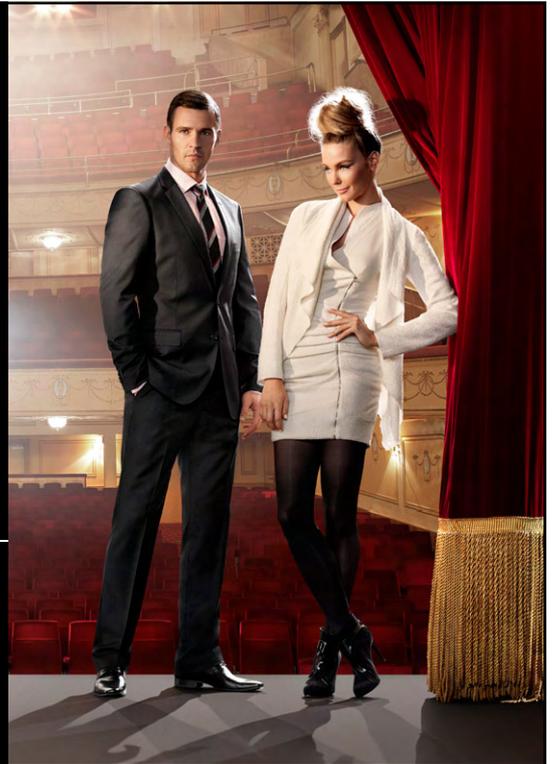


MYER

Half Year Results
to 29 January 2011

17 March 2011



Agenda

First Half 2011 Highlights

1. Overview
2. Financial review
3. Operating update

Growth Phase

4. Building for the future
5. Outlook



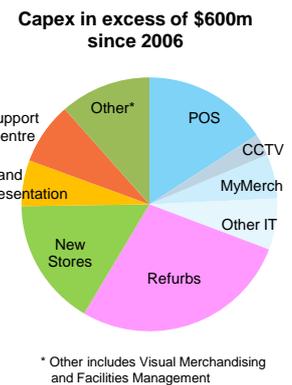
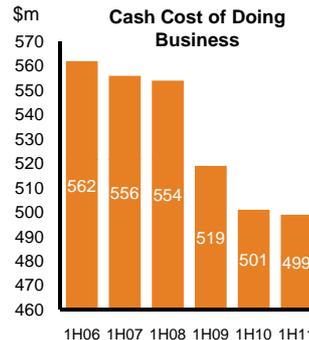
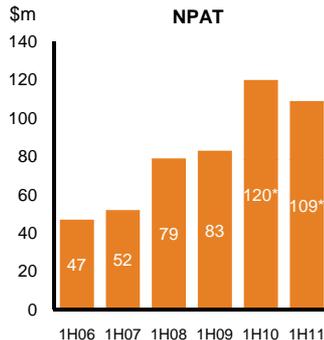
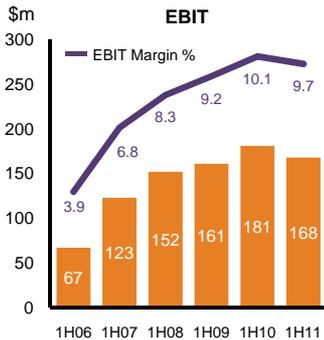
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The journey so far



- Business transformation over past five years has delivered:
 - Fast, efficient retail platform
 - Fundamental and sustainable improvement in profitability
 - Solid platform for growth



* 1H2011 EBIT Margin of 9.7% is after non-recurring costs associated with POS, costs of Myer Melbourne and the launch of Robina

* 1H 2011 excludes residual IPO costs of \$2.1m. 1H 2010 is proforma and excludes IPO costs

* Other includes Visual Merchandising and Facilities Management

Transformation sets platform for growth



Achievement	2006	Today
Sales (Full Year)	\$3.17b Limited sales growth during transformation	\$3.26b (12 month rolling to Jan 2011) Business transformation provides platform for growth
Myer Exclusive Brands	14.3% of total sales	Over 17.4% of total sales
Point of sale	21 years old	New (c.\$100m investment)
MYER one	43% of sales	c.69% of sales
Direct sourcing	c.\$40m	c.\$120 million
Supply chain	43 days transit time, 24 off-site warehouses, eight distribution centres Supply chain costs 1.4% of sales	24 days transit time, zero offsite warehouses, four distribution centres Supply chain costs 0.7% of sales
Merchandise system	44 different systems in place	RETEK (Capital investment of c.\$95m)
Capital expenditure	Average annual capital expenditure in five years prior, was c.\$58m (excludes landlords contributions)	In excess of \$600m of capital expenditure in last four and a half years (stores, VM, MyMerch, POS, CCTV, Myer Melbourne)
Online sales	Limited to Christmas hampers	myer.com.au recently upgraded and relaunched with expanded product offering myfind.com went live in February 2011 for a period of testing and refinement

