314
Non-current liabilities			
Borrowings	D3	**86,134**	149,165
Provisions	C3	**12,273**	11,856
Deferred income	C4	**80,158**	80,629
Deferred tax liabilities	A4	**54,869**	60,981
Derivative financial instruments	E1	**3**	64
Total non-current liabilities		**233,437**	302,695
Total liabilities		**684,556**	769,009
Net assets		**602,056**	583,989
EQUITY			
Contributed equity	F1	**738,759**	739,020
Accumulated losses	F2	**(138,641)**	(160,282)
Reserves	F2	**1,938**	5,251
Total equity		**602,056**	583,989

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 27 July 2019

	Notes	Contributed equity $'000	Accumulated losses $'000	Reserves $'000	Total $'000
Balance as at 29 July 2017		739,329	342,146	(8,607)	1,072,868
Net loss for the period		-	(486,002)	-	(486,002)
Other comprehensive income/(loss) for the period		-	-	13,113	13,113
Total comprehensive income/(loss) for the period		-	(486,002)	13,113	(472,889)
Transactions with owners in their capacity as owners:					
Acquisition of treasury shares	F1	(309)	-	-	(309)
Dividends paid	F3	-	(16,426)	-	(16,426)
Employee share schemes	F2	-	-	745	745
		(309)	(16,426)	745	(15,990)
Balance as at 28 July 2018		**739,020**	**(160,282)**	**5,251**	**583,989**
Adjustment on initial application of AASB 15, net of tax	I	**-**	**(2,833)**	**-**	**(2,833)**
Restated balance as at 29 July 2018		**739,020**	**(163,115)**	**5,251**	**581,156**
Net profit for the period		**-**	**24,474**	**-**	**24,474**
Other comprehensive income/(loss) for the period		**-**	-	**(2,404)**	**(2,404)**
Total comprehensive income/(loss) for the period		**-**	**24,474**	**(2,404)**	**22,070**
Transactions with owners in their capacity as owners:					
Acquisition of treasury shares	F1	**(261)**	**-**	**-**	**(261)**
Employee share schemes	F2	**-**	**-**	**(909)**	**(909)**
		(261)	**-**	**(909)**	**(1,170)**
Balance as at 27 July 2019		**738,759**	**(138,641)**	**1,938**	**602,056**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period ended 27 July 2019

		2019 52 weeks $'000	2018 52 weeks $'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**2,769,783**	2,857,300
Payments to suppliers and employees (inclusive of goods and services tax)		**(2,631,291)**	(2,726,701)
		138,492	130,599
Interest paid		**(9,815)**	(9,097)
Tax paid		**(13,598)**	(12,301)
Net cash inflow from operating activities	D2	**115,079**	109,201
Cash flows from investing activities			
Payments for property, plant and equipment		**(35,647)**	(42,990)
Payments for intangible assets		**(17,020)**	(48,313)
Lease incentives and contributions received		**7,971**	4,455
Interest received		**556**	411
Net cash outflow from investing activities		**(44,140)**	(86,437)
Cash flows from financing activities			
Proceeds from/(repayment of) borrowings, net of transaction costs		**(64,915)**	5,000
Dividends paid to equity holders of the parent	F3	**-**	(16,426)
Payment for acquisition of treasury shares	F1	**(261)**	(309)
Other		**(106)**	173
Net cash outflow from financing activities		**(65,282)**	(11,562)
Net increase in cash and cash equivalents		**5,657**	11,202
Cash and cash equivalents at the beginning of the financial period		**41,793**	30,591
Cash and cash equivalents at end of period	D1	**47,450**	41,793

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

A. GROUP PERFORMANCE

This section provides additional information regarding lines in the financial statements that are most relevant to explaining the performance of the Group during the period, including the applicable accounting policies applied and significant estimates and judgements made.

A1 SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer that are used to make strategic decisions about the allocation of resources.

The Chief Executive Officer considers the business based on total store and product portfolio, and has identified that the Group operates in Australia in the department store retail segment.

The Group also undertakes activities outside the department store retail business through its subsidiaries: sass & bide and Marcs and David Lawrence. On the basis that these subsidiaries represent less than 10% of the total Group's operations and have similar economic characteristics to the department store retail business, they have not been disclosed as separate reporting segments.

Accounting policy
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

A2 REVENUE

	2019 52 weeks $'000	2018 52 weeks $'000
Sales revenue		
Total sales	**2,991,795**	3,100,554
Concession sales	**(612,193)**	(653,983)
Sale of goods	**2,379,602**	2,446,571
Sales revenue deferred under customer loyalty program	**(34,545)**	(36,583)
Revenue from sale of goods	**2,345,057**	2,409,988
Other operating revenue		
Concessions revenue	**136,815**	146,331
Other[1]	**16,761**	15,968
	153,576	162,299
Finance revenue		
Interest revenue	**556**	397
Total revenue	**2,499,189**	2,572,684

1. Other includes revenue in relation to gift card non-redemption income, forfeited lay-by deposits and financial services income.

Accounting policy
Total sales value presented in the income statement represents proceeds from sale of goods (both from the Group and concession operators) and prior to the deferral of revenue under the Myer customer loyalty program. Concession sales presented in the income statement represents the sales proceeds of concession operators within Myer stores. Total sales value is disclosed to show the total sales generated by the Group and provide a basis of comparison with similar department stores.

Revenue from sale of goods, excluding lay-by transactions, is recognised when the performance obligation has been fulfilled, which is principally at the point of sale after deducting taxes paid, and does not include concession sales. Goods are sold to the end customer with a right of return within a reasonable period at the Group's discretion and in accordance with legislative requirements. A refund liability (included in trade and other payables) and a right to returned goods (included in trade and other receivables) are recognised for the goods expected to be returned, with a corresponding adjustment to revenue from sale of goods and cost of goods sold. The assumptions and the estimated amount of returns are based on historical evidence and are reassessed at the end of each reporting period. Revenue from lay-by transactions is recognised as part of revenue from sale of goods at the date upon which the customer satisfies all payment obligations and control of the goods has transferred to the customer.

Revenue from sale of goods excludes concession sales in Myer stores on the basis that the inventory sold is owned by the concession operator at the time of sale and not the Group. The Group's share of concession sales is recognised as revenue within other operating revenue at the time the sale is made.

Gift cards are considered a prepayment for goods or services to be delivered in the future, which creates a performance obligation for the Group. The Group recognises a liability for the amount received in advance for the gift card and recognises revenue when the customer redeems the gift card and the Group fulfils the performance obligation related to the transaction. The Group recognises revenue on the unredeemed value of gift cards and rewards cards (under the Myer one loyalty program), referred to as non-redemption income. The Group recognises the expected non-redemption amount as revenue in proportion to the pattern in which the gift card or reward card is utilised by the customer.

Interest revenue is recognised on a time proportion basis using the effective interest method.

Critical accounting estimates and judgements – customer loyalty program
The Group operates a loyalty program where customers accumulate award points for purchases made which entitle them to discounts on future purchases. The award points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of the sale such that the award points are recognised at their fair value. Revenue from the award points is recognised when the points are redeemed. The amount of revenue recognised is based on the number of points redeemed relative to the total number expected to be redeemed. Award points expire 24 months after the initial sale.

A3 EXPENSES

	2019 52 weeks $'000	2018 52 weeks $'000
Profit/(loss) before income tax includes the following specific expenses:		
Employee benefits expenses		
Defined contribution superannuation expense	**36,543**	38,044
Other employee benefits expenses	**408,229**	424,178
Total employee benefits expenses	**444,772**	462,222
Depreciation, amortisation and write-off expense	**101,589**	94,006
Finance costs		
Interest and finance charges paid/payable	**12,012**	8,743
Fair value losses on interest rate swap cash flow hedges, transferred from equity	**69**	728
Finance costs expensed	**12,081**	9,471
Rental expense relating to operating leases		
Minimum lease payments	**225,965**	229,075
Contingent rentals	**2,303**	2,712
Total rental expense relating to operating leases	**228,268**	231,787
Net foreign exchange gains	**(6,301)**	(12,085)
Restructuring and store exit costs, onerous lease expense and impairment of assets The following individually significant items are included within restructuring and store exit costs, onerous lease expense and impairment of assets in the consolidated income statement:		
Restructuring and redundancy costs[1]	**7,775**	9,224
Store exit costs/(reversals) and other asset impairments[2]	**(786)**	7,480
Impairment of assets[3]	**-**	524,486
Support office onerous lease expense and impairment of assets[4]	**5,469**	-
	12,458	541,190
Income tax benefit[5]	**(3,737)**	(22,713)
Restructuring and store exit costs, onerous lease expense and impairment of assets, net of tax	**8,721**	518,477

1. The Group has completed several restructuring programs during the period resulting in redundancy and other costs being incurred or committed but not yet paid. Refer to note C3 for more information.

2. Store exit costs/(reversals) and other asset impairments includes net costs associated with space hand backs to be completed at the Myer Cairns and Belconnen stores, with a reversal of the Belconnen store exit cost amount recognised in 2018, as the store was announced for closure but is now remaining open with a space hand back to be completed. (2018: net costs associated with the announcement of closures at the Myer Colonnades, Belconnen and Hornsby stores and space optimisation). Refer to note C1 and C3 for more information.

3. In 2018, the Group recognised an impairment of the Myer goodwill and brand name, an impairment of the Mt Gravatt store's plant and equipment assets, and an impairment of support office software assets. Refer to note C2 for more information.

4. The Group recognised a $4.2 million onerous lease provision relating to surplus space identified at the support office due to restructuring completed. This provision expense was partially offset by the write-back of the fixed lease rental increase provision and deferred income associated with this space. The assets associated with this surplus space were impaired and included in this amount. Refer to note C1 and C3 for more information.

5. In 2018, the income tax benefit included a $15.1 million benefit relating to the unwind of the deferred tax liability as a result of the impairment of the Myer brand name. Refer to note C2 for more information.

Accounting policy

The expenses disclosed above are also disclosed in the following sections of the financial statements:

- Employee benefits expenses – refer to note C3
- Depreciation and amortisation expense – refer to note C1 and C2
- Finance costs – refer to note D3 and E1
- Rental expense relating to operating leases – refer to note H2
- Net foreign exchange gains – refer to note F2

Individually Significant Items

Certain items have been separately disclosed and presented as individually significant based on the nature and/or impact these items have on the Group's financial performance for the period.

A4 INCOME TAX

	2019 52 weeks $'000	2018 52 weeks $'000
(a) Income tax expense/(benefit)		
(i) Income tax expense/(benefit)		
Current tax	**14,678**	14,596
Deferred tax	**(4,637)**	(23,431)
Income tax expense/(benefit)[1]	**10,041**	(8,835)
Deferred income tax expense included in income tax expense/(benefit) comprises:		
(Increase)/Decrease in deferred tax assets	**(5,570)**	(7,623)
Increase/(Decrease) in deferred tax liabilities	**933**	(15,808)
	(4,637)	(23,431)
(ii) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit/(loss) before income tax expense/(benefit)	**34,515**	(494,837)
Tax at the Australian tax rate of 30% (2018: 30%)	**10,355**	(148,451)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible asset impairments	**-**	139,593
Sundry items	**(55)**	27
	10,300	(8,831)
Adjustments for current tax of prior periods	**(259)**	(4)
Income tax expense/(benefit)[1]	**10,041**	(8,835)

1. Income tax includes an income tax benefit of $3.7 million (2018: $22.7 million) attributable to the restructuring and store exit costs, onerous lease expense and impairment of assets recorded during the period. Refer to note A3 for more information.

