MYER

ASX & Media Release

Full Year Results for 2011
Strong foundations deliver a solid result
Stable EBIT margin of 8.20%
Net profit after tax of $162.7 million
Final dividend of 11.5 cents, fully franked

Thursday 15 September 2011

Financial highlights (52 weeks to 30 July 2011) *(see footnote on page 9)*

- Sales down 3.8% to $3,158.8 million, down 5.5% on a like-for-like basis
- Excluding Electrical, total sales were down 1.2%
- Operating gross profit margin up 63 basis points (bps) to 40.26%
- Continued disciplined focus on costs, overall cash costs declined 3.4% to $933.7 million
- Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) margin increased by 50 bps to 10.7%
- Earnings before interest and tax (EBIT) of $258.9 million (FY2010: $270.9 million)
- EBIT margin of 8.20% (FY2010: 8.25%)
- Net profit after tax (NPAT) of $162.7 million (FY2010: $168.7 million)
- Basic earnings per share of 27.9 cents (FY2010: 29 cents)
- Disciplined inventory management, like-for-like inventory increased by $7 million (2.0%)
- Return on funds employed (ROFE) of 21.4% on a rolling 12 months basis (FY2010: 24.07%)
- Refinance of debt facilities with improved interest margins and strong support from lenders
- Final dividend of 11.5 cents per share (fully franked) taking the full year dividend to 22.5 cents per share (FY2010: 22 cents). Final dividend to be paid on 16 November 2011.

Operating highlights

- Flagship Myer Melbourne store re-opened, as well as new stores at Top Ryde and Robina
- Continued growth in Myer Exclusive Brands (MEBs), now 17.7% of department store sales
- Continued investment in capex of $113 million (Myer Melbourne and new POS system)
- Global Sourcing Offices established in Hong Kong and Shanghai
- Improved merchandise offer with new brands improving the depth of our range
- Purchase of 65% stake in sass & bide
- Progressed customer service strategy supported by savings from optimised promotions
- Further developed e-commerce, digital marketing and social media strategy

Bernie Brookes, Chief Executive Officer commented on the results:

“To deliver an NPAT result of $162.7 million in this challenging trading environment is a credit to the strong management team and contribution of our 13,000 team members.

Challenging retail environment

“In this context, I am pleased with the resilience of Myer’s performance on a number of levels. The significant capital investment that we have made since 2006 has established strong foundations that enabled us to manage our business through these difficult trading conditions. Our Myer Exclusive Brands strategy, improved sourcing, optimised promotional activity, and investment in CCTV to reduce shrinkage, have combined to generate an improved operating gross profit margin. In particular, our merchandise system, new point-of-sale (POS) system and a significantly improved supply chain helped us to manage our inventory during the year. We continued with our disciplined focus on costs across the business.

“Throughout 2011, we experienced unprecedented challenging retail conditions. The tough trading conditions experienced from November 2010, exacerbated by the floods in Queensland and Victoria, continued into the second half.

“The consumer continues to be reluctant to spend in the face of a number of increased cost of living pressures, the imminent imposition of new taxes, uncertainty surrounding interest rates and an increased propensity to save. During the second half of the year, domestic and global political and economic uncertainties as well as rising unemployment further impacted consumer confidence.

Operating highlights

“The opening of the world-class Myer Melbourne store was a highlight during the year and the store continues to gain momentum in sales. Our new stores at Top Ryde and Robina continue to be profitable and we are looking forward to the expected opening of Mackay in October 2011 and Townsville in May 2012. During the year we refurbished our stores in Canberra, Garden City and Charlestown.

“In March 2011, we purchased a 65 percent stake in sass & bide, one of Australia’s most successful and respected women’s fashion brands. Myer has exclusive department store rights to distribute this iconic brand and we have successfully rolled it out into 30 of our stores. In addition to the growth that we expect from the sass & bide sales in our stores, we also stand to benefit from the expansion of its standalone store network, and domestic and international wholesale businesses.

“With ongoing support from our strong supplier base, we continued to strengthen our merchandise offer with the addition of a significant number of new brands to our portfolio during 2011, including the prestigious Australian designer brands Arthur Galan AG, Simona and Fleur Wood. The establishment of our Global Sourcing Offices in Shanghai and Hong Kong during the year will support the growth of our Myer Exclusive Brands and further develop our direct sourcing capabilities.

“During the second half we took a renewed focus on optimising our promotions despite the extremely competitive environment, and I am encouraged that the overall level of markdowns for the year was below FY2010. The savings from optimised promotions have been used to invest in improving customer service. The targeted and measured rollout of this service investment is progressing well and will remain a key focus during 2012.

“Myer has a very strong base of loyal customers. The **MYER one** loyalty program represents a significant competitive advantage and a unique opportunity to support our multi-channel strategy. Sales to **MYER one** customers were over $2 billion in FY2011. Our **MYER one** members spent on average 3.6 times the value of their reward gift cards on redemption.

“We are well progressed in developing a fully integrated multi-channel offer for consumers, including our stores, online and mobile. The redevelopment of our digital and online offer will deliver a new e-commerce site, **MYER one** personalisation, click and collect in stores, a private shopping club for our top **MYER one** members, myfind super deals online, as well as other initiatives currently under development.

“With approximately 11 million unique visits to our website during the last 12 months, there remains significant potential to provide a leading multi-channel offer leveraged off our strong brand, store network, and world class supply chain.

“We review our business on an ongoing basis and have provided for the costs associated with the rationalised music and DVD offer, the exit of gaming and consoles from stores, a reduction in head count in support office and the pending closure of the Forest Hill store. In July 2011, we also divested our shareholding in the retailer, Harris Scarfe, as we believe our capital can be better directed within our business,” said Mr Brookes.

FINANCIAL PERFORMANCE

Sales reflect challenging environment and restructure of electrical category

Total sales for the 52 weeks to 30 July 2011 were $3,158.8 million, down 3.8 percent compared to last year (52 weeks). On a like-for-like basis sales were down 5.5 percent. Included in this result is $14.1 million in sales from sass & bide (since the acquisition of the 65% shareholding on 2 March 2011).

During the year we chose to make a number of planned changes within the Electrical category in the interests of building an improved gross profit for future years. These included exiting whitegoods and significantly reducing our music and DVD offering to focus on providing increased space for more profitable categories. These decisions reduced our overall sales by $32.4 million. In addition, sales were impacted by deflation across a number of categories particularly flat screen TVs. Excluding Electrical, total sales were down 1.2 percent, which indicates a resilient performance across our remaining categories.