A solid result in a challenging environment



- Sales down 3.5% to \$1,733 million, down 5.2%* on a like-for-like basis
- Excluding Electrical, total sales down 1.4%, and like-for-like were down 3.1%
- Further growth in Myer Exclusive Brands, now representing over 17.4% of total sales
- Operating gross profit margin up 91 bps to 40.5%
- EBITDA margin held at 11.7%
- EBIT of \$168.2 million, EBIT margin 9.71%
- Overall cash cost base declined 0.4% to \$499.4 million
- Disciplined inventory management; clean underlying inventory position
- Continued strong cash generation
- Net profit after tax \$108.9 million.** Basic earnings per share (EPS) 18.7 cents
- Improved interim dividend of 11 cents per share, (1H 2010: 10.5 cents)



* Like-for-like calculation excludes new stores at Top Ryde and Robina, Myer Melbourne and refurbishments
 ** 1H 2011 excludes residual IPO costs of \$2.1m. 1H 2010 is proforma and excludes IPO costs

5

Agenda

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- 2. Financial review**
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4. Building for the future
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Financial Summary



\$m				1H10	% change
	1H11 Actual	1H10 Proforma	% change to LY proforma	Actual	% change
Sales including concessions	1,733.1	1,796.8	(3.5)	1,796.8	(3.5)
Operating gross profit	702.6	712.0		712.0	
Operating gross profit margin	40.54%	39.63%	+91bps	39.63%	+91bps
Cash cost of doing business	(499.4)	(501.5)	(0.4)	(501.5)	(0.4)
Cash cost of doing business / sales	28.82%	27.91%	+91bps	27.91%	+91bps
EBITDA	203.2	210.5	(3.5)	210.5	(3.5)
EBITDA margin	11.72%	11.72%		11.72%	
Depreciation	(35)	(30)		(30)	
Earnings before interest and tax	168.2	180.5	(6.8)	180.5	(6.8)
EBIT / Sales	9.71%	10.05%	-34bps	10.05%	-34bps
Interest	(18)	(18)		(25)	
Net profit before tax	150.5	162.5	(7.4)	156.0	(3.5)
Tax	(42)	(43)		(41)	
Net profit after tax	108.9	119.4	(8.8)	114.8	(5.2)

1H 2010 Proforma: Interest and tax have been adjusted to reflect the proforma interest expense as a result of the impact of the IPO, excludes IPO costs.
 1H 2011 excludes residual IPO costs of \$2.1m.