	2019 $'000	2018 $'000
(b) Deferred tax assets		
Deferred tax assets comprise temporary differences attributable to:		
Employee benefits	**14,576**	15,184
Non-employee provisions and accruals	**15,918**	12,729
Amortising deductions	**962**	1,626
Property, plant, equipment and software	**19,370**	13,936
Trading stock	**6,391**	6,894
Tax losses	**700**	738
Total deferred tax assets	**57,917**	51,107
Set off of deferred tax assets pursuant to set off provisions	**(57,917)**	(51,107)
Net deferred tax assets	**-**	-
Movement		
Carrying amount at beginning of period	**51,107**	43,432
Adjustment on initial application of AASB 15	**1,215**	-
Credited/(charged) to income statement	**5,570**	7,623
Credited/(charged) to other comprehensive income	**25**	52
Carrying amount at end of period	**57,917**	51,107
(c) Deferred tax liabilities		
Deferred tax liabilities comprise temporary differences attributable to:		
Brand names	**107,330**	107,330
Deferred income	**4,991**	4,012
Sundry items	**465**	746
Total deferred tax liabilities	**112,786**	112,088
Set off of deferred tax assets pursuant to set off provisions	**(57,917)**	(51,107)
Net deferred tax liabilities	**54,869**	60,981
Movement		
Carrying amount at beginning of period	**112,088**	128,006
Charged/(credited) to income statement	**933**	(15,808)
Charged/(credited) to other comprehensive income	**(235)**	(110)
Carrying amount at end of period	**112,786**	112,088

A4 INCOME TAX (CONTINUED)

Accounting policy

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exemption is made for certain temporary differences if they arise in a transaction, other than a business combination, that at the time of the transaction did not affect accounting profit or taxable profit or loss. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised in other comprehensive income or directly in equity are also recognised directly in other comprehensive income or equity.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to, the taxation authority, are presented as operating cash flow.

A5 EARNINGS PER SHARE

	2019 cents	2018 cents
(a) Basic earnings per share		
Total basic earnings per share attributable to the ordinary equity holders of the Company	**3.0**	(59.2)
(b) Diluted earnings per share		
Total diluted earnings per share attributable to the ordinary equity holders of the Company	**3.0**	(59.2)

	2019 $'000	2018 $'000
(c) Reconciliation of earnings used in calculating earnings per share		
Earnings used in calculation of basic and diluted EPS attributable to ordinary shareholders	**24,474**	(486,002)

	2019 Number	2018 Number
(d) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**821,026,706**	821,278,815
Adjustments for calculation of diluted earnings per share - performance rights and options	**5,795,213**	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**826,821,919**	821,278,815

(e) Information concerning the classification of securities

Performance rights and options granted to employees under the Myer Long Term Incentive Plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The performance rights and options granted have not been included in the determination of basic earnings per share. Details relating to performance rights and options are set out in note H4. All performance rights and options outstanding at period end have been included in the calculation of diluted earnings per share because no rights and options are considered antidilutive for the period ended 27 July 2019.

Potential ordinary shares are treated as dilutive when, and only when, their conversion to ordinary shares decreases earnings per share or increases loss per share.

Accounting policy

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the period and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

B. WORKING CAPITAL

This section provides additional information regarding lines in the financial statements that are most relevant to explaining the assets used to generate the Group's trading performance during the period and liabilities incurred as a result, including the applicable accounting policies applied and significant estimates and judgements made.

B1 TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	2019 $'000	2018 $'000
Trade receivables	**9,512**	4,218
Loss allowance	**(1,746)**	(854)
	7,766	3,364
Other receivables[1]	**11,102**	9,648
Prepayments	**12,246**	13,604
	23,348	23,252
	31,114	26,616

1. In 2019, other receivables includes an amount for the Group's right to returned goods, which is recognised as part of accounting for refunds in accordance with the transition to AASB 15. Refer to section I for more information.

Fair value and risk exposure

Due to the short term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above. Information about the Group's exposure to credit risk, foreign currency risk and interest rate risk in relation to trade and other receivables and the Group's financial risk management policy is provided in note E1.

Accounting policy

Trade receivables are non interest-bearing and are recognised initially at fair value, and subsequently at amortised cost using the effective interest rate method, less expected loss allowance. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables based on all possible default events over the expected life of the receivable. The amount of the impairment loss is recognised as an expense in the income statement. Subsequent recoveries of amounts previously written off are credited against expenses in the income statement.

B2 INVENTORIES

	2019 $'000	2018 $'000
Retail inventories	**346,940**	366,839

Provision for write-down of inventories to net realisable value amounted to $10.5 million (2018: $12.1 million). This was recognised as an expense during the period and included in cost of sales in the income statement.

Accounting policy

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the weighted average cost method, after deducting any purchase settlement discount and including logistics expenses incurred in bringing the inventories to their present location and condition.

Volume-related supplier rebates and supplier promotional rebates are recognised as a reduction in the cost of inventory and are recorded as a reduction of cost of goods sold when the inventory is sold.

Critical accounting estimates and judgements - recoverable amount of inventory

Management has assessed the value of inventory that is likely to be sold below cost using past experience and judgement on the likely sell through rates of various items of inventory, and booked a provision for this amount. To the extent that these judgements and assumptions prove incorrect, the Group may be exposed to potential additional inventory write-downs in future periods.

B3 TRADE AND OTHER PAYABLES

	2019 $'000	2018 $'000
Trade payables	**187,570**	189,989
Other payables[1]	**185,083**	191,167
	372,653	381,156

1. In 2019, other payables includes an amount for the Group's refund liability, which is recognised as part of accounting for refunds in accordance with the transition to AASB 15. Refer to section I for more information.

Trade and other payables are non-interest bearing.

Accounting policy

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 to 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

C. CAPITAL EMPLOYED

This section provides additional information regarding lines in the financial statements that are most relevant to explaining the capital investment made that allows the Group to generate its trading performance during the period and liabilities incurred as a result, including the applicable accounting policies applied and significant estimates and judgements made.

C1 PROPERTY, PLANT AND EQUIPMENT

	Freehold land $'000	Freehold buildings $'000	Fixtures and fittings $'000	Plant and equipment $'000	Capital works in progress $'000	Total $'000
At 29 July 2017						
Cost	9,600	19,500	470,619	450,537	49,791	1,000,047
Accumulated depreciation and impairment	-	(5,446)	(305,414)	(228,976)	-	(539,836)
Net book amount	9,600	14,054	165,205	221,561	49,791	460,211
Period ended 28 July 2018						
Carrying amount at beginning of period	9,600	14,054	165,205	221,561	49,791	460,211
Additions	-	-	23,927	9,049	12,669	45,645
Transfer between classes	-	-	24,138	13,520	(48,295)	(10,637)
Assets written off – cost	-	-	(9,666)	(26,146)	-	(35,812)
Assets written off – accumulated depreciation	-	-	9,418	26,024	-	35,442
Impairment[1]	-	-	(6,538)	-	-	(6,538)
Depreciation charge	-	(488)	(34,672)	(29,066)	-	(64,226)
Exchange differences	-	-	(60)	51	-	(9)
Carrying amount at end of period	9,600	13,566	171,752	214,993	14,165	424,076
At 28 July 2018						
Cost	9,600	19,500	508,958	447,011	14,165	999,234
Accumulated depreciation and impairment	-	(5,934)	(337,206)	(232,018)	-	(575,158)
Net book amount	9,600	13,566	171,752	214,993	14,165	424,076
Period ended 27 July 2019						
Carrying amount at beginning of period	**9,600**	**13,566**	**171,752**	**214,993**	**14,165**	**424,076**
Additions	**-**	**-**	**10,423**	**11,674**	**8,517**	**30,614**
Transfer between classes	**-**	**-**	**6,168**	**4,768**	**(11,929)**	**(993)**
Assets written off – cost	**-**	**-**	**(2,936)**	**(2,538)**	**-**	**(5,474)**
Assets written off – accumulated depreciation	**-**	**-**	**2,245**	**1,590**	**-**	**3,835**
Impairment[1]	**-**	**-**	**(3,400)**	**-**	**-**	**(3,400)**
Depreciation charge	**-**	**(488)**	**(36,531)**	**(28,146)**	**-**	**(65,165)**
Exchange differences	**-**	**-**	**(40)**	**32**	**2**	**(6)**
Carrying amount at end of period	**9,600**	**13,078**	**147,681**	**202,373**	**10,755**	**383,487**
At 27 July 2019						
Cost	**9,600**	**19,500**	**522,573**	**460,947**	**10,755**	**1,023,375**
Accumulated depreciation and impairment	**-**	**(6,422)**	**(374,892)**	**(258,574)**	**-**	**(639,888)**
Net book amount	**9,600**	**13,078**	**147,681**	**202,373**	**10,755**	**383,487**

1. Impairment relates to assets associated with store space hand backs and support office onerous lease provision. (2018: assets associated with store closures and space optimisation). Refer to note A3 for more information.

Accounting policy

Property, plant and equipment is stated at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate the cost net of their residual values, over their estimated useful lives, as follows:

- Buildings — 40 years (2018: 40 years)
- Fixtures and fittings — 3 – 12.5 years (2018: 3 – 12.5 years)
- Plant and equipment, including leasehold improvements — 10 – 20 years (2018: 10 – 20 years)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (refer to note C2).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

C2 INTANGIBLE ASSETS

	Goodwill $'000	Brand names and trademarks $'000	Software $'000	Lease rights $'000	Total $'000
At 29 July 2017					
Cost	492,131	437,358	268,445	25,786	1,223,720
Accumulated amortisation and impairment	(27,097)	(15,405)	(169,775)	(25,786)	(238,063)
Net book amount	465,034	421,953	98,670	-	985,657
Period ended 28 July 2018					
Carrying amount at beginning of period	465,034	421,953	98,670	-	985,657
Additions	-	-	37,899	-	37,899
Transfer between classes	-	-	10,637	-	10,637
Assets written off – cost	-	-	(7,200)	-	(7,200)
Assets written off – accumulated amortisation	-	-	7,108	-	7,108
Impairment[1]	(465,034)	(50,315)	(4,322)	-	(519,671)
Amortisation charge[2]	-	-	(29,318)	-	(29,318)
Exchange differences	-	-	39	-	39
Carrying amount at end of period	-	371,638	113,513	-	485,151
At 28 July 2018					
Cost	492,131	437,358	309,820	25,786	1,265,095
Accumulated amortisation and impairment	(492,131)	(65,720)	(196,307)	(25,786)	(779,944)
Net book amount	-	371,638	113,513	-	485,151
Period ended 27 July 2019					
Carrying amount at beginning of period	**-**	**371,638**	**113,513**	**-**	**485,151**
Additions	**-**	**-**	**16,223**	**-**	**16,223**
Transfer between classes	**-**	**-**	**993**	**-**	**993**
Assets written off – cost	**-**	**-**	**(19)**	**(7,535)**	**(7,554)**
Assets written off – accumulated amortisation	**-**	**-**	**9**	**7,535**	**7,544**
Amortisation charge[2]	**-**	**-**	**(34,775)**	**-**	**(34,775)**
Exchange differences	**-**	**-**	**22**	**-**	**22**
Carrying amount at end of period	**-**	**371,638**	**95,966**	**-**	**467,604**
At 27 July 2019					
Cost	**492,131**	**437,358**	**327,039**	**18,251**	**1,274,779**
Accumulated amortisation and impairment	**(492,131)**	**(65,720)**	**(231,073)**	**(18,251)**	**(807,175)**
Net book amount	**-**	**371,638**	**95,966**	**-**	**467,604**

1. In 2018, impairment was recognised on the Myer goodwill and brand name. Refer below for more information.
2. Amortisation of $34.8 million (2018: $29.3 million) is included in administration and selling expenses in the income statement.

Impairment of non-financial assets

AASB 136 *Impairment of Assets* requires goodwill and intangible assets with an indefinite useful life to be assessed at the end of each reporting period where there is any indication that an asset may be impaired. A review of indicators of impairment using both external and internal sources of information has been undertaken.

The brand names arising on the acquisition of the Myer business amounting to $352.5 million (2018: $402.8 million) cannot be allocated to the Group's individual cash generating units (CGU's) (the Group's stores), and hence has been allocated to the Myer business as a whole.

In 2018, the carrying value exceeded the recoverable amount and an impairment charge of $515.3 million was recognised in respect of goodwill ($465.0 million) and the Myer brand name ($50.3 million). This was included within restructuring and store exit costs, onerous lease expense and impairment of assets in the consolidated income statement.