Strong profitability and continued cost control

Operating gross profit margin increased by 63 basis points to 40.26 percent compared to last year. Drivers of this result were increased profitability from Myer Exclusive Brands, continued reduction in shrinkage, improved sourcing, optimised promotional strategy and improved product mix. The strong Australian dollar also assisted margins and helped to mitigate the impact of some higher input costs for product sourced from Asia.

Costs continued to be tightly managed during the year and the overall cash cost of doing business declined by 3.4 percent to $933.7 million.

Depreciation increased from $64 million last year to $79 million as a result of the completion of capital projects (new POS system, Myer Melbourne rebuild and new support office).

EBITDA margin increased by 50 bps to 10.7 percent and EBITDA was up 0.9 percent to $337.9 million.

EBIT was $258.9 million, down 4.4 percent compared to last year.

The impact from sass & bide in the consolidated FY2011 NPAT was negligible, as communicated when we purchased the 65% shareholding.

NPAT before one-offs in relation to the sale of our share in Harris Scarfe, the restructuring charge and IPO costs was down 3.6 percent to $162.7 million.

Strong balance sheet

We maintained our focus on inventory management during the period. Taking into account stock held for our new store at Robina and the expanded Myer Melbourne, conversion of our music and DVD offering to wholesale, sass & bide and early delivery of summer FY2012 stock, inventory was up 2.0 percent ($7 million). The level of operating inventory at the end of the period was $381 million.

Net debt increased by $68 million to $382 million, driven in part by the purchase of the 65 percent shareholding in sass & bide in March 2011 ($41.3 million), as well as continued capex investment and a full year of paying dividends ($131 million).

In June 2011, we successfully refinanced our banking facilities of $625 million, extending maturity dates to June 2014 ($325 million) and to June 2015 ($300 million), with lower interest margins and strong support from our lenders. There remains significant 'headroom' in our banking covenants.

It was pleasing that our Myer Exclusive Brands continued to have a higher stock turn than our national brands. Improving stock turns, particularly in our national brands, remains an opportunity.

There was a continued improvement in creditor days from 63.6 in FY2010 to 69.7 days in FY2011.

The Board of Directors has determined a final dividend of 11.5 cents per share, fully franked, to be paid on 16 November 2011. This takes the full year dividend to 22.5 cents per share. The record date for the final dividend is 30 September 2011.

STORES

Our store network

Our flagship Myer Melbourne store was successfully relaunched in March 2011. The customer response has been very positive and sales continue to gain momentum.

We also successfully opened two new stores at Top Ryde (NSW) and Robina (Queensland). Our new store at Mackay (Queensland) is scheduled to open on time on 13 October 2011, and the Townsville (Queensland) store is on track to open in May 2012. New stores at Fountain Gate (Victoria) and Shell Harbour (NSW) are already under construction, and it is anticipated that they will open in FY2013. Myer will be the only full-line department store in all of these locations.

An agreement to rebuild the Hobart (Tasmania) store following the 2007 fire was announced in July 2011. This redevelopment will deliver a 12,450m^2 store, representing significantly more space than the current store. We recently negotiated a replacement store at Werribee (Victoria), which will also deliver a significantly larger store by FY2015.

While we remain committed to our new store rollout strategy it is necessary to constantly review the merits of all new and existing stores, particularly as we enter lease renewal discussions. We have taken the decision not to renew the lease of the Forest Hill (Victoria) store, which will be closed in FY2012. Forest Hill is a small store with a limited range and our **MYER one** data indicates that many customers in its catchment area choose to shop at the larger Myer stores located nearby at Doncaster, Chadstone, Eastland and Knox City.

Refurbishments completed in FY2011 included Canberra (ACT), Charlestown (NSW) and Garden City (WA). We recently relaunched the Eastland (Victoria) store following a refurbishment and the Liverpool (NSW) works are due for completion in December 2011. A refurbishment of the Carindale (Queensland) store is expected to commence later this month.

Improving customer service remains a top priority

We remain strongly committed to improving customer service. We have implemented a comprehensive program comprising a number of initiatives including additional selling hours in high-service categories such as footwear, intimate apparel, and men's suiting. We have doubled the scope of the induction program, improved commission schemes in electrical, furniture and cosmetics, introduced productivity leader boards and continued with our service reward programs.

The investment trial began in Q3 2011 in select stores and has produced encouraging early results. The rollout is currently being extended to the majority of stores. This positive investment loop with promotional optimisation helping to fund the investment in increased selling hours continues to deliver improved sales and service.

During 2011, we continued to expand the services offered in stores including personal shopping, pre-season International and Australian designer previews, and a range of health and beauty treatments for women and men.

The rollout of new Information Technology hardware and an updated operating platform for all stores was completed in August 2011. This will significantly increase the efficiency of administrative activities in stores.

Following the successful rollout of our new POS system in all stores during FY2011, we have built on our commitment to improve transaction speed and overall service. In this context, we have taken the decision to consolidate some of the POS locations into clusters in ten of our stores.

The investment in closed circuit TV (CCTV) as part of a broad campaign to reduce shrinkage has continued to reduce the level of theft from stores and improve customer and team member safety.

Multi-channel expansion

We are currently making significant improvements to the myer.com.au website, including the redevelopment of our digital and online presence to deliver a new e-commerce site, **MYER one** personalisation, click and collect in stores, a private shopping club for our top **MYER one** members, myfind.com super deals online, as well as other initiatives currently under development.

Our offer of free delivery on most online purchases has been well received by customers and we are encouraged by the rapid growth in our online sales.

MERCHANDISE

Our focus remains on inspiring and delighting our customers with newness and fashionability across all categories.

Category performances

The standout performer during 2011 was the Miss Shop (Youth) category. Other key categories with strong performances were Womens and Mens apparel, Home and Cosmetics.

We will continue to refine the Electrical offer to enable us to reallocate the space with higher margin products such as apparel and furniture. We recently took the decision to exit gaming and consoles, and further rationalise our music, DVD and GPS offer. We may choose to include these product lines in our online offer in the future. We anticipate completing the restructure of the Electrical category during 1H2012. From 2H2012, on an annual basis, we anticipate that the Electrical category will account for approximately 11 percent of total sales (compared to 14 percent in FY2010) and will continue to include strong performing categories such as small appliances and home theatre as well as a meaningful range of audio visual, home office and portable electronics.

