ASX & Media Release

Thursday 13 September 2012

Myer Full Year Results ending 28 July 2012

Myer reports a solid result in a difficult market

Full year sales down 1.3 percent to $3,119 million

Q4 comparable sales up 0.3 percent

Operating gross profit up 1.3 percent to $1,288 million

Net profit after tax down 14.3 percent to $139.3 million

Full year dividend of 19 cents, fully franked

Financial highlights

Sales

- FY2012 sales down 1.3% to $3,119 million, down 2.0% on a comparable store sales basis
- 2H2012 sales down 0.7% to $1,415 million, down 0.8% on a comparable store sales basis
- Q4 sales down 0.3% to $766 million, up 0.3% on a comparable store sales basis
- Excluding rationalised categories, total Q4 sales up 0.2%, up 0.6% on a comparable store sales basis

Operating gross profit

- FY2012 operating gross profit up 1.3% to $1,288.4 million. FY2012 operating gross profit margin up 105 basis points (bps) to 41.31%
- 2H2012 operating gross profit up 3.7% to $590.1 million. 2H2012 operating gross profit margin up 179 bps to 41.7%

Earnings

- FY2012 earnings before interest, tax, depreciation, amortisation (EBITDA) down 7.7% to $311.8 million
- 2H2012 EBITDA down 4.3% to $128.9 million
- FY2012 earnings before interest and tax (EBIT) down 11.2% to $230.0 million
- 2H2012 EBIT down 4.0% to $87.1 million
- FY2012 Net profit after tax (NPAT) (after non-controlling interest) down 14.3% to $139.3 million
- 2H2012 NPAT (after non-controlling interest) down 3.3% to $52.0 million
- Final dividend of 9 cents per share, fully franked, to be paid on 14 November 2012 (Record Date is 28 September 2012), taking the full year dividend to 19 cents per share

Myer Chief Executive Officer, Bernie Brookes, said the business had delivered a solid result in a challenging retail environment with subdued consumer confidence, finishing the year with three months of positive comparable store sales growth.

"The highlight of this year's result is the strong gross profit performance reflecting a number of key achievements. We delivered on the objectives of growing our Myer Exclusive Brands to 19 percent of sales, further reducing our shrinkage and markdowns, and improving our sourcing," said Mr Brookes.

"The progress we made in implementing our five-point strategic plan clearly supported the profitability of the business and helped to offset ongoing cost headwinds.

"I am encouraged by the further positive feedback from customers and team members as we focus on delivering an inspiring customer solution, with improved customer service and an enhanced merchandise range.

"With the support of our Asian sourcing offices, we have continued to develop our stable of 57 Myer Exclusive Brands with our established team of designers, product developers and planners. This represents a key strategic advantage.

"We have delivered on a number of initiatives to improve both our loyalty program and omni-channel offer to reflect changing customer needs in this environment of rapidly evolving technology," he said.

In view of Myer's continued strong cash generation and stable balance sheet, the Board has determined a final dividend of 9 cents per share taking the full year dividend to 19 cents per share fully franked (FY2011: 22.5 cents).

FY2012 FINANCIAL PERFORMANCE

Our key categories of Womenswear, Miss Shop (Youth), Menswear and Cosmetics all performed ahead of last year in sales and gross profit. The best performing states were Western Australia and Queensland.

Sales in Myer Exclusive Brands grew by 5.5 percent to $586 million during the year and now represent 19 percent of sales, up from 17.6 percent in the previous year. With strong representation across categories and price points, we are confident that our customers will continue to support these brands.

Despite ongoing significant price deflation, particularly in TVs, we achieved sales growth in a number of Electrical businesses, including Appliances and Home Office. As a result of a shift to brands focused on design, quality, colour and innovation, we also achieved an improved gross profit margin across the Electrical category.

The exit of white goods and gaming and consoles and the rationalisation of music and DVDs and GPS navigation systems, impacted sales by $31 million during FY2012.

The overall strong gross profit result reflects the success of a number of key initiatives including an improved merchandise mix, an increase in Myer Exclusive Brands, reduced markdowns, lower shrinkage, improved sourcing as well as the contribution from sass & bide. The growth in gross profit was achieved despite cycling the $17 million of Melbourne store underpinning received in FY2011. Excluding this impact, the operating gross profit margin improved by 150 bps compared to FY2011.