During the period, there were indicators of impairment due to the current market capitalisation position. As a result, the recoverable amount of the assets relating to this CGU were assessed using a value-in-use discounted cash flow model. This model uses cash flow projections based on financial forecasts approved by management covering a five-year period. Cash flows beyond five-year periods are extrapolated using a terminal growth rate. The key assumptions used in the model are:

Key assumption	2019	2018	Approach used to determine value
Discount rate (pre-tax)	**14.8%**	14.8%	The pre-tax discount rate is sourced from observable market information and is risk-adjusted relative to the risks associated with the net pre-tax cash flows being achieved.
Terminal growth rate	**1.7%**	1.7%	This is the weighted average growth rate used to extrapolate cash flows beyond the five-year forecast period.
Average EBITDA margin	**5.9%**	5.4%	Average annual EBITDA margin over the five-year forecast period, applied to sales forecast consistent with external market forecasts. The average annual EBITDA margin is based on external sources of information, past performance and management's expectations. This assumption incorporates anticipated market conditions, sales channel performance, and management's expectations of margin improvement and future cost saving initiatives.

The headroom approximates 10% of the CGU's net carrying value. Given the recoverable amount is marginally above its carrying value, any adverse movements in key assumptions may lead to an impairment. The recoverable amount is based on operating and cashflow performance stabilising, however the timing of cashflow benefits arising from initiatives could be influenced by market conditions.

C2 INTANGIBLE ASSETS (CONTINUED)

Impairment of non-financial assets (continued)

The recoverable amount is highly sensitive to changes in the average EBITDA margin assumption. For the recoverable amount to approximate the carrying value, a 30 basis points decrease in the average EBITDA margin would need to occur. Any reasonable possible change in other key assumptions would not result in an impairment.

During the period, a review of the carrying value of the assets for each Myer store was undertaken and if indicators of impairment were identified, the recoverable amount of these store assets would be determined using a value-in-use discounted cash flow model. This model uses cash flow projections based on financial budgets approved by management covering a five-year period. The key assumptions in the model are consistent with those noted above. Based on this, no impairment was identified at a Myer store level. In 2018, the Group identified indicators of impairment in respect of the Mt Gravatt store and recognised an impairment of the store's plant and equipment of $4.2 million.

Accounting policy

(i) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate they might be impaired. Other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). For store assets, the appropriate cash generating unit is an individual store. Non-financial assets other than goodwill that have previously suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(ii) Goodwill

Goodwill is measured as described below under business combinations. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(iii) Brand names and trademarks

The useful life of brands are assessed on acquisition. The brands which are not considered to have foreseeable brand maturity dates have been assessed as having indefinite useful lives as there is a view that there is no foreseeable limit to the period over which key brands are expected to generate net cash inflows for the entity. These brands are therefore not amortised. Instead, these brand names are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired, and are carried at cost less accumulated impairment losses.

Brands with a limited useful life are amortised over five years using the straight-line method and are carried at cost less accumulated amortisation and impairment losses.

(iv) Computer software

All costs directly incurred in the purchase or development of major computer software or subsequent upgrades and material enhancements, which can be reliably measured and are not integral to a related asset, are capitalised as intangible assets. Direct costs may include internal payroll and on-costs for employees directly associated with the project. Costs incurred on computer software maintenance or during the planning phase are expensed as incurred. Computer software is amortised over the period of time during which the benefits are expected to arise, initially being up to 10 years. The assets' residual values and useful lives are reviewed annually and adjusted if appropriate, which may result in a useful life outside of this period.

(v) Lease rights

Lease rights represent the amount paid up front to take over store site leases from the existing lessee where such payments are in addition to the ongoing payment of normal market lease rentals. Lease rights are amortised over the term of the lease plus any renewal options reasonably certain to be utilised at the time of acquisition of the lease rights.

Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

Critical accounting estimates and judgements - impairment

Goodwill and intangible assets that have an indefinite life are tested annually for impairment, or more frequently if there are indicators of impairment, in accordance with the accounting policy noted above. The recoverable amount of cash generating units have been determined at a store level. Goodwill and certain intangibles are tested for impairment at the level of the Group as a whole, using value-in-use calculations.

C3 PROVISIONS

	2019 $'000	2018 $'000
Current		
Employee benefits	**45,274**	47,629
Support office onerous lease (i)	**2,178**	818
Restructuring (ii)	**4,806**	7,775
Workers' compensation (iii)	**10,448**	9,959
Sales returns (iv)	**-**	2,216
Other	**1,680**	1,610
	64,386	70,007
Non-current		
Employee benefits	**3,312**	3,151
Support office onerous lease (i)	**3,499**	1,513
Fixed lease rental increases (v)	**5,406**	7,139
Other	**56**	53
	12,273	11,856

(i) Support office onerous lease
The support office onerous lease provision relates to excess office space identified, due to changes completed during the period and prior periods, and is estimated based on the discounted future contractual cash flows under a non-cancellable lease expiring in 2022, net of future expected rental income. Refer to note A3 for more information.

(ii) Restructuring
The restructuring provision relates to redundancy costs associated with restructuring of the organisational structure and the costs associated with store closures and space hand backs committed but not yet paid. Refer to note A3 for more information.

(iii) Workers' compensation
The amount represents a provision for workers' compensation claims in certain states, for which the Group is self insured.

(iv) Sales returns
In 2018, this amount represented a provision for expected sales returns under the Group’s returns policy. On initial application of AASB 15, this is recognised as a refund liability in trade and other payables, with a corresponding right to returned goods recognised in trade and other receivables. Refer to section I for more information.

(v) Fixed lease rental increases
The Group is a party to a number of leases that include fixed rental increases during their term. In accordance with AASB 117 *Leases*, the total rentals over these leases are being expensed over the lease term on a straight-line basis. The above provision reflects the difference between the future committed payments under these leases and the total future expense. Due to the provision for support office onerous lease recognised during the period, a portion of this provision has been written-back to reflect the realigned total future expense expected over the remaining lease term. Refer to note A3 for more information.

Movement in provisions
Movement in each class of provision during the financial period, other than employee benefits, are set out below:

	Support office onerous lease $'000	Restructuring $'000	Workers' compensation $'000	Sales returns $'000	Fixed lease rental increases $'000	Other $'000	Total $'000
2019							
Carrying amount at beginning of period	**2,331**	**7,775**	**9,959**	**2,216**	**7,139**	**1,663**	**31,083**
Adjustment on initial application of AASB 15	**-**	**-**	**-**	**(2,216)**	**-**	**-**	**(2,216)**
Restated carrying amount at beginning of period	**2,331**	**7,775**	**9,959**	**-**	**7,139**	**1,663**	**28,867**
Additional provisions recognised	**4,164**	**2,219**	**3,752**	**-**	**504**	**9,282**	**19,921**
Amounts utilised	**(818)**	**(5,188)**	**(3,263)**	**-**	**(2,237)**	**(9,209)**	**(20,715)**
Carrying amount at end of period	**5,677**	**4,806**	**10,448**	**-**	**5,406**	**1,736**	**28,073**

Amounts not expected to be settled within the next 12 months
The current provision for employee benefits includes accrued annual leave and long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service. The entire annual leave amount and current portion of the long service leave provision is presented as current since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	2019 $'000	2018 $'000
Current long service leave obligations expected to be settled after 12 months	**19,138**	19,984

C3 PROVISIONS (CONTINUED)

Accounting policy

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

The Group is self-insured for costs relating to workers' compensation and general liability claims in certain states. Provisions are recognised based on claims reported, and an estimate of claims incurred but not yet reported, prior to balance date. These provisions are determined utilising an actuarially determined method, which is based on various assumptions including but not limited to future inflation, average claim size and claim administrative expenses. These assumptions are reviewed annually and any reassessment of these assumptions will affect the workers' compensation expense.

Employee benefits

(i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short term employee benefit obligations are presented as payables.

(ii) Other long term employee benefit obligations

The liability for long service leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

(iii) Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit sharing based on a formula that takes into consideration the profit attributable to the Group's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

C4 DEFERRED INCOME

	2019 **$'000**	2018 $'000
Current		
Lease incentives and contributions	**8,295**	10,294
Non-current		
Lease incentives and contributions	**80,158**	80,629
	88,453	90,923

Accounting policy

A number of lease agreements for stores include cash contributions provided by the lessor for fit-outs as a lease incentive or lease contribution. The asset additions from the fit-outs completed are recognised as fixtures and fittings at cost and depreciated on a straight-line basis over the asset's useful life. The lease incentive or lease contribution is presented as deferred income and reversed on a straight-line basis over the lease term.

D. NET DEBT

This section provides additional information regarding lines in the financial statements that are most relevant to explaining the net debt position and structure of the Group's borrowings for the period, which are key to financing the Group's activities both now and for the future.

The net debt of the Group as at 27 July 2019 and 28 July 2018 is as follows:

	2019 $'000	2018 $'000
Total borrowings	**86,134**	149,165
Less: cash and cash equivalents	**(47,450)**	(41,793)
Net debt	**38,684**	107,372

The movement in net debt of the Group is as follows:

	2019	2018
Opening balance	**107,372**	112,776
Net (increase)/decrease in cash and cash equivalents	**(5,657)**	(11,202)
Proceeds from/(repayment of) borrowings, net of transaction costs	**(64,915)**	5,000
Other non-cash movements	**1,884**	798
Closing balance	**38,684**	107,372

D1 CASH AND CASH EQUIVALENTS

	2019 $'000	2018 $'000
Cash on hand	**2,422**	2,745
Cash at bank	**45,028**	39,048
	47,450	41,793

Accounting policy

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

D2 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2019 52 weeks $'000	2018 52 weeks $'000
Profit/(loss) for the period	**24,474**	(486,002)
Depreciation, amortisation and impairment, including lease incentives and contributions	**94,051**	611,526
Interest income	**(556)**	(397)
Interest expense	**1,884**	798
Share-based payments expense	**(1,292)**	982
Net exchange differences	**(484)**	(439)
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables and prepayments	**(6,757)**	976
Decrease/(increase) in inventories	**21,342**	8,004
(Decrease)/increase in deferred tax liabilities	**(5,730)**	(23,829)
(Increase)/decrease in derivative financial instruments	**(2,148)**	(5,076)
(Decrease)/increase in trade and other payables	**(5,361)**	9,936
Increase/(decrease) in current tax payable	**959**	2,694
Increase/(decrease) in provisions	**(5,204)**	(9,853)
(Decrease)/increase in other liabilities	**(99)**	(119)
Net cash inflow from operating activities	**115,079**	109,201

D3 BORROWINGS

(a) Structure of debt
The debt funding of the Group at 27 July 2019 is a syndicated facility, which contains an amortising term loan tranche and a revolving tranche. This facility was established on 23 November 2018, and drawn down on 26 November 2018. As at 27 July 2019, the following amounts were drawn:

	2019 $'000	2018 $'000
Bank loans	**90,000**	150,000
Less: transaction costs	**(3,866)**	(835)
Borrowings	**86,134**	149,165

The terms and conditions of the Group's revolving cash advance facility is as follows:

	Amount	**Term**	**Expiry date**
Amortising term loan - Tranche A[1]	$90 million	2.25 years	28 February 2021
Revolving - Tranche B[2]	$300 million	2.25 years	28 February 2021

1. This tranche was $100 million when the facility was established and is fully drawn during its term. The limit steps down by $10 million every six months from 31 March 2019. The Group has the discretion to draw Tranche B to at least the equivalent of the step downs in Tranche A at all times during the next 12 months.

2. This tranche is revolving and amounts repaid may be redrawn during their term. This tranche limit steps down to $260 million from 23 May 2020 until expiry.

(b) Security
The syndicated facility in place at 27 July 2019 is secured. The syndicated facility is subject to various representations, undertakings, events of default and review events.

(c) Fair value
The fair value of existing borrowings approximates their carrying amount, as the impact of discounting is not significant.

(d) Risk exposures
Details of the Group's exposure to risks arising from borrowings are set out in note E1.

(e) Debt covenants
Under the terms of the syndicated facility, the Group is required to comply with the following financial covenants:

	Covenant
Net Leverage Ratio	≤ 2.25x
Fixed Charge Cover Ratio (November 2018 - March 2019)	≥ 1.40x
Fixed Charge Cover Ratio (April 2019 - March 2020)	≥ 1.45x
Fixed Charge Cover Ratio (April 2020 - February 2021)	≥ 1.50x
Minimum Shareholders' Funds	≥ $400 million

Accounting policy
Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs
Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

E. RISK MANAGEMENT

This section provides information relating to the Group's exposure to various financial risks, how they could affect the Group's financial position and performance and how these risks are managed.

E1 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as forward foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes and are not used as trading or other speculative instruments.