7

Drivers of 1H 2011 performance

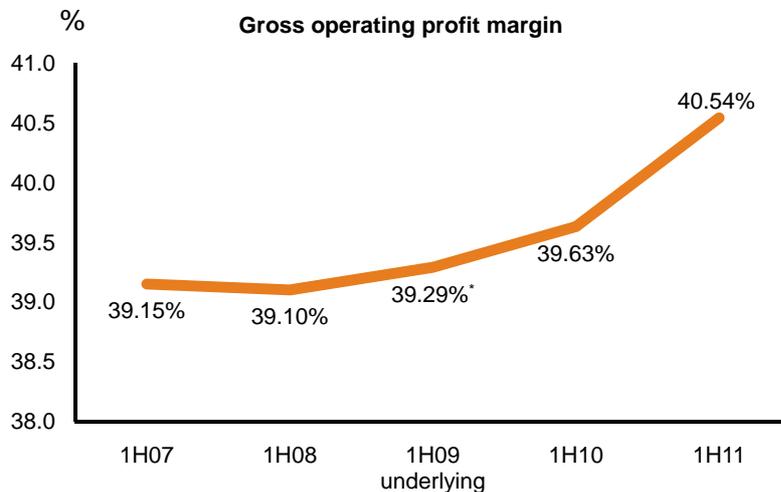


- Strong growth in Home, in particular Furniture, and Youth categories
- Trading at Myer Melbourne continuing to gain momentum
- Managed aggressive promotional and marketing activity to remain competitive
- Ongoing fragile consumer with increased saving rates in 1H 2011
 - Consumer more cautious to spend with increased tendency to save
 - Increased costs of living, compounded by recent successive interest rate rises
- Wet and cool weather impacted seasonal apparel and footwear
- Floods in Queensland and Victoria further impacted sales
 - Significantly reduced access to regional stores over extended period
 - During January and February, 7 stores closed as a direct and indirect result of flooding and Cyclone Yasi. Estimated sales impact of c.\$11 million (\$5m in 1H2011)



8

Strong gross operating profit



1H2011 performance driven by:

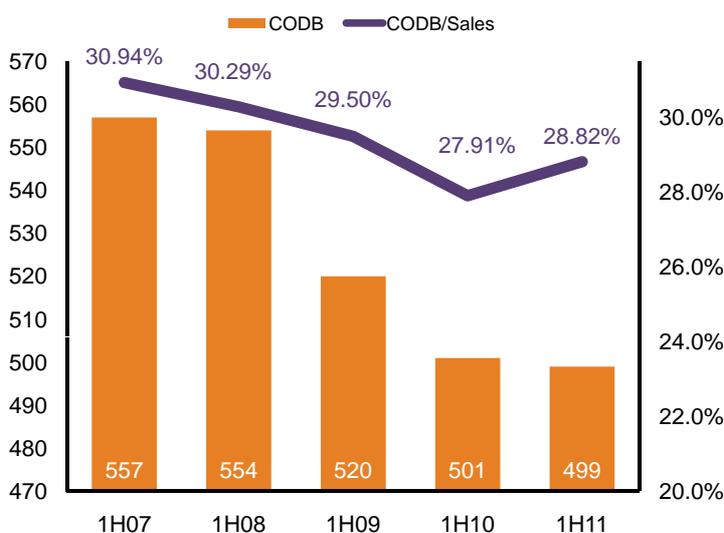
- Improved Myer Exclusive Brands performance (now over 17% of total sales)
- Reduction in shrinkage
- Direct sourcing benefits
- Stronger AUD vs. increase in cotton prices
- Mix of business benefits
- Inventory management
- Improved buying

* Gross Operating Profit for 1H2009 reflects the impacts of the change to Hedge accounting during 1H2009 of \$12.5 million (unwound in 2H) and the removal of the non-trading impact of the Hobart store insurance claim of \$10.0 million

Strong cost discipline

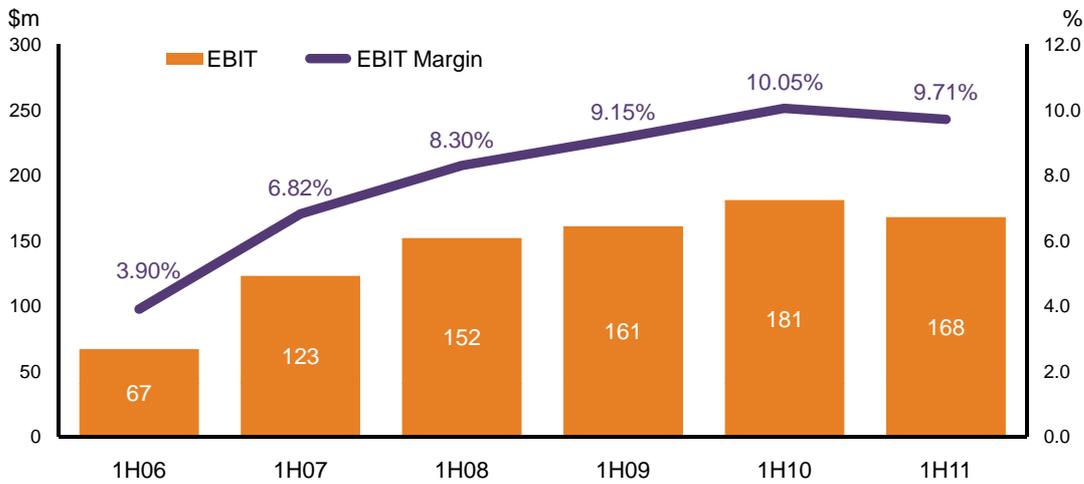


Cash CODB reduced



- Overall cost base declined to \$499.4 million despite one-off costs associated with:
 - POS rollout
 - Myer Melbourne
 - Robina launch
- Cost efficiencies associated with improved media buying, IT, store operations, supply chain, store support and ongoing tendering