There were a number of strong performances in the wholesale business, including Bonds, Berlei, Seafolly, Apple and the cosmetics brands MAC Cosmetics and Chanel. Also in Cosmetics, there was a particularly strong performance by Benefit, which saw strong growth in both product sales and services including brow bars. The launch of the popular appliance brand KitchenAid throughout our stores from May 2011 has proven to be a great success.

Myer Exclusive Brands continue to grow as a percentage of our overall mix driven by new brands, new product lines and brand extensions. New brands included Leona + (Womenswear), Domingo (Menswear), Design Studio (Accessories) and Delicious (Homewares). We recently launched a number of important new categories within our Myer Exclusive Brands portfolio including plus-size ranges for women (BIB) and men (Jack Stone), as well as a range of apparel for yoga and pilates (Urbane activ). In addition we have launched an exclusive range of women's fashion designed by Jayson Brunsdon. We extended a number of brands into new areas including Vue (from Homewares to Furniture), Leona by Leona Edmiston (from Womenswear to Childrenswear as Little Leona and plus sizes as Leona +), Urban Soul (from Footwear to Handbags and Wallets).

During July 2011, we successfully rolled out sass & bide to 30 of our stores, with a full concession offering in 15 stores and a wholesale offering in the remaining 15 stores. During FY2011 we also welcomed two prestigious new brands, Arthur Galan AG and Simona, to our concessions portfolio. The addition of these new brands further strengthens our fashion credentials and adds additional depth to our range.

Our concession business benefited from the addition of a number of new brands including sass & bide, Howard Showers and Metalicus. Concessions that performed well in the period were TS14+, David Lawrence and Cue.

There were a number of other new brands that were added to our portfolio during 2011, including the popular London youth brand Lipsy, and the popular Australian-designer womenswear brand Fleur Wood, both of which have been well received by our customers. A number of new childrenswear brands were introduced including Purebaby, Gumboots, Marie Claire baby, Gum and Tommy Hilfiger kids.

During 2011, we purchased the stable of Wayne Cooper brands including Wayne Cooper, Wayne by Wayne Cooper, Wayne Jnr by Wayne Cooper and Brave by Wayne Cooper. We purchased these brands to further consolidate our working relationship with this talented designer for the long term.

We are delighted to announce that we have secured the exclusive distribution rights in Australia for the renowned UK mens formal brand T.M.Lewin. The T.M. Lewin offering, which will include shirts, suits, ties and cufflinks, will be rolled out to 10 Myer stores from February 2012.

Supply chain and improving speed to market

We recently opened our Global Sourcing Offices in Shanghai and Hong Kong to enable us to improve our sourcing capabilities to improve profitability and support the growth of our Myer Exclusive Brands. The Shanghai office will manage the majority of sourcing from northern China, while the Hong Kong office will manage our remaining markets, and importantly continue to look for new sourcing opportunities in emerging markets. A key focus of these offices will be Quality Control and the maintenance of an ethical supply chain. Our *Ethical Sourcing Policy* demonstrates our commitment to the ethical manufacture and supply of merchandise for our business, and working with suppliers to improve their social and environmental practices.

With the support of many of our suppliers we are focusing on increasing the compliance with floor ready standards for merchandise (with hangers, source-tags and price-tickets). In addition to saving time for our team members in stores, this initiative also reduces the amount of unnecessary packaging.

We have continued to gain efficiencies from the significant investment in our supply chain. During 2011, we have reduced shipping lead-times from Asia to below 24 days.

MARKETING

Integrated Marketing and Loyalty

The overall marketing spend was consistent with last year however we have continued to reallocate from traditional advertising channels to additional investment in **MYER one** direct campaigns and digital marketing.

Myer continued its transformation into a multi-channel retailer. Digital and traditional marketing have been integrated, while an improved e-commerce offering complements the store network. We have an increasing presence in social media including Facebook and Twitter and have introduced additional video content. Digital communications were fully integrated into seasonal marketing campaigns during the last 18 months.

The **MYER one** loyalty program achieved a major milestone in FY2011 when the number of members reached 4.1 million. The insights we gain from **MYER one** data are uniquely valuable in evaluating new brands, new stores, product and services mix, store layouts, as well as marketing and event programs.

The number of **MYER one** email addresses continued to grow and we now have over 1.69 million email contacts.

Sales to **MYER one** customers were over $2 billion. Our **MYER one** members spent on average 3.6 times the value of their reward gift cards on redemption.

The **MYER one** affiliates program gained further momentum with 325 new outlets signed during 2011, bringing the total to over 1,000 individual locations for affiliates. Some of our new partners include Hertz, Beaurepaires and select Ritchies IGA supermarkets.

As we develop our multi-channel strategy the competitive advantage that our **MYER one** loyalty program provides will become increasingly important, particularly with the planned personalisation of the myer.com.au website for our **MYER one** members.

During the year we increased the range of financial services offered to our customers to include insurance products and the Myer Christmas Club, adding to the existing Myer Visa offer.

In 2011, we hosted a number of successful events including racing sponsorships, fashions on the field, fashion launches and community partnerships, as well as in store events and appearances. Our customers continue to respond well to these events and delighting our customers with in store theatre remains an important driver of foot traffic.

In the context of a challenging retail environment, we have rationalised our events program to have a greater focus on events rewarding our customers and maximising in store activities and foot traffic.

OUTLOOK

Although the retail environment remains extremely challenging, our flexible and sustainable business model developed since 2006 will continue to help us meet these challenges.

A number of key initiatives are currently underway to further develop our multi-channel offer. We have plans to build and strengthen our loyalty program including improved rewards, to relaunch our e-commerce offer and to further increase our digital and social media presence. This multi-channel strategy also includes our network with the opening of two new stores at Mackay and Townsville.

The challenging sales environment makes guidance very difficult.

During 2012, we face a number of additional costs which have been factored into our guidance. Increases in store occupancy, depreciation, renegotiated Enterprise Bargaining Agreement (EBA) and penalty rates and loadings initiated by Fair Work award modernisation will total approximately $48 million.