The Group's financial risk management is predominantly controlled by the centralised Group Treasury function under the Group's financial risk management policies approved by the Board of Directors. The Group Treasury function is responsible for the identification and management of financial risks, with the co-operation of other Group functions. The Board provides written principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, and use of financial instruments and non-derivative financial instruments.

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. This will effectively result in recognising interest expense at a fixed interest rate for the hedged floating rate borrowings and inventory at a fixed foreign currency rate for the hedged purchases.

Financial Instruments
The Group holds the following financial instruments, classified under the categories in the table below:

At 27 July 2019	Note	Total $'000	Amortised cost $'000	Fair value through OCI $'000
Financial assets				
Cash and cash equivalents	D1	**47,450**	**47,450**	**-**
Trade and other financial receivables	B1	**18,868**	**18,868**	**-**
Derivative financial instruments	E1	**5,789**	**-**	**5,789**
Total financial assets		**72,107**	**66,318**	**5,789**
Financial liabilities				
Trade and other financial payables[1]	B3	**282,142**	**282,142**	**-**
Long-term borrowings	D3	**86,134**	**86,134**	**-**
Derivative financial instruments	E1	**135**	**-**	**135**
Total financial liabilities		**368,411**	**368,276**	**135**
At 28 July 2018				
Financial assets				
Cash and cash equivalents	D1	41,793	41,793	-
Trade and other financial receivables	B1	13,012	13,012	-
Derivative financial instruments	E1	6,994	-	6,994
Total financial assets		61,799	54,805	6,994
Financial liabilities				
Trade and other financial payables[1]	B3	295,636	295,636	-
Long-term borrowings	D3	149,165	149,165	-
Derivative financial instruments	E1	128	-	128
Total financial liabilities		444,929	444,801	128

1. Trade and other financial payables comprise trade payables, other financial payables and accruals.

(a) Market risk
(i) Foreign exchange risk
The Group is exposed to foreign exchange risk when there is mismatch between the currencies in which future commercial transactions and assets and liabilities recognised are denominated, and the respective functional currency of the Group companies.

The focus of the Group's foreign exchange risk management activities is on the transaction exposures that arise on the sourcing and purchasing of inventory overseas, with these transactions primarily denominated in United States Dollar (USD) and some denominated in Euro (EUR). This risk is hedged with the objective of minimising the volatility of the Australian Dollar (AUD) cost of highly probably forecast inventory purchases.

The Group's treasury risk management policy is to hedge forecast USD and EUR cash flows for inventory purchases, up to 18 months in advance. The amount of hedging required is dependent on the timing of the settlement of the forecast inventory purchases, with a higher percentage required to be hedged for inventory purchases with an earlier settlement.

The Group uses forward foreign exchange contracts to hedge its exposure to foreign currency risk. The Group designates the forward rate of foreign currency forwards to hedge its currency risk. The Group's policy is for the critical terms of the forward foreign exchange contracts to align with the hedged item.

E1 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Foreign exchange risk (continued)

At the end of the reporting period, the Group is holding the following forward foreign exchange contracts:

	2019	2018
	$'000	$'000
Carrying amount - Derivative Financial Instruments (Asset)	**5,789**	6,994
Carrying amount - Derivative Financial Instruments (Liability)	**69**	76
Notional amount	**205,112**	173,510
Maturity date	**Aug 2019 - Dec 2020**	Aug 2018 - Dec 2019
Change in fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness	**(1,198)**	15,289
Change in value of hedged item used to determine hedge effectiveness	**1,198**	(15,289)
Weighted average hedged rate (AUD/USD)	**0.700**	0.741
Weighted average hedged rate (AUD/EUR)	**0.618**	0.626

Exposure

At the end of the reporting period, the Group's exposure to foreign exchange risk, expressed in AUD, was as follows:

		2019			2018	
	USD	**EURO**	**Other**	USD	EURO	Other
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Cash and cash equivalents	**2,311**	**873**	**2,513**	109	347	1,382
Trade receivables	**2**	**-**	**93**	10	-	-
Trade payables	**25,536**	**413**	**98**	23,765	98	13
Forward exchange contracts	**199,062**	**6,050**	**-**	166,659	6,851	-

Sensitivity

As shown in the table above, the Group is primarily exposed to changes in USD/AUD and EUR/AUD exchange rates. The table below shows the impact of reasonably possible foreign exchange movements in the USD and EUR against the AUD and the effect this would have on the measurement of the financial instruments denominated in these currencies:

		Impact directly on equity	
		2019	2018
Currency	**Sensitivity assumption**	**$'000**	$'000
United States Dollar	+10%	**18,735**	16,866
United States Dollar	-10%	**(15,297)**	(13,799)
Euro	+10%	**1,500**	1,048
Euro	-10%	**(1,227)**	(858)

(ii) Interest rate risk

The Group is exposed to interest rate risk from floating rate long-term bank borrowings. The Group's policy is to maintain an appropriate mix between fixed and floating rate borrowings through the use of interest rate swap contracts. This risk is managed through the forecasting of expected borrowings to determine the level of exposure to floating rates.

At the end of the reporting period, the Group is holding the following interest rate swap contracts:

	2019	2018
	$'000	$'000
Carrying amount - Derivative Financial Instruments (Liability)	**66**	52
Notional amount	**50,000**	100,000
Maturity date	**Aug 2019**	Aug 2018 - Aug 2019
Change in fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness	**(14)**	139
Change in value of hedged item used to determine hedge effectiveness	**14**	(139)
Weighted average hedged rate	**4.7%**	3.3%

E1 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

Exposure

At the end of the reporting period, the Group's exposure to interest rate risk was as follows:

	2019	2018
	$'000	$'000
Cash and cash equivalents	**47,450**	41,793
Floating rate borrowings	**86,134**	149,165

Sensitivity

The table below shows the impact if the Group's period end floating interest rates changed, with all other variables held constant:

	Impact on post tax profit		**Impact directly on equity**	
	2019	2018	**2019**	2018
	$'000	$'000	**$'000**	$'000
Interest rate - increase 10%	**(45)**	(68)	**-**	(96)
Interest rate - decrease 10%	**45**	68	**-**	96

This assumes that the change in interest rates is effective from the beginning of the financial period and the net debt position and fixed/floating mix is constant over the period. However, interest rates and the debt profile of the Group are unlikely to remain constant and therefore the above sensitivity analysis will be subject to change.

(iii) Hedge ineffectiveness

Hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

For hedges of foreign currency purchases, the group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group therefore performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to assess effectiveness.

The Group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, payment dates, maturities and notional amount. The Group does not hedge 100% of its loans, therefore the hedged item is identified as the proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the period, the economic relationship was 100% effective.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. This arises primarily from the following assets: cash and cash equivalents, trade and other receivables and derivative financial instruments.

Group Treasury manages credit risk from banks and financial institutions, in accordance with Board approved policy. The policy is to limit the Group's loss from default by any one counterparty by dealing only with banks and financial institution counterparties whose long-term credit rating is at or above an 'A' rating.

Trade and other receivables balances outstanding with third parties are primarily ad-hoc in nature and the credit quality of the third party is assessed by taking into account its financial position, past experience and other relevant factors.

Sales to retail customers are primarily required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

Exposure

At the end of the reporting period, the maximum credit risk exposure is the carrying value of the financial assets below:

	2019	2018
	$'000	$'000
Cash and cash equivalents	**47,450**	41,793
Trade and other financial receivables	**18,868**	13,012
Derivative financial instruments - assets	**5,789**	6,994

E1 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

Trade and other receivables

The Group applies the AASB 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade and other receivables.

To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rates are based on historical observed default rates, adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of customers to settle the receivables.

The difference between the expected loss allowance under AASB 9 compared to the provision for doubtful debt under AASB 139 is not material to the Group. Refer to note B1 for more information.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

(c) Liquidity risk

The Group adopts a prudent liquidity risk management strategy by seeking to maintain sufficient cash and availability of funding through an adequate amount of committed credit facilities to meet financial obligations as and when they fall due. The Group's objective is to maintain flexibility in funding given the seasonal nature of the retail business.

The Group monitors forecast and actual cash flows and performs sensitivity analysis, to ensure at all times there is an appropriate minimum level of liquidity available through committed undrawn borrowing facilities and cash and cash equivalents.

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	2019 $'000	2018 $'000
Floating rate		
Expiring within one year (revolving cash advance facility)	**-**	-
Expiring beyond one year (revolving cash advance facility)	**300,000**	270,000
	300,000	270,000

Refer to note D3 for more information.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

(a) all non-derivative financial liabilities; and

(b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant. For interest rate swaps, the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

Contractual maturities of financial liabilities	**Less than 6 months $'000**	**6 - 12 months $'000**	**Between 1 and 2 years $'000**	**Between 2 and 5 years $'000**	**Over 5 years $'000**	**Total contractual cash flows $'000**	**Carrying amount (assets)/ liabilities $'000**
2019							
Non-derivatives							
Non-interest bearing	**282,142**	**-**	**-**	**-**	**-**	**282,142**	**282,142**
Variable rate	**11,736**	**11,376**	**70,649**	**-**	**-**	**93,761**	**90,000**
Total non-derivatives	**293,878**	**11,376**	**70,649**	**-**	**-**	**375,903**	**372,142**
Derivatives							
Net settled (interest rate swaps)	**66**	**-**	**-**	**-**	**-**	**66**	**66**
Gross settled							
- (inflow)	**(104,684)**	**(83,567)**	**(22,601)**	**-**	**-**	**(210,852)**	**(5,789)**
- outflow	**100,851**	**81,763**	**22,498**	**-**	**-**	**205,112**	**69**
Total derivatives	**(3,767)**	**(1,804)**	**(103)**	**-**	**-**	**(5,674)**	**(5,654)**
2018							
Non-derivatives							
Non-interest bearing	295,636	-	-	-	-	295,636	295,636
Variable rate	101,294	867	50,440	-	-	152,601	150,000
Total non-derivatives	396,930	867	50,440	-	-	448,237	445,636
Derivatives							
Net settled (interest rate swaps)	30	(16)	(8)	-	-	6	52
Gross settled							
- (inflow)	(93,297)	(72,889)	(14,239)	-	-	(180,425)	(6,994)
- outflow	89,308	70,220	13,982	-	-	173,510	76
Total derivatives	(3,959)	(2,685)	(265)	-	-	(6,909)	(6,866)

E1 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value measurements
The Group has the following derivative financial instruments:

	2019 $'000	2018 $'000
Current assets		
Forward foreign exchange contracts	**5,688**	6,725
Total current derivative financial instrument assets	**5,688**	6,725
Non-current assets		
Forward foreign exchange contracts	**101**	269
Total non-current derivative financial instrument assets	**101**	269
Current liabilities		
Forward foreign exchange contracts	**66**	64
Interest rate swap contracts	**66**	-
Total current derivative financial instrument liabilities	**132**	64
Non-current liabilities		
Forward foreign exchange contracts	**3**	12
Interest rate swap contracts	**-**	52
Total non-current derivative financial instrument liabilities	**3**	64

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liabilities either directly (as prices) or indirectly derived from prices; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All of the Group's financial instruments were valued using the Level 2 technique, with no transfers between levels during the period.

The fair value of forward foreign exchange contracts is determined using the present value of future cash flows based on the forward exchange rates at the end of the reporting period. The fair value of interest rate swaps is determined using the present value of the estimated future cash flows based on observable yield curves.

Accounting policy - Financial assets and liabilities
Classification
From 29 July 2018, the group classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Initial recognition and measurement
At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(i) Financial assets at amortised cost (debt instruments)
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are recognised in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15.

(ii) Financial assets at fair value through OCI (debt instruments)
Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are recognised in profit or loss.

(iii) Financial assets at fair value through profit or loss (debt instruments)
Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

E1 FINANCIAL RISK MANAGEMENT (CONTINUED)

Accounting policy - Financial assets and liabilities (continued)

(iv) Financial assets designated at fair value through OCI (equity instruments)
The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in profit or loss, as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Derecognition
Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Impairment
From 29 July 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Refer to note E1(b) for more information.