A significant reduction in our overall markdowns was achieved in FY2012, benefiting the gross profit result. While there was price deflation during the year associated with being more globally competitive, this was offset by the success of our markdown reduction program.

As a result of the combined effort across all stores, we successfully achieved our target of reducing shrinkage to less than one percent of sales. This result represents global best practice for department stores.

Our sourcing offices have exceeded our expectations in their first year of operation, delivering improved margin, enhanced product quality, and faster speed to market.

As outlined in FY2011, we faced significant additional costs in FY2012, including:

1. Increased investment in customer facing hours totalling $17 million, in addition to $9 million invested during FY2011; and

2. Increased operational costs including store wages, penalty rates and loadings, store occupancy (rents, utilities, rates, and taxes), and a full year of operating costs associated with sass & bide.

In addition to this result there was also a one-off gain of $16.2 million* relating to the re-negotiation of the Adelaide store lease and the subsequent write back of a fixed lease rental increase provision that applied to that store. Offsetting this are $13.1 million* of one-off costs associated with the rationalisation of our store portfolio and the full exit of the music and DVDs category. In addition, there was a one-off cost associated with the restructuring of the support office which took place in July 2012, amounting to $3.0 million*. Overall, the net NPAT effect was negligible.

(post tax)*

Strong balance sheet

We maintained our disciplined focus on inventory management, with overall inventory clean at the end of the period, totalling $385.7 million, up 1.2 percent. Underlying inventory increased by 0.5 percent to $383 million (adjusted for additional inventory held for new stores at Mackay, Fountain Gate and Townsville, additional inventory held for sass & bide and adjusted for the impact of store closures at Forest Hill and Tuggeranong).

Net debt was flat against last year at $383 million and our net debt to EBITDA ratio remained solid at 1.23 times, well within our covenant of less than 2.5 times. As at July 2012, we had total debt facilities of $655 million with $272 million of available liquidity. Following refinancing in June 2011, maturity of the main part of these facilities is not until June 2014 and June 2015.

We continue to generate strong cash flow, have a stable balance sheet and there remains significant headroom in our banking covenants to support our strategic plan and investment in the future.

DELIVERING OUR STRATEGIC PLAN

We have made substantial progress on our five-point plan, which we have continued to enhance.

1. IMPROVE CUSTOMER SERVICE

Building on our initial customer research and their recent positive feedback, we have continued our investment in improving the customer experience with a number of service and efficiency initiatives.

We are continually refining new processes and initiatives to improve our engagement with customers. Some recent examples include an enhanced commission scheme, enabling stores with new technology, and adjusting resources to meet customer shopping preferences.

Service initiatives

- Targeted and measured investment in additional customer facing hours in high service categories during high service times continued.
- National rollout of profit-based commission scheme to Electrical and Furniture team members, additional staffing in fitting rooms and an improved service model for Myer Exclusive Brands.
- Improved and extended the personal shopping service into more stores, fostering closer customer relationships and increasing sales productivity for personal shopper consultants.
- Continued focus on improving team member product knowledge and selling skills.

Efficiency initiatives

- Achieved department store best practice of one percent shrinkage following the investment in closed-circuit-TV and the company-wide efforts to counter theft and fraud.
- The clustering and consolidation of point-of-sale (POS) has been implemented in 25 stores to improve staff availability at sale points.
- Good progress in improving efficiency of delivery of stock to the shop floor with reduced packaging, and merchandise that is pre-hung, security-tagged and price-ticketed.
- Out-of-stock levels are significantly reduced, ensuring wanted merchandise is available for customers.
- A new seasonal management and replanning tool was recently implemented for store wage management.

"Improving customer service remains a focus for the business, and customer and team member feedback has been very encouraging. All our team members are to be commended for their commitment during a challenging year," said Mr Brookes.

"We will continue to refine our customer service and efficiency initiatives throughout 2013, to ensure we deliver an inspiring customer solution. We continue to believe service and the right merchandise mix are the key differentiators in an environment of increasing online competition," he said.

2. ENHANCE OUR MERCHANDISE OFFER

Our focus remains on being the first choice for customers when shopping for fashion, cosmetics and the home. We have the largest range of desired brands and styles that offer newness, fashionability, quality, and value, with increasing exclusivity.