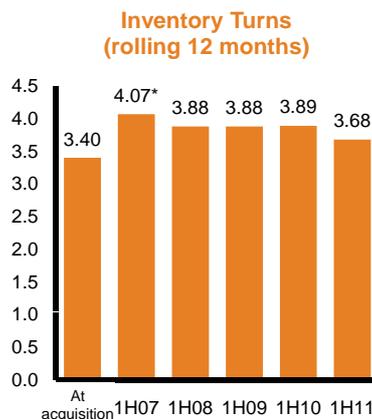
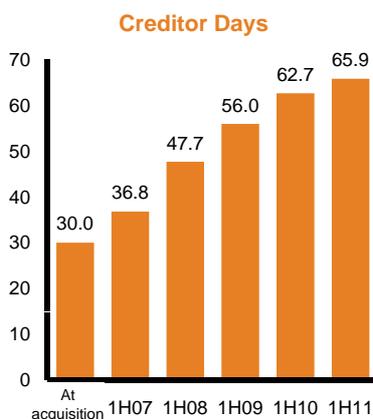
Solid EBIT result



- 1H2011 EBIT Margin of 9.71% is after the non-recurring costs associated with POS implementation, costs of Myer Melbourne and the launch of Robina

11

Strong working capital



* History Making Clearance

- Improved working capital
- Further improved creditor days
- Out of stocks remain below 7%
- Inventory turns for MEBs were approximately 4x
- Comparable inventory finished below 1H2010 level

12



Strong cash flow supports increased dividend

(\$m)	Jan-11 Actual	Jan-10 Actual
Inventory	378	351
Other Assets	96	140
Less Creditors	(517)	(469)
Less Other Liabilities	(238)	(214)
Net Trading Investment	(281)	(191)
Property	27	29
Fixed Assets	503	393
Tangible Funds Employed	249	231
Intangibles	901	912
Total Funds Employed	1,150	1,143
Debt	421	419
Less Cash	(169)	(144)
Net Debt	252	274
Equity	898	869
Total Investment	1,150	1,143

- Comparable inventory finished below 1H2010, excluding new stores, music and aligned with 2010 trading weeks
- Strong cash generation resulting in cash at end of period of \$169 million
- Capital expenditure of \$78 million in last six months
- Strong credit metrics including:

Key credit metrics (Jan-11)	
Net debt	\$252m
Net Debt / EBITDA *	0.77x
Fixed Charge Cover *	2.38x
Shareholders equity	\$898m
ROFE	22.5%

* Calculated using EBITDA for the 12 months ended 29 January 2011

13

Agenda

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First half operating highlights



- World-class Myer Melbourne now fully open
- New stores at Top Ryde (NSW), Robina (QLD), on track to exceed ROFE hurdle of 2xWACC
- Ongoing focus on enhanced service model – ‘Priority One’
- POS rollout completed in all stores
- Enhanced merchandise offering including new brands and continued growth of MEBs
- Strategic retail alliance with sass & bide
- Improved e-commerce offering including myer.com.au and myfind.com
- Integrated marketing structure
- Continued growth of **MYER one** and ‘affiliates program’



15

Myer Melbourne – a true flagship store



- All nine floors open, official launch 31 March 2011
- 35,000m² of selling and event space over nine levels of state-of-the-art shopping in the centre of Melbourne
- Now in excess of 170,000 SKU's and over 200 new brands
- Expect over 25 million visitors per year
- Personal shopping available on fashion floors and in youth department
- Two cafés and champagne bar, Mural Hall ballroom available for public functions
- Strong customer response and sales continue to gain momentum
- Myer Melbourne celebrates its 100th anniversary this year



16





New stores on track to exceed return hurdles



- Robina shopping centre is the largest centre in Queensland (5th largest in Australia), with 330 speciality retailers and >6,600 parking spaces
- Located in heart of fast growing Gold Coast region, with a catchment population of 225,000 people growing at 2.7% p.a.
- Strong take-up of **MYER one** in both stores
- Strong customer response to broad range of brands