Accounting policy - Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:
- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges); or
- hedges of the cash flows or recognised assets or liabilities and highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessments, both at hedge inception and on an ongoing basis, of whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months. It is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

(i) Fair value hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in profit or loss.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

(ii) Cash flow hedge
The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational and financing activities.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

When forward contracts are used to hedge forecast transactions, the Group designates the full change in fair value of the forward contract (including forward points) as the hedging instrument. Gains or losses relating to the effective portion of the change in the fair value of the entire forward contracts are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. When the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or fixed assets) the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in profit or loss as cost of goods sold in the case of inventory, or as depreciation in the case of fixed assets.

The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance costs at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

(iii) Derivatives that do not qualify for hedge accounting
Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss.

F. EQUITY

This section provides additional information regarding lines in the financial statements that are most relevant to explaining the equity position of the Group at the end of the period, including the dividends declared and/or paid during the period.

F1 CONTRIBUTED EQUITY

	2019 Number of shares	2018 Number of shares	**2019 $'000**	2018 $'000
Ordinary shares - fully paid	**821,278,815**	821,278,815	**779,963**	779,963
Treasury shares				
Opening balance	**(1,553)**	(11,228)	**(40,943)**	(40,634)
Shares acquired by Myer Equity Plans Trust on market at $0.69	**-**	(450,000)	**-**	(309)
Shares acquired by Myer Equity Plans Trust on market at $0.52	**(504,356)**	-	**(261)**	-
Shares issued for performance rights granted	**173,913**	459,675	**-**	-
Closing balance of Treasury shares	**(331,996)**	(1,553)	**(41,204)**	(40,943)
Closing balance	**820,946,819**	821,277,262	**738,759**	739,020

Ordinary shares
The ordinary shares issued are fully paid. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person, or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Treasury shares
Treasury shares are shares in Myer Holdings Limited that are held by the Myer Equity Plans Trust for the purposes of issuing shares under the Equity Incentive Plans. Refer to note H4 for more information.

Employee share schemes
Information relating to the employee share-based payment schemes, including details of shares issued under the schemes, is set out in note H4.

Capital risk management
The Group's key objective when managing capital is to minimise its weighted average cost of capital while maintaining appropriate financing facilities. This provides the opportunity to pursue growth and capital management initiatives. In managing its capital structure, the Group also seeks to safeguard its ability to continue as a going concern in order to provide appropriate returns to shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of various balance sheet ratios including the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

The gearing ratios at 27 July 2019 and 28 July 2018 were as follows:

	2019 $'000	2018 $'000
Total borrowings (note D3)	**86,134**	149,165
Less: cash and cash equivalents (note D1)	**(47,450)**	(41,793)
Net debt	**38,684**	107,372
Total equity	**602,056**	583,989
Total capital	**640,740**	691,361
Gearing ratio	**6.0%**	15.5%

The decrease in the gearing ratio during 2019 was driven by the decrease in net debt.

Accounting policy
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity instruments; for example, as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of Myer Holdings Limited as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Myer Holdings Limited.

F2 ACCUMULATED LOSSES AND RESERVES

	2019 $'000	2018 $'000
(a) Accumulated losses		
Movements in Accumulated losses were as follows:		
Balance at beginning of period	**(160,282)**	342,146
Adjustment on initial application of AASB 15, net of tax	**(2,833)**	-
Restated balance at beginning of period	**(163,115)**	342,146
Profit/(loss) for the period	**24,474**	(486,002)
Dividends	**-**	(16,426)
Balance at end of period	**(138,641)**	(160,282)

	2019 $'000	2018 $'000
(b) Reserves		
Share-based payments (i)	**27,022**	27,931
Cash flow hedges (ii)	**4,738**	6,658
Other reserve (iii)	**(25,621)**	(25,621)
Foreign currency translation (iv)	**(4,201)**	(3,717)
	1,938	5,251
Movements in reserves were as follows:		
Share-based payments		
Balance at beginning of period	**27,931**	27,186
Share-based payments (credit)/expense recognised (note H4)	**(1,292)**	982
Income tax (note A4)	**383**	(237)
Balance at end of period	**27,022**	27,931
Cash flow hedges		
Balance at beginning of period	**6,658**	(6,894)
Net gain/(loss) on revaluation	**(1,212)**	15,428
Transfer to net profit	**(708)**	(1,876)
Balance at end of period	**4,738**	6,658
Foreign currency translation		
Balance at beginning of period	**(3,717)**	(3,278)
Exchange differences on translation of foreign operations during the period	**(484)**	(439)
Balance at end of period	**(4,201)**	(3,717)

(i) Share-based payments
The share-based payments reserve is used to recognise the fair value of options and rights granted to employees under the employee share plans. Further information on share-based payments is set out in note H4.

(ii) Cash flow hedges
The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised directly in equity, as described in note E1. Amounts are recognised in the income statement when the associated hedged transaction affects profit or loss.

(iii) Other reserve
The Group acquired 65% of the sass & bide business in 2011, and the non-controlling shareholders held a put option over the remaining 35%. This resulted in the Group recognising a financial liability for the put option and a corresponding amount in other reserve. In 2014, upon acquisition of the remaining 35% of sass & bide, the cash payment of $33.4m was recorded against the financial liability and non-controlling interests balances were recorded against other reserve.

(iv) Foreign currency translation
Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to the income statement when the net investment is disposed of.

Accounting policy

(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Myer Holdings Limited's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at end of period exchange rates of monetary assets and liabilities denominated in foreign currencies are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

F2 ACCUMULATED LOSSES AND RESERVES (CONTINUED)

Accounting policy (continued)

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement and statement of comprehensive income are translated at the rates prevailing on the transaction dates; and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, when a foreign operation is sold, the associated exchange difference is reclassified to profit or loss, as part of the gain or loss on sale.

F3 DIVIDENDS

	2019 $'000	2018 $'000
(a) Ordinary shares		
Final fully franked dividend for the period ending 28 July 2018 of nil (29 July 2017: 2.0 cents) per fully paid share (2018: paid 8 November 2017)	-	16,426
Total dividends paid	-	16,426

(b) Dividends not recognised at the end of the reporting period

The directors have determined that no final dividend will be payable (2018: no final dividend)

(c) Franked dividends

The franked portions of final dividends recommended after 27 July 2019 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the period ending 25 July 2020

Franking credits available for subsequent financial periods based on a tax rate of 30% (2018: 30%)	**54,736**	40,277

The above amounts represent the balance of the franking account as at the reporting date, adjusted for:
(a) franking credits that will arise from the payment of the amount of the provision for income tax;
(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The consolidated amounts include franking credits that would be available to the parent entity if distributable profits of subsidiaries were paid as dividends.

Accounting policy

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial period but not distributed at balance date.

G. GROUP STRUCTURE

This section summarises how the Group structure affects the financial position and performance of the Group as a whole.

G1 SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described below:

Name of entity	Notes	Country of incorporation	Class of shares	Equity holdings[(4)] 2019 %	Equity holdings[(4)] 2018 %
NB Elizabeth Pty Ltd	(1), (3)	Australia	Ordinary	**100**	100
NB Russell Pty Ltd	(2), (3)	Australia	Ordinary	**100**	100
NB Lonsdale Pty Ltd	(2), (3)	Australia	Ordinary	**100**	100
NB Collins Pty Ltd	(1), (3)	Australia	Ordinary	**100**	100
Warehouse Solutions Pty Ltd	(2), (3)	Australia	Ordinary	**100**	100
Myer Group Pty Ltd	(1), (3)	Australia	Ordinary	**100**	100
Myer Pty Ltd	(1), (3)	Australia	Ordinary	**100**	100
Myer Group Finance Limited	(1), (3)	Australia	Ordinary	**100**	100
The Myer Emporium Pty Ltd	(2), (3)	Australia	Ordinary	**100**	100
ACT Employment Services Pty Ltd	(2)	Australia	Ordinary	**100**	100
Myer Employee Share Plan Pty Ltd	(2)	Australia	Ordinary	**100**	100
Myer Travel Pty Ltd	(2)	Australia	Ordinary	**100**	100
Myer Sourcing Asia Ltd		Hong Kong	Ordinary	**100**	100
Shanghai Myer Service Company Ltd		China	Ordinary	**100**	100
Boogie & Boogie Pty Ltd	(1), (3)	Australia	Ordinary	**100**	100
sass & bide Pty Ltd	(1), (3)	Australia	Ordinary	**100**	100
sass & bide Retail Pty Ltd	(2), (3)	Australia	Ordinary	**100**	100
sass & bide Retail (NZ) Pty Ltd	(2), (3)	Australia	Ordinary	**100**	100
sass & bide USA inc.		USA	Ordinary	**100**	100
sass & bide inc.		USA	Ordinary	**100**	100
Marcs David Lawrence Pty Ltd	(1), (3)	Australia	Ordinary	**100**	100

(1) Each of these entities has been granted relief from the necessity to prepare financial statements in accordance with ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

(2) Each of these entities is classified as small proprietary and therefore relieved from the requirement to prepare and lodge financial reports with ASIC.

(3) Each of these entities is party to a deed of cross guarantee, refer to note G2.

(4) The proportion of ownership interest is equal to the proportion of voting power held.

Accounting policy

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Myer Holdings Limited ('Company' or 'parent entity') as at 27 July 2019 and the results of all subsidiaries for the period then ended.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group (refer to note C2).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, balance sheet and statement of changes in equity respectively.

Employee Share Trust

The Group has the Myer Equity Plans Trust to administer the Group's employee share scheme. This trust is consolidated, as the substance of the relationship is that the trust is controlled by the Group. Shares in Myer Holdings Limited held by the trust are disclosed as treasury shares and deducted from contributed equity.

G2 DEED OF CROSS GUARANTEE

The following entities are parties to a deed of cross guarantee under which each company guarantees the debts of the others:

- Myer Holdings Limited
- NB Elizabeth Pty Ltd
- NB Russell Pty Ltd
- Myer Group Pty Ltd
- NB Lonsdale Pty Ltd
- NB Collins Pty Ltd
- Warehouse Solutions Pty Ltd
- Myer Pty Ltd
- Myer Group Finance Limited
- The Myer Emporium Pty Ltd
- Boogie & Boogie Pty Ltd
- sass & bide Pty Ltd
- sass & bide Retail Pty Ltd
- sass & bide Retail (NZ) Pty Ltd
- Marcs David Lawrence Pty Ltd

By entering into the deed, the wholly-owned entities within note reference 1 in note G1 have been relieved from the requirements to prepare a financial report and directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

The above companies represent a 'closed group' for the purposes of the ASIC Legislative Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Myer Holdings Limited, they also represent the 'extended closed group'.