Our brand hierarchy is split into three segments: Myer Exclusive Brands, International and National brands, and Concessions.

Our 57 Myer Exclusive Brands are comprised of brands developed by Myer, Designers @ Myer, National Brands owned by Myer, and Licensed National Brands. Myer Exclusive Brands are now represented across a wide range of price points and all categories. Key brands have been extended into new categories when they are well established with strong customer advocacy.

Myer Exclusive Brands deliver a significantly higher margin through the vertical-integration of design, development, sourcing, supply chain, and marketing. Our sourcing offices in Shanghai and Hong Kong were established in 2011, and are exceeding expectations.

Merchandise highlights

- During the year brands that performed well included **Wayne by Wayne Cooper**, **Regatta**, **Basque**, **Blaq**, **Cue, T.M. Lewin**, **Tokito**, **Lipsy**, **Miss Shop**, **Jack Stone**, **Mecca**

Cosmetica, **Kit**, **Benefit**, **Politix**, **Ziggy**, **Review**, **Heritage**, **Jane Lamerton Home**, **Apple**, **Lego**, and **KitchenAid**.

- There was continued strong sales and profit growth from **sass & bide** supported by the successful integration of the brand into 18 of our stores. The recent extension of **sass & bide** as a Myer Exclusive Brand into intimates has been very successful with a positive customer response.
- During 2012 we purchased a number of brands, including **Trent Nathan** which was recently launched as an exclusive department store brand in womenswear, menswear, and jewellery into 32 stores. Sales are exceeding our expectations and we have established a strong pipeline of extensions including men's suiting.
- Recent extensions of Myer Exclusive Brands into new categories include **Miss Shop** cosmetics, and **Leona by Leona Edmiston** handbags and sleepwear.
- New Myer Exclusive Brands currently being launched include **Material World by Madonna**, **Fleurette by Fleur Wood**, **Grab Denim**, **Karen Walker Home**, and **Australian House and Garden** (home).
- New brands to be shortly introduced to enhance our merchandise range include the first retail outlet for **Shoes of Prey** (bespoke shoes), as well as **Diesel**, **Peep Toe**, **Speedo**, **O.P.I** nails, **Modern Amusement**, **Eleven Paris** and **55DSL**. We also have a number of new International designer brands being launched in Menswear including **McQ by Alexander McQueen**, **Joseph**, and **Hartford**.

"As part of our focus to enhance our merchandise offer we will continue to pursue unique brands that complement our brand hierarchy and with limited cannibalisation. When purchasing a brand we have stringent acquisition criteria including return on investment hurdles and a requirement for earnings per share accretion," said Mr Brookes.

"Our sourcing offices are integral to support the continued growth in our Myer Exclusive Brands," he said.

3. STRENGTHEN OUR LOYALTY PROGRAM

Our **MYER one** loyalty program is one of Australia′s most successful programs and is a key strategic advantage.

- During the year we signed up over 500,000 new members representing an increase of 12 percent compared to the previous year, taking the total number of members to 4.7 million.
- We have significantly improved our digital communication with members with a program of more targeted emails with increased efficiency and engagement.
- We now have email addresses of 2 million **MYER one** members and over 3 million mobile numbers. Our store teams continue their focus on registering additional member email addresses as this represents a low-cost opportunity to communicate with our customers with targeted and relevant offers.
- During 2012, we delivered approximately $50 million of rewards gift cards to **MYER one** members and the redemption rate continues to be on average 3.8 times the value of the rewards gift card.
- Our new **MYER one** mobile iPhone application is in the final stages of development and will be launched before Christmas.
- We continued to build on our **MYER one** affiliates program and now have over 480 partners across 1,720 locations around the country.

- The Myer Visa card, rated five-stars by CANSTAR continues to grow and we have a number of initiatives in development to further strengthen our offers in relation to financial and corporate services.

"I have no doubt that our **MYER one** loyalty program represents a key competitive advantage as we build a leading omni-channel offer, giving us incredible insight into our customer preferences," said Mr Brookes.

4. BUILD A LEADING OMNI-CHANNEL OFFER

Consumer expectations and preferences have changed significantly in recent years, driven by new technology. Myer is well positioned to capitalise on our strong brand, store network, depth of merchandise and loyalty program as we build a leading omni-channel offer.

