

## **Myer posts \$127 million profit**

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Net profits down but sales up thanks in part to world-class supply chain

Retail giant Myer posts a \$127 million net profit, down 8.7 percent on 2012, despite gross profits increasing by 1.8 percent.

Myer Chief Executive Officer Bernie Brookes attributes the drop to cost pressures associated with labour and occupancy, as well as planned investments in growth initiatives and supply chains.

Previous investments include a merchandise management system, a point-of-sale system, and a world-class supply chain that sets the foundations for Myer's new omni-channel offer.

"Our omni-channel offer has continued to strengthen and key customer metrics of online sales, page views and average monthly visits have all more than doubled since last year," Brookes says.

The business continues to make good progress and has a strong focus on driving both gross margins and sales.

Brookes says Myer's targeted promotional activity has delivered a pleasing operating result in the face of significant cost pressures.

"We have continued to execute our five-point plan over the last year whilst having an eye to the future and adapting the business to capitalize on the changing structure of retail," Brookes says.

Their five-point plan includes:

- improving customer service through service and efficiency initiatives
- enhancing merchandise offers through the vertical integration of design, development, sourcing, supply chain, and marketing
- strengthening the *MYER one* loyalty program, which already represents 70 percent of sales
- building a leading omni-channel offer to improve connection with customers
- optimising the Myer store network, which saw 3 new stores opened and significant refurbishments on a number of existing stores

“Retail continues to be the biggest private employment sector in the country,” Brookes says.

However, he also adds that rising employment costs, escalating occupancy and utility costs, and a GST loophole providing unfair advantage to foreign retailers impact Australian retailers.

Myer will continue to adapt their business to meet all current and future challenges.