Assuming trading conditions do not deteriorate further, we anticipate FY2012 sales to be flat and NPAT to be up to 10 percent below FY2011 of $162.7 million.

Global and domestic economic conditions will dictate when consumer confidence returns to more normal levels. Myer is very well positioned to benefit from any improvements in discretionary retail conditions when they occur.

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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.

Table 1 – Consolidated Profit and Loss Statement for the 52 weeks to 30 July 2011

	FY 2011 Actual $m	FY 2010 Proforma $m	% Change vs. LY Proforma	FY 2010 Actual $m	% Change vs. FY 2010
Total Sales	**3,158.8**	**3,283.6**	**(3.8)**	**3324.2**	**(5.0)**
Wholesale	**2706.9**	2840.0	(4.7)	2,874.3	(5.8)
Concession	**451.9**	443.6	1.9	450.0	0.4
Operating Gross Profit	**1,271.6**	1,301.4	(2.3)	1,317.7	(3.5)
Operating Gross Profit margin	***40.26%***	*39.63%*		*39.64%*	
Cash Cost of Doing Business	**(933.7)**	(966.5)	(3.4)	(981.9)	(4.9)
Cash Cost of Doing Business/Sales	***29.56%***	*29.43%*		*29.54%*	
EBITDA	**337.9**	**334.9**	**0.9**	**335.8**	**0.6**
EBITDA margin	***10.70%***	*10.20%*		*10.10%*	
Depreciation and amortisation	**(79.0)**	(64.0)	23.4	(65.5)	20.6
EBIT	**258.9**	**270.9**	**(4.4)**	**270.3**	**(4.2)**
EBIT margin	***8.20%***	*8.25%*		*8.13%*	
Interest	**(35.4)**	(34.6)	2.6	(41.8)	(15.2)
Net Profit Before Tax	**223.5**	**236.3**	**(5.4)**	**228.5**	**(2.2)**
Tax	**(60.9)**	(67.6)	(10.0)	(64.9)	(6.3)
Net Profit After Tax (NPAT) before Non Controlling interest	**162.6**	**168.7**	**(3.6)**	**163.5**	**(0.6)**
Non Controlling interest	**0.1**				
Operating NPAT after Non Controlling Interest	**162.7**	**168.7**	**(3.6%)**		
Profit on sale of Harris Scarfe Holding	**11.7**	-		-	
Re-structuring Costs	**(10.5)**	**-**		-	
Tax on one-off items	**(0.6)**	**-**		-	
IPO Costs (post tax)	**(3.5)**	(96.3)		(96.4)	
Net Profit After Tax (Statutory)	**159.7**	**72.4**	**120.5**	**67.2**	**137.7**

***NOTES TO FINANCIALS**: Myer Holdings Limited incorporating sass & bide and not adjusted to align with comparable weeks in 2010 (53 weeks). Like for like excludes new stores at Top Ryde and Robina, refurbishments and the acquisition of a 65% stake in sass & bide. FY2011 NPAT of $162.7 million excludes residual IPO costs of $3.5 million, restructuring costs and profit on sale of Harris Scarfe shareholding. FY2010 NPAT of $168.7 million is proforma and excludes IPO costs. All numbers are unaudited*

Table 2: Balance Sheet as at 30 July 2011		
	July 2011 Actual	**July 2010 Actual**
	$m	**$m**
Inventory	381	353
Other Assets	80	97
Less Creditors	(416)	(438)
Less Other Liabilities	(281)	(230)
Net Trading Investment	**(235)**	**(218)**
Property	27	28
Fixed Assets	508	440
Tangible Funds Employed	**300**	**251**
Intangibles	944	921
Total Funds Employed	**1,244**	**1,172**
Debt	420	420
Less Cash	(38)	(106)
Net Debt	**382**	**314**
Equity	861	857
Total Investment	**1,244**	**1,172**

Table 3: Other Statistics and Financial Ratios		
	FY2011	**FY2010**
Capital Expenditure (gross)	$113m	$118m
Return on Total Funds Employed*	21.44%	24.07%
Gearing	30.74%	26.81%
Net Debt/EBITDA	1.13	0.94
Stock turn (times)	3.5	3.8
Creditor Days	69.7	63.6

** Calculated on a rolling 12 months basis*

Table 4: Shares and Dividends	Actual FY2011	Actual FY2010
Shares on Issue	583.1 million	581.5 million
Basic EPS	27.9 cents	29.0 cents
Dividend per share	22.5 cents	22 cents

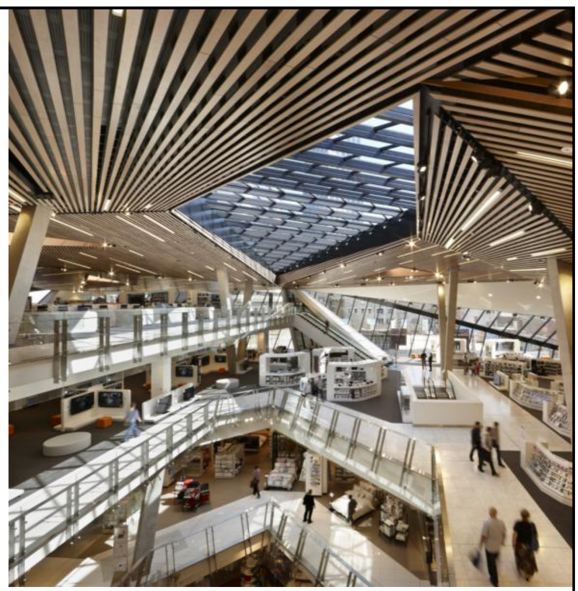
2011 Full Year Results

15 September 2011

MYER

Agenda

- **Overview**
- Financial review
- Operating update
- Delivering our plan
- Outlook



MYER

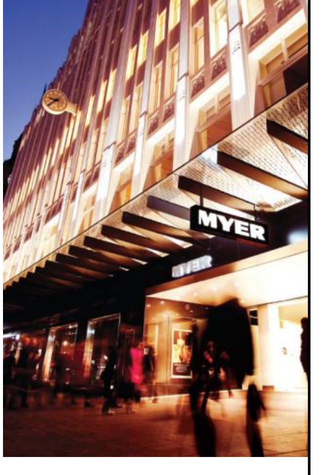
Solid result in challenging environment

- Sales* down 3.8% to $3.159 billion
- Gross profit margin up 63bps to 40.26%
- Strong cost control: cash CODB down 3.4%
- EBITDA margin up 50bps to 10.70%
- Stable EBIT margin of 8.20%
- NPAT* $162.7 million, down 3.6%
- Final dividend of 11.5 cps