Our previous investments in our merchandise management system, POS system and supply chain, have set the foundations for effective inventory and order management. This provides us with a significant competitive advantage in the development of our omni-channel offer.

- Our online sales more than doubled and the rate of growth has accelerated during the year. We believe this represents a significant opportunity for the business.
- We are making good progress on redeveloping our myer.com.au website built on the WebSphere platform. We have successfully implemented a significant number of enhancements, both visible to customers and behind the scenes with a strong pipeline of future improvements.
- Key improvements included a new inspirational homepage design, improved search and sort functionality, a one-page check out, customer ratings and reviews, and enhanced conversion tactics.
- Over 14 million unique visits made to the myer.com.au website with improved conversion.
- The early availability of our Stocktake Sale online delivered our biggest ever sales day online.
- We continue to increase the number of sku's with 30,000 now online all showcased with improved imagery and product information, ratings and reviews, as well as enhanced search capability to improve the customer experience.
- We are increasingly focused on integrated marketing, balancing traditional media with innovation and digital marketing opportunities. Digital marketing and social media are now part of our everyday marketing approach on all campaigns and we are encouraged by the increasing engagement of our customers across multiple social media channels.
- We are focused on ensuring our e-commerce, stores and loyalty are fully integrated to deliver a seamless experience for our customers.

"We will continue to implement a significant pipeline of further enhancements for our website, building on the merchandise offer and site functionality," Mr Brookes said.

"We recognise that our customers want to be able to touch and feel products in store as well as engage with knowledgeable and helpful staff.

"The right combination of physical stores and technology, together with the right offer and fast, efficient fulfillment is critical to our success in omni-channel. We are focused on delivering a seamless customer experience across all digital and retail touch points, which is integral to the success of this strategy," he said.

5. OPTIMISE OUR STORE NETWORK

We continue to review all new and existing stores, particularly in the context of lease renewal discussions. Our focus is maximising returns per square metre by improving productivity including improved store layouts for new stores, better efficiency of floor space through refurbishments, and the closure of some stores.

- Our new store at Mackay has continued to trade well, with particularly strong customer support of our Myer Exclusive Brands.
- During the year we announced our intention to open a new store in Darwin (Northern Territory) in 2016, giving customers in this region access to their first full-line department store.
- During the year we completed the refurbishments of Liverpool (New South Wales), and Carindale (Queensland).
- The Forest Hill (Victoria) and Tuggeranong (Australian Capital Territory) store closures were well managed and all team members were redeployed.
- The Fremantle (Western Australia) store lease will not be renewed, notwithstanding constructive discussions with the City of Fremantle and the landlord. This store is expected to close in the first half of calendar 2013.
- The Elizabeth (South Australia) store lease will not be renewed when the lease expires in February 2014.
- Both the Fremantle and Elizabeth stores represent less than one percent of total sales and **MYER one** data indicates the majority of customers also shop at nearby Myer stores. Team members from both stores will be redeployed to nearby stores.

"We look forward to the opening of our new store at Fountain Gate (Victoria) on 20 September. Fountain Gate is one of Australia's largest shopping centres, and where we will be the only full-line department store," said Mr Brookes.

"Our new Townsville (Queensland) store will open in October, where the community is eagerly awaiting their first full-line department store with the area benefiting from significant resources industry investment," he said.

"The refurbishment of our store in Indooroopilly (Queensland) has commenced. Scoping works are underway for refurbishments at Miranda (New South Wales), Highpoint (Victoria), and a significant upgrade is planned for our Adelaide (South Australia) store," he said.

OUTLOOK

Myer will continue to progress its five-point strategic plan, providing clear direction for the business.

The business will remain focused on growing gross profit margin, with strong cash flow generation, underpinning a stable balance sheet. This will support the strategic plan and investment for the future.

Continued cost headwinds in FY2013 are expected, which are anticipated to be offset by a further improvement in gross profit margin.

The outlook is uncertain due to a continued tough retailing environment and subdued consumer confidence. Therefore Myer does not intend to provide sales or profit guidance to the market for FY2013.