Priority One – Improving customer service



- Sales and Service Improvement Program
- Ongoing targeted investment in additional hours in key categories
- High performance club to hit 500 members in April 2011
- POS location – focus on providing improved customer service
- Training and development ongoing
- New directory signage, implemented in stores to improve customer navigation



Winner Inspirational People Award 2010 for Customer Passion: Maree Cunningham



POS rollout completed in November 2010



- Significant investment in new point-of-sale system
- Speed of transactions and service improved during busy Christmas and Stocktake sale period
- Platform now set to improve customer service
- All productivity benefits to be reinvested into service

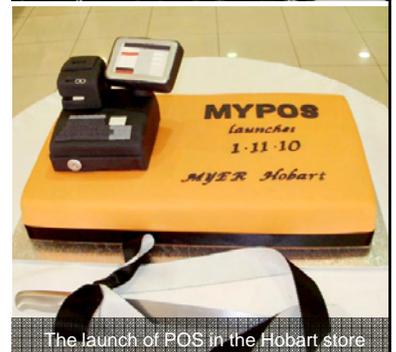


Quote from customer:

"It's great that you can find stock at other stores for me without having to call, it's so much faster!"

Quote from Team Member:

"Using the new registers helps me serve the customer faster. They are so easy to use"



The launch of POS in the Hobart store

23

Further enhanced merchandise offering



- Continued strong performances from MEBs
- Secured a number of new brands including Arthur Galan AG and Simona
- Remain exclusive department store home of over 30 international designer brands, including Balmain, Calvin Klein Collection, Givenchy, Temperley London
- In last six months became exclusive department store home of Nina Ricci, Roland Mouret, Giambattista Valli, Vionnet and Joseph
- Continued focus on newness and fashionability



24

Arthur Galan AG



Jane Lamerton Home

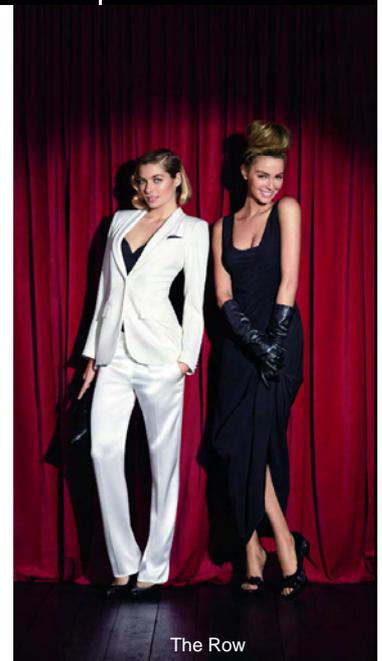


Simona

Strong pipeline of new brands and extensions

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- New international brands (exclusive to Myer) to be launched in next six months include:
 - Catherine Malandrino
 - Matthew Williamson Escape
 - The Row
 - Vivienne Westwood 'Lee Anglomania'
- Further growth in MEBs with additional brands and brand extensions include:
 - BIB (plus size womenswear brand)
 - Urbane activ (women's sportswear)
 - Jayson Brunsdon Black label (Designers @ Myer modern classic)
 - Urban Soul product extension into Accessories



25

Strategic retail alliance with sass & bide

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- Acquisition of 65% stake in sass & bide, one of Australia's most respected and successful women's fashion brands. Unique opportunity consistent with growth strategy
- To deliver strong financial returns
- Product range includes Ready-to-Wear, sass & bide Denim, s&b vie and Accessories
- Currently operates 15 standalone retail concept stores. Compound annual sales growth of over 50% during past two years
- Significant opportunity to grow department store performance through move to concession model and expanded range
- Roll out to approx. 30 Myer stores progressively from August 2011
- Growth opportunities for sass & bide in store rollout, international wholesale expansion & product extensions (eg optical, sunglasses, handbags, shoes, jewellery)



26

Hardgoods performance



- Home performance benefited from
 - Increased space allocated to Furniture
 - Efficient supply chain enables 'Quick Ship' (within three days)
 - Improved merchandise offer including new MEBs (eg Delicious homewares)
- Entertainment performance impacted by:
 - Highly competitive environment and price deflation across Electrical category particularly in televisions
 - Reduced space for category due to exit of whitegoods and return of management of music business
- Space optimisation and category management – an ongoing focus to ensure merchandise offer meets changing consumer demands