*Consolidated sales. NPAT: pre sale of shareholding in Harris Scarfe, restructuring costs and residual IPO costs

The retail consumer

- Challenging retail and economic environment
- Domestic and global uncertainty
- Increased savings rate
- Increased costs of living
- New taxes and rising unemployment
- Share market volatility



Strong foundations ensured resilience

- Significantly improved technology, supply chain and store network
- Strong cost, gross margin and inventory management
- Comprehensive brand hierarchy including Myer Exclusive Brands (MEBs)
- **MYER one** loyalty program

"Experienced management"

5 OVERVIEW

MYER

Agenda

- Overview
- **Financial review**
- Operating update
- Delivering our plan
- Outlook

6

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Financial highlights

	2011	vs. 2010
Sales	$3,158.8m	(3.8%)
Cash CODB	$933.7m	(3.4%)
EBITDA	$337.9m	+0.9%
EBIT	$258.9m	(4.4%)
NPAT	$162.7m	(3.6%)

"Key categories delivered solid result"

7 FINANCIAL REVIEW MYER

Financial ratios

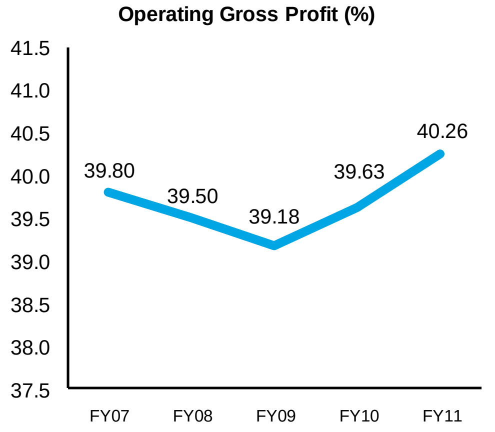
	2011	vs. 2010
Operating GP	40.26%	+63 bps
Cash CODB %	29.56%	+13 bps
EBITDA %	10.70%	+50 bps
EBIT %	8.20%	(5 bps)
LFL* Inventory	$360m	+2.0%
Creditor Days	69.7	+6.1 days

**excludes stock held for Robina, expanded Myer Melbourne, new music and DVD offering, sass & bide and early delivery of summer FY2012 stock. Reported inventory was up 8% to $381m*

8 FINANCIAL REVIEW MYER

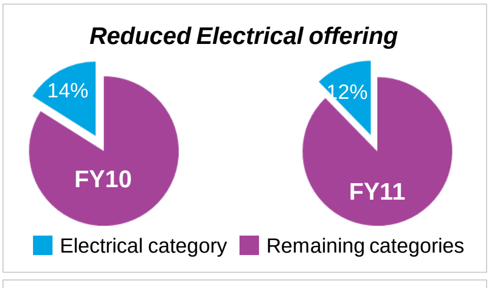
Continued improvement in OGP

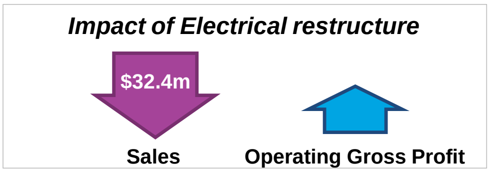
- Strengthened Myer Exclusive Brands
- Improved sourcing
- Reduced shrinkage
- Disciplined inventory control
- Optimised promotions
- Better mix and space utilisation



Focus on more profitable categories

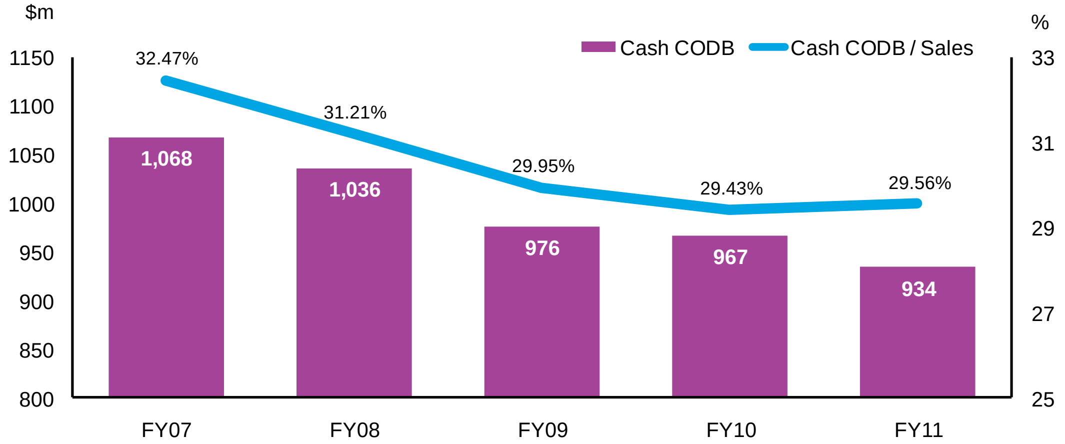
- Responding to changing customer demands
- Managed exit of whitegoods, rationalised music/DVD offering
- Reallocation of floor space to higher margin products





"Space optimisation delivered increased profitability"

Continued focus on costs



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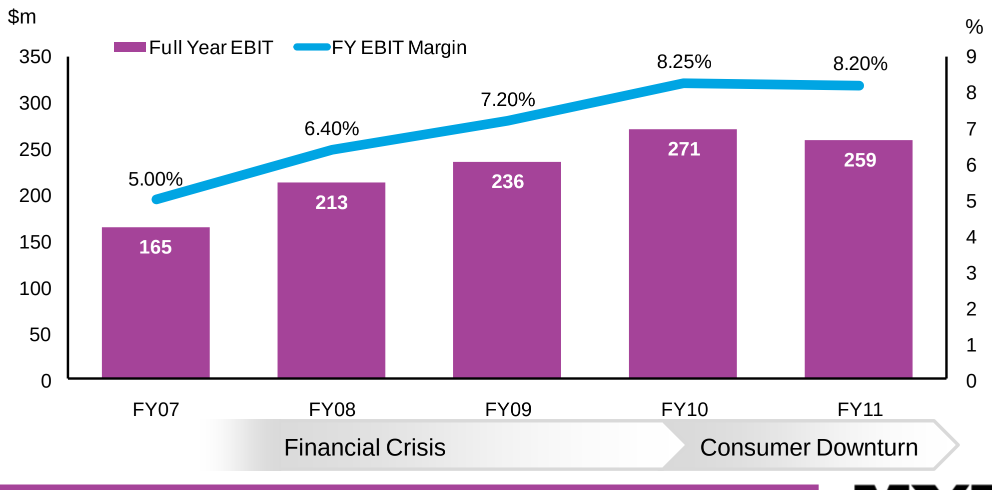
EBIT reflects resilient business model