(a) Consolidated income statement, statement of comprehensive income and summary of movements in consolidated accumulated losses

Set out below is a consolidated income statement, statement of comprehensive income and a summary of movements in consolidated accumulated losses for the closed group for the period ended 27 July 2019:

	2019 52 weeks $'000	2018 52 weeks $'000
Income statement		
Total sales	**2,991,795**	3,100,554
Concession sales	**(612,193)**	(653,983)
Sale of goods	**2,379,602**	2,446,571
Sales revenue deferred under customer loyalty program	**(34,545)**	(36,583)
Revenue from sale of goods	**2,345,057**	2,409,988
Other operating revenue	**153,576**	162,299
Cost of goods sold	**(1,337,739)**	(1,387,693)
Operating gross profit	**1,160,894**	1,184,594
Selling expenses	**(822,832)**	(831,122)
Administration expenses	**(281,115)**	(297,736)
Restructuring and store exit costs, onerous lease expense and impairment of assets	**(12,140)**	(541,190)
Earnings/(loss) before interest and tax	**44,807**	(485,454)
Finance revenue	**556**	397
Finance costs	**(12,072)**	(9,471)
Net finance costs	**(11,516)**	(9,074)
Profit/(loss) before income tax	**33,291**	(494,528)
Income tax (expense)/benefit	**(8,892)**	8,838
Profit/(loss) for the period attributable to Deed of Cross Guarantee group	**24,399**	(485,690)
Statement of comprehensive income		
Profit/(loss) for the period	**24,399**	(485,690)
Other comprehensive income/(loss)		
Items that may be reclassified to profit or loss:		
Cash flow hedges	**(1,920)**	13,552
Exchange differences on translation of foreign operations	**33**	81
Other comprehensive income/(loss) for the period, net of tax	**(1,887)**	13,633
Total comprehensive income/(loss) for the period	**22,512**	(472,057)
Summary of movements in accumulated losses		
Balance at beginning of period	**(154,708)**	347,408
Adjustment on initial application of AASB 15, net of tax	**(2,833)**	-
Restated balance at beginning of period	**(157,541)**	347,408
Profit/(loss) for the period	**24,399**	(485,690)
Dividends paid	**-**	(16,426)
Balance at end of period	**(133,142)**	(154,708)

G2 DEED OF CROSS GUARANTEE (CONTINUED)

(b) Consolidated balance sheet
Set out below is a consolidated balance sheet as at 27 July 2019 of the closed group:

	2019 $'000	2018 $'000
ASSETS		
Current assets		
Cash and cash equivalents	**45,569**	40,358
Trade and other receivables and prepayments	**41,505**	37,491
Inventories	**346,100**	365,764
Derivative financial instruments	**5,688**	6,725
Total current assets	**438,862**	450,338
Non-current assets		
Property, plant and equipment	**383,487**	424,076
Intangible assets	**467,550**	484,706
Derivative financial instruments	**101**	269
Other non-current assets	**5,490**	3,194
Total non-current assets	**856,628**	912,245
Total assets	**1,295,490**	1,362,583
LIABILITIES		
Current liabilities		
Trade and other payables	**372,384**	380,812
Provisions	**64,267**	69,971
Deferred income	**8,295**	10,294
Derivative financial instruments	**132**	64
Current tax liabilities	**5,280**	4,711
Other liabilities	**373**	472
Total current liabilities	**450,731**	466,324
Non-current liabilities		
Borrowings	**86,134**	149,165
Provisions	**12,217**	11,804
Deferred income	**80,158**	80,629
Deferred tax liabilities	**55,841**	62,615
Derivative financial instruments	**3**	64
Total non-current liabilities	**234,353**	304,277
Total liabilities	**685,084**	770,601
Net assets	**610,406**	591,982
EQUITY		
Contributed equity	**738,759**	739,021
Accumulated losses	**(133,142)**	(154,708)
Reserves	**4,789**	7,669
Total equity	**610,406**	591,982

G3 PARENT ENTITY FINANCIAL INFORMATION

(a) Summary financial information
The individual financial statements for the parent entity show the following aggregate amounts:

	2019 $'000	2018 $'000
Balance sheet		
Current assets	**162,962**	227,811
Total assets	**541,962**	599,747
Current liabilities	**20,552**	19,726
Total liabilities	**106,686**	168,943
Shareholders' equity		
Issued capital	**738,759**	739,020
Reserves		
Cash flow hedges	**(82)**	(65)
Other reserves	**(2,653)**	(2,653)
Share-based payments	**21,011**	22,302
Retained profits reserve - pre 2018	**78,947**	78,947
Accumulated losses reserve - 2018	**(406,747)**	(406,747)
Retained profits reserve - 2019	**6,041**	-
Profit/(loss) for the period[1]	**6,041**	(406,747)
Total comprehensive income/(loss) for the period	**6,024**	(406,270)

(b) Guarantees entered into by the parent entity		
Carrying amount included in current liabilities	**-**	-

1. In 2018, the loss reflected the impairment recognised on the investments held in subsidiaries within the Group. Refer to note C2 for more information.

The parent entity is the borrowing entity under the Group's financing facilities. Under these facilities, the parent entity is party to a cross-guarantee with various other Group entities, who guarantee the repayment of the facilities in the event that the parent entity is in default.

The parent entity is also party to the deed of cross guarantee. The details of the deed of cross guarantee are set out in note G2. At the end of the reporting period, no liability has been recognised in relation to these guarantees on the basis that the potential exposure is not considered material.

(c) Contingent liabilities of the parent entity
The parent entity did not have any contingent liabilities as at 27 July 2019 or 28 July 2018.

(d) Contractual commitments for the acquisition of property, plant or equipment
The parent entity did not have any contractual commitments for the acquisition of property, plant or equipment as at 27 July 2019 or 28 July 2018.

(e) Event subsequent to balance date
Refer to note H6 for additional events which have occurred after the financial reporting date.

Accounting policy
The financial information that is disclosed for the parent entity, Myer Holdings Limited, has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries
Investments in subsidiaries are accounted for at cost in the financial statements of Myer Holdings Limited.

(ii) Tax consolidation legislation
Myer Holdings Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Myer Holdings Limited, and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Myer Holdings Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Myer Holdings Limited for any current tax payable assumed and are compensated by Myer Holdings Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Myer Holdings Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The funding amounts are recognised as current intercompany receivables or payables.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

H. OTHER FINANCIAL INFORMATION

This section of the notes includes other financial information that must be disclosed to comply with the accounting standards and other pronouncements, but that is not immediately related to individual line items in the financial statements. This section also provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

H1 CONTINGENCIES

Contingent liabilities

The Group had contingent liabilities at 27 July 2019 in respect of:

Guarantees

The Group has issued bank guarantees amounting to $26.9 million (2018: $37.0 million), of which $16.9 million (2018: $18.5 million) represents guarantees supporting workers' compensation self insurance licences in various jurisdictions.

For information about other guarantees given by entities within the Group, including the parent entity, refer to notes G2 and G3.

There can be legal claims and exposures which arise from the ordinary course of business. There is significant uncertainty as to whether a future liability will arise in respect of these items, or the amount of any such liability.

H2 COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2019 $'000	2018 $'000
Property, plant, equipment and software		
Payable:		
Within one year	**5,795**	12,836
Later than one year but not later than five years	**-**	-
Later than five years	**-**	-
	5,795	12,836

(b) Operating lease commitments

The Group leases the majority of its stores and warehouses under non-cancellable operating leases expiring within one to 30 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**223,594**	222,207
Later than one year but not later than five years	**766,995**	780,690
Later than five years	**1,437,313**	1,534,659
	2,427,902	2,537,556

Not included in the above commitments are contingent rental payments that may arise in the event that sales made by certain leased stores exceed a pre-determined amount. The contingent rentals payable as a percentage of sales revenue and the relevant thresholds vary from lease to lease.

A number of lease agreements for stores include cash contributions provided by the lessor for fit-outs and referred to as a lease incentive or lease contribution. Refer to note C4 for more information.

Accounting policy

Leases of property, plant and equipment in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease incentives received on entering into operating leases are recognised as deferred income and are amortised over the lease term. Payments made under operating leases (net of any amortised deferred income) are charged to the income statement on a straight-line basis over the period of the lease.

Leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases.

H3 RELATED PARTY TRANSACTIONS

(a) Parent entities
The parent entity within the Group is Myer Holdings Limited, a listed public company, incorporated in Australia.

(b) Subsidiaries
Interests in subsidiaries are set out in note G1.

(c) Key Management Personnel
(i) Compensation
Key Management Personnel compensation for the period ending 27 July 2019 is set out below. The Key Management Personnel of the Group are persons having the authority for planning, directing and controlling the Company's activities directly or indirectly, including the directors of Myer Holdings Limited.

	2019 **$**	2018 $
Short term employee benefits	**4,861,515**	4,210,571
Post employment benefits	**137,362**	183,409
Long term benefits	**14,628**	(193,969)
Termination and other payments	**1,087,912**	2,566,873
Share-based payments	**869,866**	(135,304)
	6,971,283	6,631,580

Detailed remuneration disclosures are provided in the Remuneration Report on pages 27 to 48.

(ii) Loans
In 2019 and 2018 there were no loans made to directors of Myer Holdings Limited and other Key Management Personnel of the Group, including their related parties.

(iii) Other transactions
The transactions with Key Management Personnel or entities related to them are as disclosed in the Remuneration Report.

(d) Transactions with other related parties
There were no material transactions with other related parties during the current period.

H4 SHARE-BASED PAYMENTS

(a) Long Term Incentive Plan
The Myer Long Term Incentive Plan (LTIP) is an incentive that is intended to promote alignment between executive and shareholder interests over the longer term. Under the LTIP, performance rights and options may be offered annually to the Chief Executive Officer and nominated executives. The employees invited to participate in the plan include executives who are considered to play a leading role in achieving the Company's long term strategic and operational objectives.

Each right offered is an entitlement to one fully paid ordinary share in the Company, subject to adjustment for capital actions, on terms and hurdles determined by the Board, including hurdles linked to Company performance and service. Performance options vest and are automatically exercised on a net settlement basis.

The LTIP is delivered via a grant of performance rights or options. The number of performance rights or options that vest is not determined until after the end of the performance period. The performance right or option will therefore not provide any value to the holder between the date the performance right or option is granted until after the end of the vesting period, if the performance hurdles and restriction period (if applicable) are satisfied. Performance rights and options do not carry entitlements to ordinary dividends or other shareholder rights until the end of the vesting period.

H4 SHARE-BASED PAYMENTS (CONTINUED)

(a) Long Term Incentive Plan (continued)

Set out below is a summary of performance rights and options granted under the plan:

2019

	Balance 28 July 2018	Granted	Exercised	Expired and lapsed	Balance 27 July 2019
Performance rights	13,692,652	192,307	(173,913)	(4,890,409)	8,820,637
Performance options	-	35,833,562	-	(1,561,290)	34,272,272
Total	13,692,652	36,025,869	(173,913)	(6,451,699)	43,092,909
Weighted average exercise price	$0.00	$0.42	$0.00	$0.10	$0.33

2018

	Balance 29 July 2017	Granted	Exercised	Expired and lapsed	Balance 28 July 2018
Performance rights	10,645,383	14,238,436	(459,675)	(10,731,492)	13,692,652
Weighted average exercise price	$0.00	$0.00	$0.00	$0.00	$0.00

The weighted average remaining contractual life of share rights and options outstanding at the end of the period was 2.0 years (2018: 1.6 years).

Fair value of performance options granted

The assessed fair value at grant date of options granted during the period is noted below. Fair value varies depending on the period to vesting date. The fair values at grant dates were independently determined using a Monte Carlo simulation pricing model that takes into account the exercise price, the term of the options, the impact of dilution, the fair value of shares in the Company at grant date and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The fair values and model inputs for performance options granted during the period included:

	2019 LTIP Options (TSR)	2019 LTIP Options (EPS)
(a) Fair value of performance options granted	$0.12	$0.12
(b) Grant date	24-Dec-18	24-Dec-18
(c) Expiry date	24-Dec-22	24-Dec-22
(d) Share price at grant date	$0.40	$0.40
(e) Expected price volatility of the Group's shares	48%	48%
(f) Expected dividend yield	0%	0%
(g) Risk-free interest rate	1.88%	1.88%

The expected price volatility is based on the historic volatility (based on the remaining life of the performance options), adjusted for any expected changes to future volatility due to publicly available information.

Where options are issued to employees of subsidiaries within the Group, the subsidiaries compensate the Company for the amount recognised as expense in relation to these options.

(b) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were as follows:

	2019 $'000	2018 $'000
Rights and options issued under the LTIP	(1,292)	982

Share-based payment transaction expenses represent the amount recognised in the period in relation to share-based remuneration plans. Where expectations of the number of rights or options expected to vest changes, the life to date expense is adjusted, which can result in a negative expense for the period due to the reversal of amounts recognised in prior periods.

Accounting policy

Share-based compensation benefits are provided to employees through the Myer Long Term Incentive Plan (LTIP).

The fair value of rights and options granted under a plan are recognised as an employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the rights and options granted, which includes any market performance conditions but excludes the impact of any services and non-market performance vesting conditions and the impact of any non-vesting conditions.

Non-market vesting conditions are included in assumptions about the number of rights and options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of rights or options that are expected to vest based on the non-market vesting conditions. It recognises the impact of revisions to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

The LTIP is administered by the Myer Equity Plan Trust (refer to note G1). When rights or options are vested, the trust transfers the appropriate number of shares to the employee. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

H5 REMUNERATION OF AUDITORS

During the period, the following fees were paid or payable for services provided by the auditor of the Group, and its related practices:

	2019 $	2018 $
(a) PwC Australia		
(i) Assurance services		
Audit services		
Audit and review of financial statements	**428,000**	487,095
Other assurance services		
Audit of rent certificates	**57,851**	48,232
Total remuneration for audit and other assurance services	**485,851**	535,327
(ii) Taxation services		
Tax compliance services	**43,000**	2,400
(iii) Other services		
Legal services	**-**	175,855
Consulting services	**492,627**	343,676
Total remuneration of PwC Australia	**1,021,478**	1,057,258
(b) Overseas practices of PwC		
(i) Assurance services		
Audit services		
Audit and review of financial statements	**70,719**	66,888
(ii) Taxation services		
Tax compliance services	**-**	13,620
Total remuneration for overseas practices of PwC	**70,719**	80,508

H6 EVENTS OCCURRING AFTER THE REPORTING PERIOD

Dividends on the Company's ordinary shares

The directors have determined that no final dividend will be payable for the period ended 27 July 2019.