-ends-

Note: *Q1 and Q3 sales will continue to be reported to the market.*

For further information please contact:

Investors:
Davina Gunn, Myer Investor Relations Manager, +61 (0) 400 896 809

Media:
Jo Lynch, General Manager Corporate Affairs, +61 (0) 438 101 793

All numbers are unaudited.
This release may contain "forward-looking statements". Forward-looking statements can generally be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" and similar expressions. Indications of plans, strategies and objectives of management, sales and financial performance are also forward-looking statements. Forward-looking statements are not guarantees of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Myer. Actual results, performance or achievements may vary materially from any forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements, which are current only as at the date of this release. Myer assumes no obligation to update such information.

Table 1 – Profit & Loss Statement for the 52 weeks to 28 July 2012

	FY 2012 Actual $m	FY 2011 Actual $m	Change vs. LY
Total Sales Value	**3,119.1**	**3,158.8**	**(1.3%)**
Concessions	**467.2**	451.9	+3.4%
Operating Gross Profit	**1,288.4**	1,271.6	1.3%
Operating Gross Profit margin	***41.31%***	*40.26%*	+105bps
Cash Cost of Doing Business	**(976.6)**	(933.7)	4.6%
Cash Cost of Doing Business/Sales	***31.31%***	*29.56%*	+175ps
EBITDA	**311.8***	**337.9**	**(7.7%)**
EBITDA margin	*10.00*	*10.70*	*(70bps)*
Depreciation and amortisation	(81.8)	(79.0)	3.6%
EBIT	**230.0***	**258.9**	**(11.2%)**
EBIT margin	***7.37%***	*8.20%*	(83bps)
Interest	(29.8)	(35.4)	(16.1%)
Net Profit Before Tax	**200.2***	**223.5**	**(10.4%)**
Tax	(59.2)	(60.9)	(2.8%)
Net Profit After Tax (NPAT)	**141.0***	**162.6****	**(13.3%)**
Non Controlling Interest	(1.7)	0.1	
NPAT after Non Controlling Interest	**139.3***	**162.7****	**(14.3%)**

**Excluding impact of one-offs and restructuring charge*

***FY2011 NPAT excludes residual IPO costs of $3.5 million*

Table 2: Balance Sheet as at 28 July 2012

	July 2012 Actual $m	July 2011 Actual $m
Inventory	386	381
Other Assets	43	77
Less Creditors	(397)	(412)
Less Other Liabilities	(222)	(281)
Net Trading Investment	**(190)**	**(235)**
Property	27	27
Fixed Assets	488	508
Tangible Funds Employed	**325**	**300**
Intangibles	936	944
Total Funds Employed	**1,261**	**1,244**
Debt	421	420
Less Cash	(38)	(38)
Net Debt	**383**	**382**
Equity	878	861
Total Investment	**1,261**	**1,244**

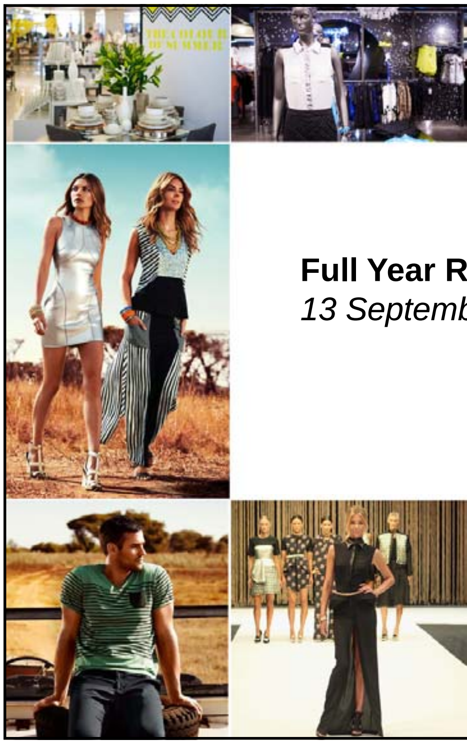
Table 3: Other Statistics and Financial Ratios

	FY2012	FY2011
Capital Expenditure (gross)	$62m	$115m
Return on Total Funds Employed*	18.36%	21.44%
Gearing	30.39%	30.74%
Net Debt/EBITDA*	1.23	1.13
Stock turn (times)	3.3	3.5
Creditor Days	70.3	69.7

** Calculated on a rolling 12 months basis*

Table 4: Shares and Dividends	Actual FY2012	Actual FY2011
Shares on Issue*	583.3 million	582.2 million
Basic EPS	23.9 cents	27.9 cents
Dividend per share	19 cents	22.5 cents