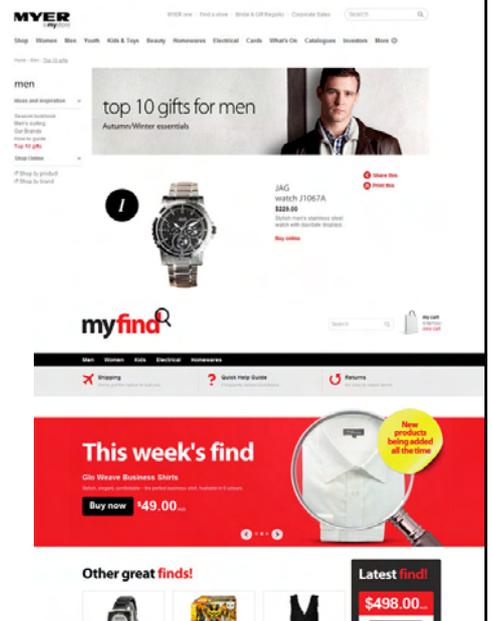


27

Improved e-commerce offering



- myer.com.au was upgraded and relaunched with expanded product offering, improved navigation, content and functionality
- Sales through the myer.com.au website continue to gather momentum
- Further improvements planned for 2H 2011
- myfind.com business went live on 28 February 2011
 - Value focused, one-off special buys
 - Currently in period of testing and refinement



28

Enhanced digital marketing



The collage illustrates various digital marketing touchpoints: a Google search for 'gift with purchase' showing search results; a Myer website banner for 'now SHOWING' featuring a woman in a red dress; a mobile app interface with a 'See What's new' button; a 'mythreads' social media post with a grid of fashion images; and a Facebook post for Valentine's Day with product images and engagement metrics.

29

Integrated marketing across all channels



- Consistent and integrated approach to marketing
- including stores, visual merchandising, advertising communications (catalogues, print and TV), public relations and events, digital media and **MYER one**
- Demonstrated in Christmas 2010 'Angels campaign'

The 'A Little Help' campaign features a woman with large white angel wings. Text reads: 'A LITTLE HELP FROM THOSE WHO LOVE CHRISTMAS. Enjoy the magic of Christmas with Myer and let our angels help you find the perfect gifts for everyone on your list.' The Myer logo is at the bottom right.

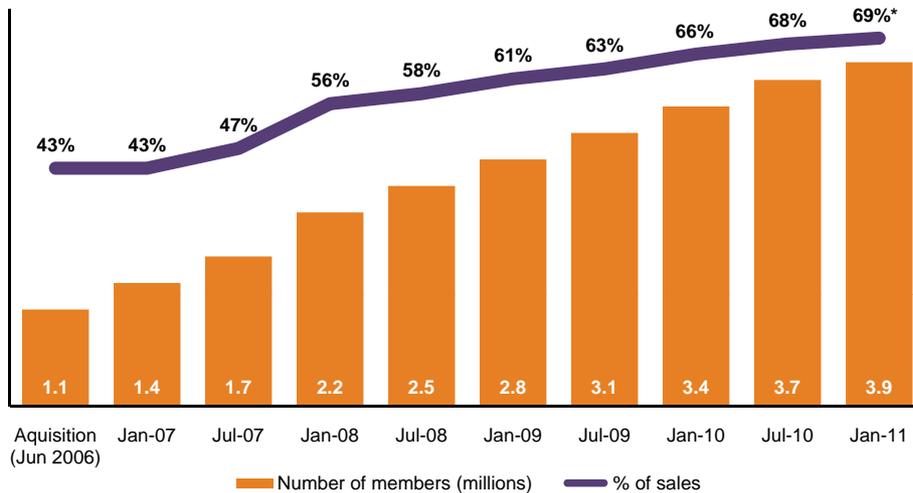
The collage shows physical marketing elements: a 'mychristmas' catalogue with product images, a 'TRIM SHOP' store display with Christmas trees and decorations, and a screenshot of the 'mychristmas' website.