I. OTHER ACCOUNTING POLICIES

This section provides a list of other accounting policies adopted in the preparation of these consolidated financial statements. Specific accounting policies are disclosed in their respective notes to the financial statements. This section also provides information on the impacts of new accounting standards, amendments and interpretations, and whether they are effective in the current or future reporting periods.

The principal accounting policies adopted in the preparation of these consolidated financial statements ('financial statements' or 'financial report') are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Myer Holdings Limited and its subsidiaries ('Group').

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001.* Myer Holdings Limited is a for-profit entity for the purpose of preparing the financial statements.

Compliance with IFRS

The consolidated financial statements of Myer Holdings Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for financial assets and liabilities (including derivative instruments), which have been measured at fair value through profit or loss.

Critical accounting estimates

The preparation of financial statements in conformity with accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in notes A2, B2 and C2.

(b) Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and, except where otherwise stated, amounts in the consolidated financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(c) New accounting standards and interpretations

(i) New and amended standards adopted by the Group

The Group has adopted AASB 9 *Financial Instruments* and AASB 15 *Revenue from Contracts with Customers* from 29 July 2018. None of the other new standards or amendments to existing standards that are mandatory for the first time for the 27 July 2019 reporting period materially affected any of the amounts recognised in the current period or any prior period, and are not likely to significantly affect future periods.

AASB 9 *Financial Instruments*

AASB 9 *Financial Instruments* has replaced AASB 139 *Financial Instruments: Recognition and Measurement*. The new standard has been adopted by the Group from 29 July 2018. This standard addresses the classification, measurement and derecognition of financial assets and liabilities, and introduces new rules for hedge accounting and a new impairment model for financial assets based on expected credit losses.

AASB 9 replaces the 'incurred loss' model under AASB 139 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, including trade receivables. The Group has applied the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables based on all possible default events over the expected life of the receivable. The difference between the expected credit loss calculated under AASB 9 and the incurred loss calculated under AASB 139 is not material to the Group.

The Group had previously been accounting for the financial instruments arising from hedging activities at fair value through other comprehensive income, therefore no changes have been required to the Group's accounting policy in regards to hedge accounting.

AASB 9 did not have a significant impact on the Group's accounting policies. There was no material impact of adopting AASB 9 on the Group's income statement, balance sheet or statement of cash flows for the period ending 27 July 2019.

1. OTHER ACCOUNTING POLICIES (CONTINUED)

(c) New accounting standards and interpretations (continued)

AASB 15 *Revenue from Contracts with Customers*

AASB 15 *Revenue from Contracts with Customers* introduces a new five step model to determine when to recognise revenue, and at what amount. The model is based on the concept of recognising revenue for performance obligations only when they are satisfied and control of the goods or services is transferred, for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The Group has adopted AASB 15 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (from 29 July 2018). AASB 15 has been applied retrospectively on adoption from 29 July 2018, with no restatement of comparatives for the 2018 financial period.

The following table summarises the impact, net of tax, of transition to AASB 15 on accumulated losses at 29 July 2018:

	$'000
Accumulated losses as at 28 July 2018	**(160,282)**
Adjustment to accumulated losses on initial application of AASB 15	
Non-redemption income	**(4,048)**
Related tax	**1,215**
Restated accumulated losses as at 29 July 2018	**(163,115)**

There was no material impact of adopting AASB 15 on the Group's income statement, balance sheet or statement of cash flows for the period ending 27 July 2019.

The details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Group's various goods and services are set out below.

Accounting for non-redemption income

When the Group issues gift cards, and rewards cards under the Myer one loyalty program, the Group recognises revenue on the unredeemed value of gift cards and rewards cards, referred to as non-redemption income. Under AASB 15, the Group is required to recognise the expected non-redemption amount as revenue in proportion to the pattern in which the gift card or reward card is utilised by the customer. To reflect this change in policy, on 29 July 2018 the Group recognised an increase to accumulated losses of $2.8m, with corresponding increases to deferred tax assets (presented within deferred tax liabilities) of $1.2m and trade and other payables of $4.0m.

Accounting for refunds

The Group's policy is to sell its products to the end customer with a right of return within a reasonable period at the Group's discretion. Therefore, a refund liability (included in trade and other payables) and a right to returned goods (included in trade and other receivables) are recognised for the products expected to be returned. The assumptions and the estimated amount of returns are based on historical evidence and are reassessed at the end of each reporting period. The costs to recover the product are not material because the customer usually returns the product in a saleable condition at the store.

I. OTHER ACCOUNTING POLICIES (CONTINUED)

(c) New accounting standards and interpretations (continued)
(ii) New standards and interpretations not yet adopted
Certain new accounting standards and interpretations have been published that are not mandatory for the 27 July 2019 reporting period. The following standard will have a material impact on the Group's financial statements in the period of initial application:

AASB 16 *Leases*

AASB 16 *Leases* will replace existing accounting requirements under AASB 117 Leases and related interpretations. AASB 16 eliminates the classification between operating and finance leases and introduces a single lessee accounting model.

Under AASB 16, the Group's accounting for operating leases as a lessee will result in the recognition of a right-of-use (ROU) asset and a corresponding lease liability, with the exception of short-term leases under 12 months and where the underlying ROU asset is of a low value. The lease liability represents the present value of future lease payments. There will be a separate recognition of the depreciation charge on the ROU asset and the interest expense on the lease liability. This will result in the recognition of a front-loaded pattern of expense for most leases, even when constant annual rentals are paid.

Transition

AASB 16 is effective for periods beginning on or after 1 January 2019 and therefore will be effective in the Group's annual reporting period ending 25 July 2020. The Group will be applying the modified retrospective approach. Under this approach, the Group will recognise a ROU asset calculated as if AASB 16 had always applied, and a lease liability which will represent the outstanding liability under the lease arrangement using the incremental borrowing rate at the date of transition. The difference between the ROU asset and the lease liability, adjusted for deferred tax, will be recognised as an adjustment to the opening balance of accumulated losses for the period ending 25 July 2020, with no restatement of comparative information.

Recognition and measurement

The most significant AASB 16 judgements include the determination of the lease term when there are extension options, the selection of an appropriate discount rate to calculate the lease liability and the impairment of ROU assets.

The Group has finalised its AASB 16 accounting policies, determined the appropriate discount rates to apply to lease payments, selected and implemented an IT system to collate and report lease data, and established procedures and controls for accounting and reporting under AASB 16.

AASB 16 has a significant impact on reported assets, liabilities and the income statement of the Group, as well as the classification of cash flows relating to lease contracts. The standard impacts a number of key measures such as earnings before interest and tax and cash flows from operating and financing activities, as well as a number of alternative performance measures used by the Group.

The Group has estimated the following impacts as a result of adopting AASB 16. These estimates may be materially different to the actual impact in the period ending 25 July 2020 due to changes in the Group's lease portfolio or changes to the material judgement areas, due to evolving interpretations of the standard.

	Estimated impact $'000
Estimated impact on the Balance Sheet on transition	
Recognition of ROU asset	**1,350,000 - 1,550,000**
Recognition of lease liability	**1,800,000 - 2,000,000**
Derecognition of deferred income and lease provisions	**90,000 - 110,000**
Increase in deferred tax asset	**95,000 - 115,000**
Decrease in net assets (recognised as an adjustment to opening accumulated losses)	**200,000 - 300,000**
Estimated impact on the Income Statement for the period ending 25 July 2020	
Increase in depreciation expense	**115,000 - 135,000**
Increase in finance costs	**80,000 - 100,000**
Decrease in operating lease expenses, and unwind of deferred income and lease provisions	**200,000 - 220,000**
Decrease in net profit before tax	**0 - 15,000**
Estimated impact on the Statement of Cash Flows for the period ending 25 July 2020	
Increase in operating cash flows	**120,000 - 140,000**
Decrease in financing cash flows	**120,000 - 140,000**
Net cash flows	**-**

DIRECTORS' DECLARATION

In the directors' opinion:

a) the financial statements and notes set out on pages 49 to 86 are in accordance with the *Corporations Act 2001*, including:
   i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   ii) giving a true and fair view of the consolidated entity's financial position as at 27 July 2019 and of its performance for the financial period ended on that date; and
b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note G2.

Note I. (a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the Chief Executive Officer and the Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.

Garry Hounsell

Chairman

Melbourne, 4 September 2019

pwc

Independent auditor's report

To the members of Myer Holdings Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Myer Holdings Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 27 July 2019 and of its financial performance for the period 29 July 2018 to 27 July 2019

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated balance sheet as at 27 July 2019
- the consolidated income statement for the period 29 July 2018 to 27 July 2019
- the consolidated statement of comprehensive income for the period 29 July 2018 to 27 July 2019
- the consolidated statement of changes in equity for the period 29 July 2018 to 27 July 2019
- the consolidated statement of cash flows for the period 29 July 2018 to 27 July 2019
- the notes to the consolidated financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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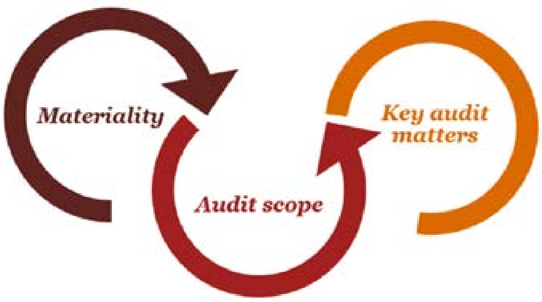
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.



Materiality	*Audit scope*
• For the purpose of our audit we used overall Group materiality of $2.34 million, which represents approximately 5% of the Group's profit before tax, adjusted for individually significant items separately disclosed as restructuring and store exit costs, onerous lease expense and impairment of assets. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. • We chose adjusted Group profit before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. We adjusted for individually significant items disclosed as restructuring and store exit costs, onerous lease expense and impairment of assets as they are unusual or infrequently occurring items impacting the profit and loss. • We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.	• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • The Group is principally involved in retailing through department stores across Australia and online. The accounting processes are structured around the Group's finance function at the Melbourne support office. • Our audit procedures were mostly performed at the Group's support office. We also attended two distribution centres and three Myer stores across Australia to perform audit procedures over inventory.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit, Finance and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*
Carrying value of intangible assets with indefinite lives *(refer note C2)* At 27 July 2019 the Group recognised $371.6 million of intangible assets with indefinite lives, representing brands and trademarks. As required by Australian Accounting Standards, the Group assesses annually whether intangible assets that have an indefinite useful life should continue to be recognised or if any impairment is required. Where the carrying value of an intangible asset is higher than its recoverable amount, Australian Accounting Standards require the carrying value of the intangible asset to be written down (impaired). The Group considers the Myer and sass & bide businesses to be two separate cash generating units (CGUs). At 27 July 2019, the Group has identified indicators of impairment due to the market capitalisation of the Group (the value of the Group derived by multiplying the number of shares currently issued by the share price at period-end) being lower than the net assets of the Group. No indicators of impairment were identified for the sass & bide CGU at 27 July 2019. An impairment assessment over the intangible assets with indefinite lives in each of the Group's CGUs was performed by the Group using a value in use model (the model) at 27 July 2019. No impairment of the Group's intangible assets with indefinite lives was identified. Significant judgement is required by the Group to estimate the key assumptions in the model to determine the recoverable amount of the intangible	In assessing the model, our audit procedures included, amongst others: • assessing whether the allocation of the Group's intangible assets into CGUs was consistent with our knowledge of the Group's operations and internal Group reporting • developing an understanding of the key relevant internal controls over the impairment assessment process • performing testing over the mathematical accuracy of the models on a sample basis • comparing the Group's forecast cash flows to Board approved budgets, externally available economic data and historical actual results • performing sensitivity analysis over the key assumptions including EBITDA margin, discount rate and long term growth rate to consider the extent of change in those assumptions that either individually or in combination would be required for the intangible assets to be impaired. Together with PwC valuation experts, we compared the discount rate and long term growth rate applied in the models to benchmark data. We considered the disclosures made in note C2, including those regarding the key assumptions and sensitivities to changes in such assumptions, in light of the requirements of Australian Accounting Standards.