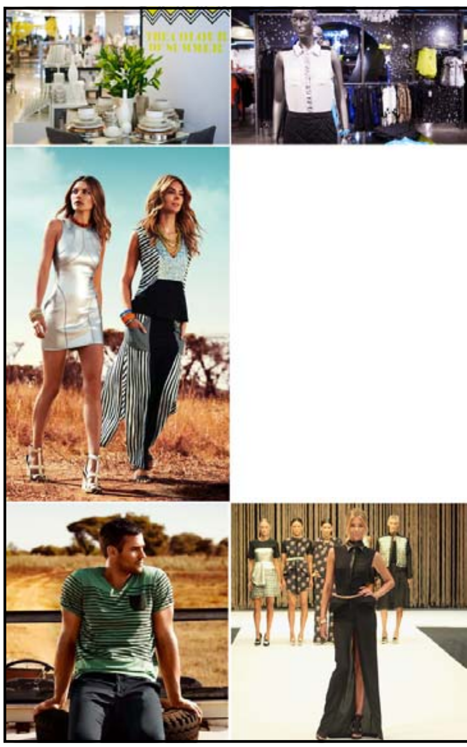
**Weighted average number of shares*



Full Year Results
13 September 2012

Bernie Brookes
CEO and Managing Director

Mark Ashby
CFO



FY2012 results

- **Overview**
- Financial update
- Delivering our five point plan
- Outlook

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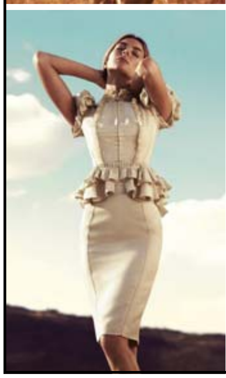


A solid result in FY2012

- FY sales down 1.3% to $3,119 million
- Q4 comparable store sales up 0.3%
- Operating gross profit margin +105 bps to 41.3%
- EBITDA $311.8 million[*], EBITDA margin 10.0%
- EBIT $230.0 million[*], EBIT margin 7.4%
- NPAT $139.3 million[*], FY -14.3% (2H -3.3%)
- Full year dividend of 19 cps[**], fully franked

** Excluding net impact of one-offs and restructuring charge of $0.1 million (at NPAT level)*
*** Final dividend 9 cents per share*

3 OVERVIEW

MYER

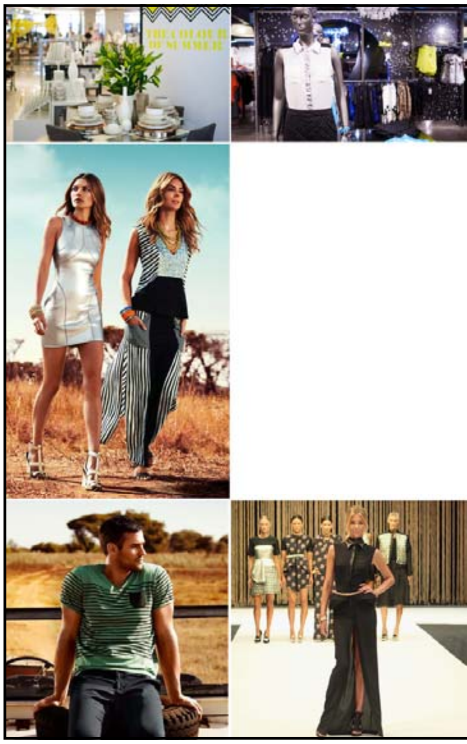


Key achievements in FY2012

- Further growth in Myer Exclusive Brand sales
- Addition of significant new brands
- Progress made on improving customer service
- Sales and gross profit growth in core categories Womenswear, Miss Shop, Menswear, Cosmetics
- Significant reduction in markdowns, shrinkage
- Improved sourcing and speed to market
- Omni-channel phase one delivered (30,000 skus)