30

MYER one is a powerful marketing tool



MYER one membership and contribution to Myer sales



- Continued targeted and relevant marketing offers through **MYER one**
- Over 5 million cards in circulation
- In 1H2011
 - c.200,000 new **MYER one** members
 - 9% increase in number of email addresses to 1.74 million

31 * Represents trend data due to the change in data collection associated with new POS

MYER one affiliates program



- Numerous well-known businesses signed up to **MYER one** affiliates program including
 - Ritchies IGA
 - Beaurepaires
 - Harvey World Travel
 - Optical superstore
- In excess of 600 businesses and 2,000 individual outlets now part of the program
- Increased awareness in our leading loyalty program enables customers to earn shopping credits when they spend

earn **MYER one** Shopping Credits here

32

Agenda

First Half 2011 Highlights

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3. Operating update

Growth Phase

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Growth and profit drivers



Underpinned by improved customer service

Comp store sales growth

- Ongoing refurbishments
- Enhanced VM
- Better in store execution
- **MYER one** segmentation
- Bridal & Gift technology
- POS driving service & speed
- Events/theatre
- Community/sponsorships and local marketing
- Targeted concessions including sass & bide
- Corporate sales
- Newness & fashionability

New store growth

- 13 additional new stores
- Myer Melbourne benefits
- myer.com.au
- myfind.com
- sass & bide new stores

Gross margin improvement

- Myer Exclusive Brands
- Space optimisation
- Markdown management
- Direct/improved sourcing
- Improvement in shrinkage
- Leverage **MYER one** for targeted promotional activity
- Increase apparel mix in overall business

CODB margin reduction

- Store support costs
- Economy of scale in wages, store cost, supply chain
- Rostering and staff efficiency
- Leverage **MYER one**
- POS driving efficiency
- Skill and knowledge training to drive efficiency
- 'Floor ready' stock
- Ongoing cost focus

8.25% 2010

EBIT Margin

10%+ 2015

New stores at Mackay & Townsville



Mackay to open by November 2011



Townsville to open by May 2012

35

Target of 80 stores by FY2014



Announced new stores (indicative opening schedule, subject to centre development)

Store	State	Year	Size (GLA sqm)	Landlord	Centre MAT \$mill	Estimated Catchment population	Metro Infill	Growth Corridor	Regional City
Top Ryde	NSW	OPEN	10,800	Beville	NA	155,000	✓		
Robina	QLD	OPEN	12,000	QIC	693	225,000	✓		
Mackay ¹	QLD	FY2012	10,000	Lend Lease	287	133,000			✓
Townsville ¹	QLD	FY2012	12,000	Stockland	230	174,000			✓
Fountain Gate ¹	VIC	FY2013	12,000	Westfield	701	180,000		✓	
Watergardens	VIC	FY2013	12,000	QIC	400	151,000		✓	
Shell Harbour ¹	NSW	FY2013	12,000	Stockland	206	205,000			✓
Mt. Gravatt	QLD	FY2013	12,500	Westfield	586	276,000	✓		
Woden	ACT	FY2014	12,500	Westfield	433	144,000	✓		
Coomera ²	QLD	FY2014	12,000	Westfield	NA	134,000		✓	
Tuggerah	NSW	FY2014	12,000	Westfield	485	151,000			✓
Greenhills	NSW	FY2014	12,000	Stockland	309	145,000			✓
Plenty Valley	VIC	FY2014	12,000	Westfield	182	140,000		✓	
Joondalup	WA	FY2014	10,000	Lend Lease	449	200,000		✓	
Myer Melbourne expansion ³	VIC	FY2014	7,000	CFS	NA	c. 4 million			

36 1. Under construction 2. Centre to be constructed 3. Project Emporium expansion in Lonsdale Street building

Priorities for second half

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- Continued targeted focus on improving service - 'Priority One'
- Grow Myer Melbourne customer base and sales
- Drive sales in new and refurbished stores
- Further enhance e-commerce and digital offering
- Continue to leverage **MYER one** for targeted promotional activity
- Newness and innovation
- Markdown management
- Continued focus on shrinkage
- Global Sourcing Offices in Hong Kong and Shanghai to enable growth in direct sourcing
- Maintain focus on space optimisation and category rationalisation



37

Agenda

First Half 2011 Highlights

1. Overview
2. Financial review
3. Operating update

Growth Phase

4. Building for the future
5. Outlook



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Outlook

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- Strategy remains unchanged:
 - Comparable store sales growth
 - New store growth
 - Gross margin improvement
 - CODB margin reduction
- Sales have improved since January, but are still behind last year
- Anticipate trading conditions will continue to be challenging in 2H2011
- Expect NPAT for FY2011 up to 5% below FY2010 NPAT of \$169 million
- Myer well placed to benefit from any increase in consumer confidence and discretionary spend when retail trading conditions improve