MYER

Strong balance sheet

- Successful debt refinancing in June
  - Negotiated lower interest margins
  - Extended maturity to 3 and 4 years
  - Continued strong support from lenders
- Significant 'headroom' in banking covenants
- Capital expenditure $113m
- Creditor days improves working capital

Other financial impacts

- $8.2m NPAT on sale of 26% Harris Scarfe shareholding (June 2011)
- $7.6m restructuring costs including
  - Exit of gaming and consoles in FY2012
  - Pending closure of small format Forest Hill store
  - Support Office head count reduction

Financial highlights summary

- Improved operating gross profit margin
- Improved EBITDA margin
- Stable EBIT margin
- Disciplined inventory management
- Strong balance sheet
- Full year dividend increased

"Solid financial structure ensures we are well positioned for growth"

Agenda

- Overview
- Financial review
- **Operating update**
- Delivering our plan
- Outlook

Operating highlights

- Melbourne relaunch and two new stores
- Investment in service funded by optimised promotions
- Enhanced merchandise offer
- Sourcing offices established in Asia
- Acquisition of 65% of sass & bide
- Digital marketing, social media focus

17 OPERATING UPDATE MYER

Continually optimising store network

- Completed three refurbishments at Charlestown, Canberra, Garden City
- Mackay, Townsville, Fountain Gate and Shell Harbour under construction. Only full-line department store in all locations
- Myer Melbourne continues to gain momentum. All new stores profitable
- Signed larger replacement stores for Hobart and Werribee

18 OPERATING UPDATE MYER

Strong performances by key categories

- MEBs now 17.7% of sales
- Standout performer Miss Shop (Youth)
- Womens and Mens apparel, Home and Cosmetics performed well
- Top performing brands include:
  - MAC Cosmetics, Chanel, Howard Showers, Metalicus, Bonds, Benefit, Wayne by Wayne Cooper, Urban Soul, Jeff Banks

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Newness, Inspiration, Fashionability

New brands improve depth of offer

Womens: sass & bide, Arthur Galan AG, Simona, Fleur Wood, Howard Showers, Urbane activ, BIB, Jayson Brundson Black Label

Footwear: Stephane Kelien, Balmain

Youth: Lipsy, Mossimo

Mens: Domingo,Cambridge, Arthur Galan AG, Jack Stone, Stussy, DKNY, Le Coq Sportif, Deacon, T.M.Lewin

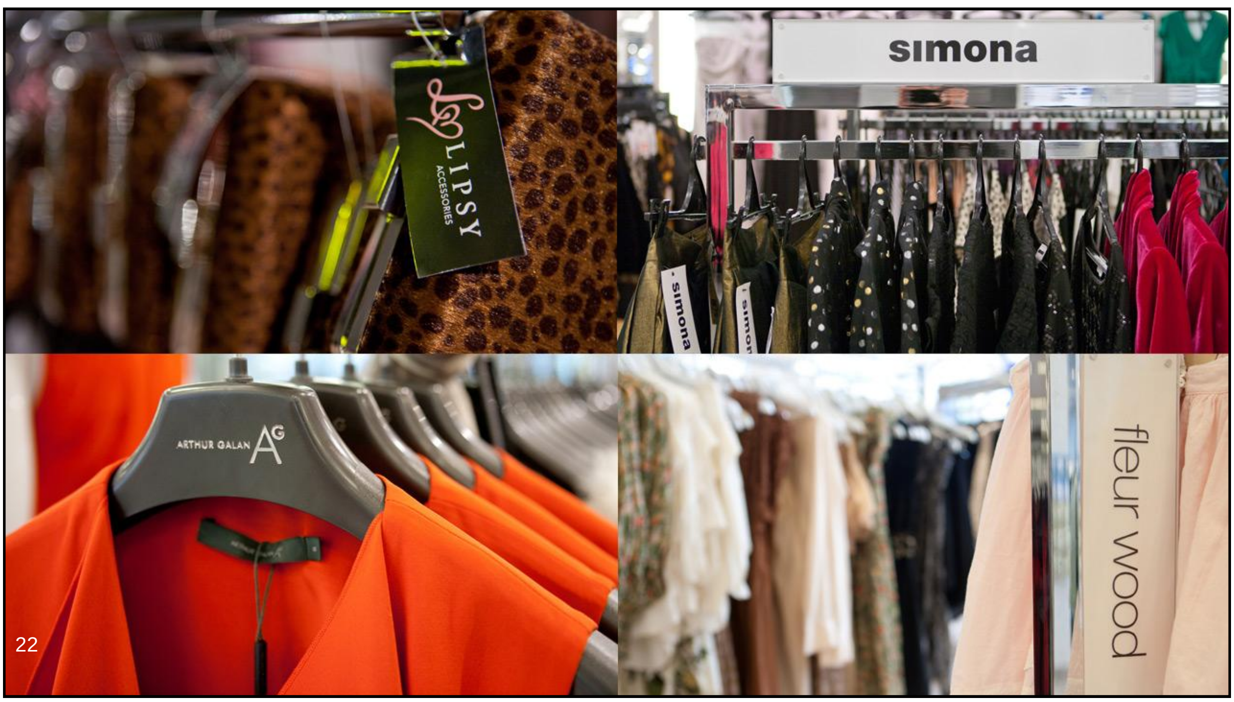
Home: Heritage furniture, KitchenAid, Delicious, Luke Nguyen

Childrens: Little Leona, Pure baby, Gumboots

International: The Row, Hoss, Catherine Malandrino, Jaeger, Matthew Williamson Escape