4 OVERVIEW

MYER



FY2012 results

Overview

Financial update

Delivering our plan

Outlook

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Financial summary

	FY2012	vs.FY2011	
Sales	$3,119m	-1.3%	Improved sales from Q3 of -0.9%, to Q4 of -0.3%; Q4 comparable sales +0.3%
Operating gross profit	$1,288m	+1.3%	Strong operating gross profit (OGP) result. OGP margin improved by 150 bps excluding receipt of Melbourne store underpinning in FY2011
Operating gross profit margin	*41.31%*	*+105bps*	*Gross profit margin driven by: Myer Exclusive Brands; reduced markdowns, shrinkage; improved sourcing; sass & bide*
Cash CODB	$976.6m	+4.6%	Reflects increased labour hours and wages, increased occupancy and utilities, new store costs, sass & bide, investment in omni-channel and Myer Exclusive Brands

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Financial summary

	FY2012	vs. FY2011	
EBITDA	$311.8m*	-7.7%	
EBITDA margin	*10.0%*	*-70bps*	
Depreciation	$81.8m	+3.6%	Increase in depreciation resulting from continued capital investment
EBIT	$230.0m*	-11.2%	
EBIT margin	*7.37%*	*-83bps*	
NPAT	$139.3m*	-14.3%	Improving NPAT trend in 2H vs.1H Decrease in interest bill Increase in effective tax rate NPAT in line with guidance

** Excluding net impact of one-offs and restructuring charge of $0.1 million (NPAT level)*

FY2012 sales performance

Drivers:

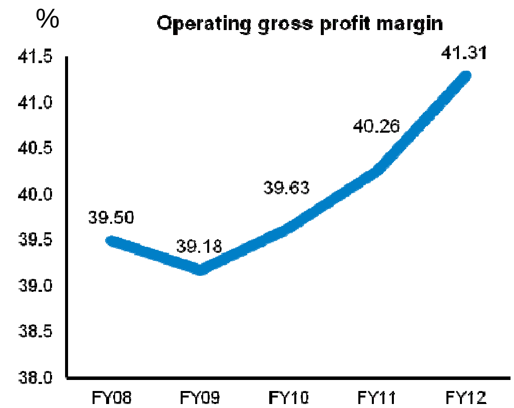
- Myer Exclusive Brands, new brands, new Mackay store, refurbishments, online
- Strong growth in sass & bide
- Best performing states: WA, QLD
- Top categories: Womenswear, Miss Shop, Menswear, Cosmetics
- Customer service investment helped improve store metrics

Challenges:

- Continued challenging retail environment, subdued consumer confidence, strong AUD
- Planned category rationalisation ($31m sales impact, offset by improved gross profit result)

Improvement in Operating Gross Profit

- Myer Exclusive Brand sales grew by $31 million to 19% of sales mix
- Continued success of markdown program offsetting price harmonisation
- Further reduced shrinkage
- Category rationalisation, space utilisation
- Improved sourcing via Shanghai, Hong Kong offices
- Clean inventory position



"Delivering sustainable gross profit improvement"

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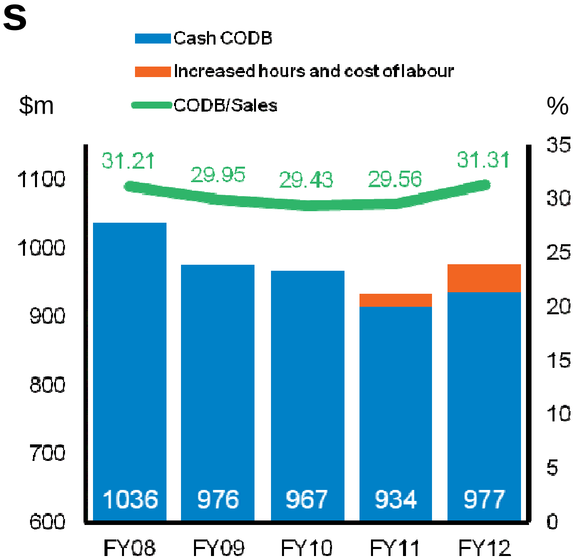
MYER

Cash cost of doing business

- Continued investment in additional labour hours
- Investment in omni-channel and Myer Exclusive Brands
- New stores
- Increased cost of labour (EBA, Fair Work)
- Store occupancy
- Full year sass & bide