39

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Half Year Results
to 29 January 2011

17 March 2011



Myer's store expansion on track



Approved Stores

By anticipated opening (Financial years)

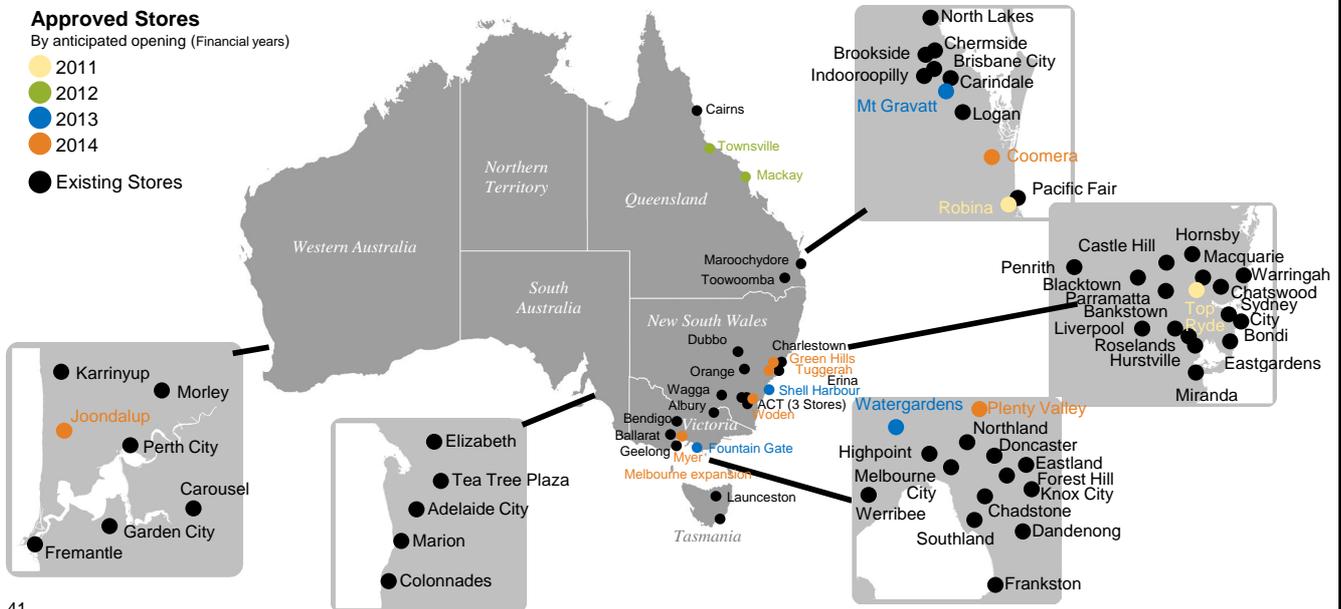
● 2011

● 2012

● 2013

● 2014

● Existing Stores



41

Robina brand offering



42

Historical Sales including Concessions



	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10*	1Q11	2Q11
Total Sales \$m	681.8	1080.1	670.6	828.0	717.1	1079.7	671.1	815.8	706.1	1,027.0
Total Sales growth	-4.8%	-2.8%	-2.6%	3.1%	5.2%	0.0%	0.0%	-1.4%	-1.53%	-4.90%
LFL Sales growth (Reported)	-4.8%	-3.2%	-3.1%	3.6%	4.8%	0.7%	0.6%	-0.7%	-1.74%	-7.40%
LFL Sales growth (Old methodology)	-4.6%	-3.2%	-3.1%	3.7%	2.9%	0.2%	0.3%	-0.9%	-1.89%	-7.40%

* 52 week basis

• In the reported like-for-like methodology, sales for refurbished stores are excluded during the period of refurbishment only.

• Under the old methodology, Myer excludes sales from stores that are impacted by refurbishments or major centre disruptions, both during the disruption period as well as in the corresponding period 12 months later.

43

Disclaimer



This release includes “forward-looking statements”. Forward-looking statements can generally be identified by the use of forward-looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, “continue”, “objectives”, “outlook”, “guidance” or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Myer, and its officers, employees, agents or associates. Actual results, performance or achievements may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and Myer assumes no obligation to update such information.

44