MYER

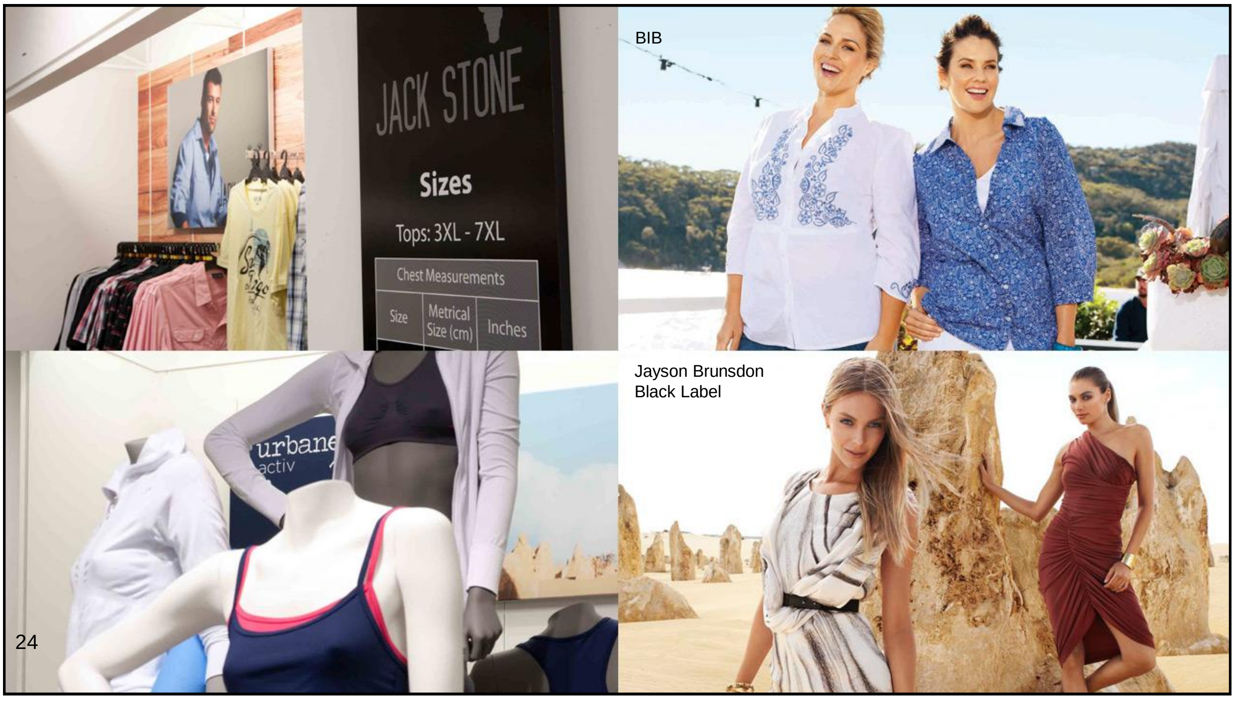

sass & bide
Arthur Galan AG
21


LIPSY
ACCESSORIES
simona
simona
ARTHUR GALAN AG
fleur wood
22

VUE outdoor furniture

23

BIB



Jayson Brunsdon Black Label

24

Katy Perry Fragrance

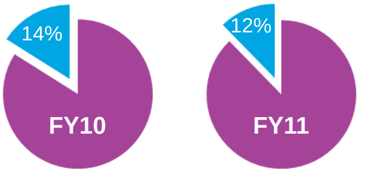
Benefit

25

Re-engineered Electrical category

- Strong value-add positioning with Bose,Cisco and enhanced accessories range
- Strong Apple presence
- Strength in Small Electrical
- New marketing program
- Product training & reward program
- Largest e-commerce category

Reduced Electrical offering impacted sales but increased profitability



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Sourcing offices to drive MEB growth

- Improved gross profit, speed to market, better control over production cycle
  - Shanghai office to manage China sourcing
  - Hong Kong office to manage other markets and new opportunities
  - Quality Control, Quality Assurance focus

"Speed to market is essential in fashion"

Integrated and targeted marketing

- Continued marketing mix reallocation
- Digital marketing, social media, part of everyday focus
- Sales to **MYER one** customers over $2bn
- Over 1,000 **MYER one** affiliate locations
- **MYER one** customer analysis enables targeted and relevant offers
- Rationalised events program

Agenda

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- Outlook

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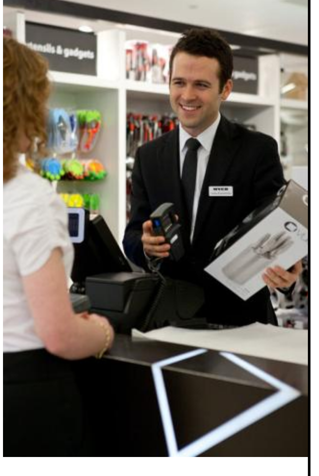
Delivering our plan

Sales and profit to be driven by:

- New stores and refurbishments
- Further strengthen merchandise portfolio
- Continue to build and strengthen **MYER one**
- Space optimisation to improve profitability
- Cost control and reducing shrinkage

"Flexible multi-channel offer underpinned by improved customer service"



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Investing in customer service

- Additional selling hours supported by reinvestment of savings from optimised promotions
- Focus on high-service categories (footwear, apparel, intimates, men's suiting)
- Program initiatives include
  - Service and product knowledge training
  - Reward and recognition
  - Individual sales productivity focus
  - Sales based incentives
  - POS clustering
  - New navigational signage

"Targeted and measured investment"

Multi-channel customer landscape

- Customers are enthusiastically adopting smart phones and using social media applications
- Moving between devices seamlessly, expecting consistency of experience across channels
- Technology empowers the modern shopper, who reacts to relevant, personalised information
- Customers want brands to listen and engage in a way that acknowledges individuality