Key audit matter	*How our audit addressed the key audit matter*
assets with indefinite lives and the amount of any resulting impairment (if applicable). The key assumptions applied by the Group include: • cash flow forecasts, including the terminal value forecast • short-term and future growth rates in EBITDA margin • the discount rate adopted in the model We considered this a key audit matter because of the magnitude of the intangible assets with indefinite lives, the overall impairment indicators applicable to the Group and the significant judgement applied by the Group in estimating the future trading cash flows of the CGUs.	
Accounting estimates and disclosures relating to strategic decisions *(Refer to note A3 and C3)* During the period ended 27 July 2019 the Group's strategic decisions included redundancies and restructuring at the Group's support office in Melbourne and changes to store sizes following various landlord negotiations. These decisions resulted in restructuring, redundancy, store exits and onerous lease costs of $12.5 million recognised in the period to 27 July 2019 in accordance with Australian Accounting Standards. Restructuring activity incomplete at period end required the recognition of provisions associated with strategic decisions of $10.5 million. We considered this a key audit matter because of the judgements and assumptions applied by the Group in estimating the level of provisioning required to be recognised at 27 July 2019.	To assess the Group's accounting policies for calculating the strategic decision related provisions we performed the following procedures amongst others: • considered, with reference to Australian Accounting Standards, the judgements and assumptions applied by the Group to determine the recognition of provisions based on the status of committed and Board approved strategic action plans • compared the Group's judgements and assumptions used to calculate the provisions associated with strategic decisions to: - Board minutes - landlord agreements - historic data, including prior store closures and restructuring experience - other supporting audit evidence. We assessed whether there were other provisions which met the Group's recognition criteria, and if they had been recognised at 27 July 2019, by making inquiries of

Key audit matter	How our audit addressed the key audit matter
	directors and key management personnel responsible for strategic decisions and by reading minutes of Board meetings for the full financial period. We considered the disclosures made in note A3 and C3, in light of the requirements of Australian Accounting Standards.
Inventory valuation and provisions *(Refer to note B2)* The Group held inventory of $346.9 million at 27 July 2019. As described in note B2 to the financial statements, inventories are valued at the lower of cost and net realisable value. The Group recognises a provision where it expects the net realisable value of inventory to fall below its cost price. This will occur where inventory becomes aged, damaged or obsolete and will be sold below its cost price in order to clear. Inventory provisioning is also required where inventory no longer exists due to theft and processing errors. We considered this a key audit matter because the Group applies judgements and assumptions in: • forecasting future selling prices and inventory sell through rates to estimate the value of inventory likely to sell below cost in the future • estimating inventory shrinkage based on actual losses realised as a result of inventory cycle counts.	To assess the Group's judgements and assumptions applied in calculating the value of inventory provisions we performed the following procedures, amongst others: • considered the design and effective operation of a sample of relevant key inventory controls • attended inventory counts at two distribution centres and three retail stores • assessed the Group's inventory provisioning policy by considering the levels of aged inventory and the Group's inventory clearance strategy • considered the historical accuracy of the Group's inventory provisioning by comparing the prior period inventory provision to inventory sold below cost or written off in the current period. We considered the disclosures made in note B2, in light of the requirements of Australian Accounting Standards.
Supplier rebates *(Refer to note B2)* As described in note B2 to the financial statements, the Group recognises amounts receivable from suppliers (primarily comprising supplier promotional rebates) as a reduction in the cost of inventory purchased and a reduction in the cost of goods sold. The majority of supplier rebates tend to be small in unit value but high in volume and span relatively short periods of time, although promotional rebates and sell through of related inventory can run across the financial period end.	Our procedures over supplier rebate income included, amongst others: • agreeing a sample of supplier rebates recorded to the relevant supplier agreements • comparing a sample of rebate terms used in the Group's supplier rebate calculations to relevant supplier arrangements and the Group's sales and purchase data • comparing a sample of rebates to relevant supplier

Key audit matter	*How our audit addressed the key audit matter*
We considered this to be a key audit matter because: • supplier arrangements are complex in nature and highly variable between suppliers. • judgement is needed by the Group to determine the amount of supplier rebates that should be recognised in the consolidated income statement and the amounts that should be deferred to inventory. This requires a detailed understanding of contractual arrangements with suppliers and accurate purchase and sell through information.	arrangements to assess whether the allocation between the consolidated income statement and those capitalised into inventory were in accordance with the Group's accounting policy and the requirements of Australian Accounting Standards. We considered the disclosures made in note B2, in light of the requirements of Australian Accounting Standards.
AASB 16 Leases – presentation and disclosure *(Refer to note I)*	

The Group is required to adopt the requirements of AASB 16 Leases from 28 July 2019. In periods prior to adoption of new accounting standards, Australian Accounting Standards require disclosure of known or reasonably estimable information that the application of the new standard will have on the Group's financial report.
The adoption of AASB 16 is expected to have a significant impact on the presentation of the Group's financial report. The expected transition impact is disclosed in Note I.
We considered this to be a key audit matter due to the:
• magnitude of lease liabilities and right of use assets expected to be recorded on the Group's balance sheet
• significant judgements required by the Group in determining key assumptions including incremental borrowing rates, exercise of option periods and lease terms.
	Our procedures over the disclosure of the impact of adopting AASB 16 included, but were not limited to:
	• developing an understanding of and evaluating internal controls relating to identifying lease contracts and maintaining lease data
	• assessing whether the Group's new accounting policies were in accordance with the requirements of AASB 16
	• evaluating the appropriateness of key judgements applied by management in determining incremental borrowing rates and probability of exercising option periods
	• for a sample of lease contracts we:
	    o compared lease data in the Group's lease management system to the underlying lease agreement and subsequent variations
	    o evaluated estimates and judgement applied by management in determining the lease term
	    o recalculated the right of use asset and lease liability.
	• evaluating the adequacy of the disclosures made in Note I in light of the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the period 29 July 2018 to 27 July 2019, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the directors' report. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 27 to 48 of the directors' report for the period 29 July 2018 to 27 July 2019.

In our opinion, the remuneration report of Myer Holdings Limited for the period 29 July 2018 to 27 July 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

Jason Perry
Partner

Melbourne
4 September 2019

SHAREHOLDER INFORMATION

As at 12 September 2019.

Myer has one class of shares on issue (being ordinary shares). All the Company's shares are listed on the Australian Securities Exchange.

	Number
Issued Capital	821,278,815
Number of Shareholders	43,352
Minimum Parcel Price	$0.62
Holders with less than a marketable parcel	19,727

Distribution of shareholders and shareholdings

Range	Units	%	Holders	%
100,001 and over	648,345,153	78.94	313	0.72
10,001 to 100,000	107,921,418	13.14	3,734	8.61
5,001 to 10,000	22,869,997	2.79	2,889	6.67
1,001 to 5,000	31,290,244	3.81	14,125	32.58
1 to 1,000	10,852,003	1.32	22,291	51.42
Total	**821,278,815**	**100.00**	**43,352**	**100.00**

Unmarketable parcels

	Minimum Parcel Size	Holders	Units
Minimum $500.00 parcel at $0.62 per unit	807	19,727	8,389,520

Twenty largest shareholders

Rank	Name	Units	% of Units
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	231,925,669	28.24
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	92,711,509	11.29
3	METALGROVE PTY LTD	88,450,664	10.77
4	CITICORP NOMINEES PTY LIMITED	71,435,892	8.70
5	NATIONAL NOMINEES LIMITED	12,830,337	1.56
6	CITICORP NOMINEES PTY LIMITED	10,596,500	1.29
7	BNP PARIBAS NOMS PTY LTD	6,117,096	0.74
8	BNP PARIBAS NOMINEES PTY LTD	6,045,751	0.74
9	GLENN HARGRAVES INVESTMENTS PTY LTD	5,990,000	0.73
10	MUTUAL TRUST PTY LTD	5,894,097	0.72
11	BNP PARIBAS NOMS PTY LTD	5,198,348	0.63
12	CS THIRD NOMINEES PTY LIMITED	5,108,395	0.62
13	HAPPY SABA GROUP NO 1 PTY LTD	4,300,000	0.52
14	ARCHERFIELD AIRPORT CORPORATION PTY LTD	4,261,457	0.52
15	MR PAT O'NEILL	3,478,649	0.42
16	SANDHURST TRUSTEES LTD	2,815,000	0.34
17	SHOREFRONT NOMINEES PTY LTD	2,800,000	0.34
18	DR PETER MALCOLM HEYWORTH	2,796,000	0.34
19	NATIONAL NOMINEES LIMITED	2,093,655	0.25
20	ACE PROPERTY HOLDINGS PTY LTD	2,000,000	0.24
Total		**566,849,019**	**69.02**
Balance of register		**254,429,796**	**30.98**
Grand total		**821,278,815**	**100.00**

Substantial shareholders

As at 12 September 2019, there are five substantial shareholders that Myer is aware of:

	Date of last notice	Number of securities in last notice	%
Premier Investments	29 March 2017	88,450,664	10.77
Investors Mutual	19 May 2017	80,897,018	9.85
Wilson Asset Management	27 May 2019	63,748,538	7.76
Dimensional Fund Advisors	2 December 2016	57,539,611	7.01
Vinva Asset Management	21 September 2018	44,794,586	5.45
Total			**40.84**

The above table sets out the number and percentage of securities held by substantial shareholders in Myer as disclosed in their last substantial shareholder's notice. Note that those shareholders may have acquired or disposed of securities in Myer since the date of that notice. A substantial shareholder is only required to disclose acquisitions or disposals where there has been a movement of at least 1% in their shareholding.

VOTING RIGHTS

Shareholders may vote at a meeting of shareholders in person, directly or by proxy, attorney or representative, depending on whether the shareholder is an individual or a company. Subject to any rights or restrictions attaching to shares, on a show of hands each shareholder present in person or by proxy, attorney or representative has one vote and, on a poll, has one vote for each fully paid share held.

Presently, Myer has only one class of fully paid ordinary shares and these do not have any voting restrictions. If shares are not fully paid, on a poll the number of votes attaching to the shares is pro-rated accordingly. Options and performance rights do not carry any voting rights.

PERFORMANCE OPTIONS AND RIGHTS

Myer has unlisted performance options and rights on issue. As at 12 September 2019, there were 26 holders of performance options and rights.

AMERICAN DEPOSITARY RECEIPT PROGRAM

Myer Holdings has a Sponsored Level I American Depositary Receipt (ADR) program. Myer ADRs are not listed on an exchange and are only traded in the United States over-the-counter (OTC) market under the code: 'MYRSY' and the CUSIP number: 62847V 207. One ADR represents four existing ordinary Myer shares.

Deutsche Bank Trust Company Americas (DBTCA) is the Depositary for the Company's ADR program in the United States. Holders of the Company's ADRs should deal directly with DBTCA on all matters relating to their ADR holdings on the contact details below:

Deutsche Bank Shareholder Services
American Stock Transfer & Trust Company
Operations Centre
6201 15th Avenue
Brooklyn NY 11219
Email: DB@amstock.com
Toll-free number: +1 800 937 5449
Direct Dial: +1 718 921 8124

CORPORATE DIRECTORY

REGISTERED OFFICE

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Phone: 1800 811 611 (within Australia)

MYER POSTAL ADDRESS

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PO Box 869J
Melbourne VIC 3001

COMPANY SECRETARY

Jonathan Garland
General Counsel and Company Secretary

SHAREHOLDER ENQUIRIES: SHARE REGISTRY

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General Manager Corporate Affairs
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AUDITOR

PricewaterhouseCoopers
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Southbank VIC 3006

SECURITIES EXCHANGE LISTING

Myer Holdings Limited (MYR) shares are listed on the Australian Securities Exchange (ASX)

WEBSITES

myer.com.au
myerone.com.au
myer.com.au/investor

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MYER

MY STORE

ANNUAL REPORT 2019