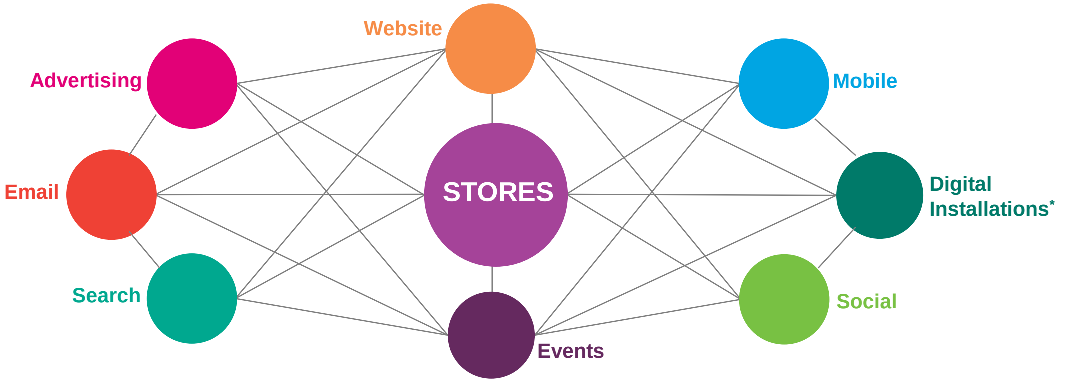
CONNECT

EMPOWER

REWARD

INSPIRE

Multi-channel offer



Technical infrastructure | Supply chain & inventory management | Human resources and talent

*e.g. Kiosks, interactive signage

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- **Outlook**

Outlook

- Investment since 2006 delivered robust operating model
- Challenging environment makes guidance very difficult
- Additional costs factored in to our guidance total $48 million
- Assuming current trading conditions do not deteriorate further:
  - We anticipate FY2012 sales to be flat
  - NPAT to be up to 10% below 2011 NPAT of $162.7 million

"Well positioned to take advantage of improved consumer sentiment"

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2011 Full Year Results

15 September 2011

MYER

Appendix

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Store Network

Store	State	Year	Size (GLA sqm)	Landlord	Centre MAT $mill	Estimated Catchment population	Metro Infill	Growth Corridor	Regional City
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	704	180,000		✓	
Shell Harbour[1]	NSW	FY2013	12,000	Stockland	206	205,000			✓
Mt. Gravatt	QLD	FY2013	12,500	Westfield	567	276,000	✓		
Watergardens	VIC	FY2013	12,000	QIC	408	151,000		✓	
Woden	ACT	FY2014	12,500	Westfield	427	144,000	✓		
Coomera[2]	QLD	FY2014	12,000	Westfield	NA	134,000		✓	
Tuggerah	NSW	FY2014	12,000	Westfield	477	151,000			✓
Greenhills	NSW	FY2014	12,000	Stockland	309	145,000			✓
Plenty Valley	VIC	FY2014	12,000	Westfield	273	140,000		✓	
Hobart Replacement Store	TAS	FY2014	12,600	Non-Major	NA	203,000			
Myer Melbourne expansion[3]	VIC	FY2014	7,500	CFS	NA	c. 4 million			
Werribee Replacement Store	VIC	FY2015	12,500	Pacific	406	148,000		✓	
Joondalup	WA	FY2015	10,000	Lend Lease	490	200,000		✓	

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

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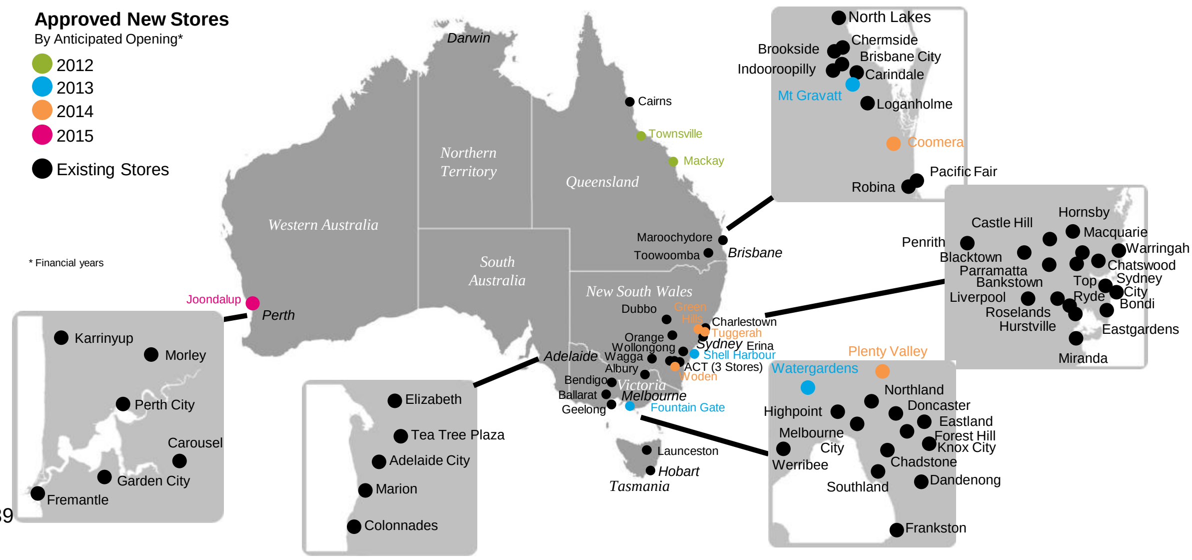
Myer's store expansion on track



39

Historical Sales including Concessions

	1Q10	2Q10	3Q10	4Q10*	1Q11	2Q11	3Q11	4Q11
Total Sales $m	717.1	1079.7	671.1	815.8	706.1	1,027.0	657.3	768.4
Total Sales growth	5.2%	0.0%	0.0%	-1.4%	-1.5%	-4.9%	-2.1%	-5.8%
LFL Sales growth	4.8%	0.7%	0.6%	-0.7%	-1.7%	-7.4%	-3.1%	-7.9%

* 13 week basis

Notes:
- In the like-for-like methodology, sales for refurbished stores are excluded during the period of refurbishment only
- Like-for-like excludes new stores at Top Ryde and Robina, refurbishments and the acquisition of a 65% shareholding in sass & bide
- For the equivalent 52 weeks trading period (2 August 2009 to 31 July 2010 in FY2010, $3,278 million) and (1 August 2010 to 30 July in FY2011, $3,159 million) Myer's total sales were down 3.7%

40 APPENDIX MYER

Statutory NPAT reconciliation

	$m
Statutory NPAT	**159.7**
IPO costs (After Tax)	3.5
Profit on sale financial asset (After Tax)	(8.2)
Store closure & restructuring costs (After Tax)	7.6
Normalised NPAT per ASX release	**162.7**

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.