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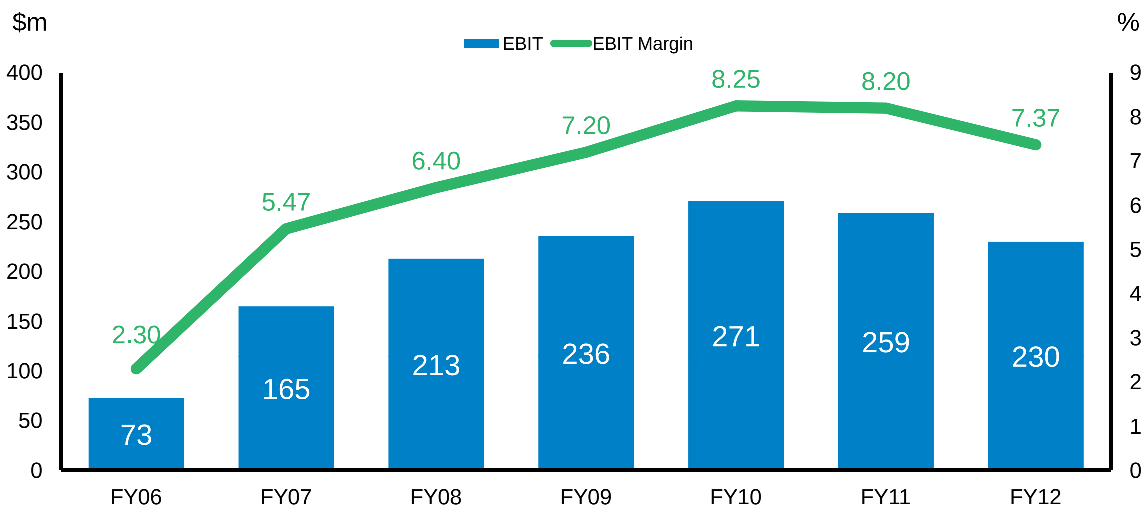
MYER

A solid EBIT result



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MYER

FY2012 one-off items

$m	EBIT	NPAT
Normalised per ASX release	230.0	139.3
Write-back of fixed lease rental increase provision*	23.1	16.2
Store lease rights written-off*	(10.7)	(10.7)
Store fixed-assets written-off*	(1.1)	(0.8)
Provision for exit of rationalised categories and store make good	(2.3)	(1.6)
Redundancy costs	(4.4)	(3.0)
Statutory	234.6	139.4

*Non cash item

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MYER


Improved second half performance

$m	1H 2012	1H 2011	% change	2H 2012	2H 2011	% change
Sales	1,704.0	1,733.1	*(1.7)*	1,415.1	1,425.7	*(0.7)*
NPAT*	87.3	108.9	*(19.8)*	52.0	53.8	*(3.3)*

"A year of two very different halves"

** Excluding impact of one-off and restructuring charges*

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MYER



Strong stable balance sheet

Key credit metrics	28 July 2012	Bank covenants	Headroom
Net debt	$383m		$272m available liquidity
Net debt / EBITDA	1.23x	<2.5x	$158m**
Fixed charge cover*	2.28x	>1.65x	$140m**
Shareholders' equity	$878m	>$500m	$378m

"Significant headroom over covenants"

** Fixed charge cover is calculated as EBITDAR / net interest expense + fixed rental expense*
*** Assuming 2012 net debt and EBITDA*

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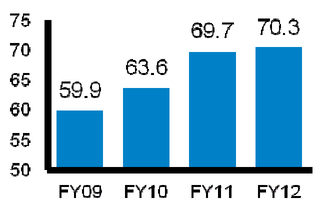
MYER

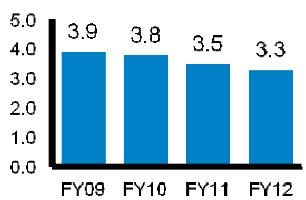
Disciplined cash flow, working capital management

$(m)	FY12	FY11
Operating cash flow	**269.5**	**284.0**
Cash conversion	*86.4%*	*84.0%*
Tax	57.4	18.8
Interest	30.7	36.0
Net cash capex paid (post landlord contribution)	39.5	138.0
Acquisitions and other	8.4	24.8
Cash flow before financing activities	**133.5**	**66.4**

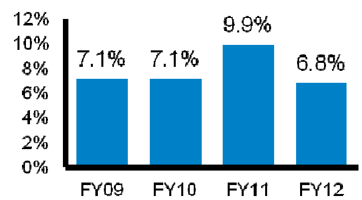
Creditor days



Inventory turns

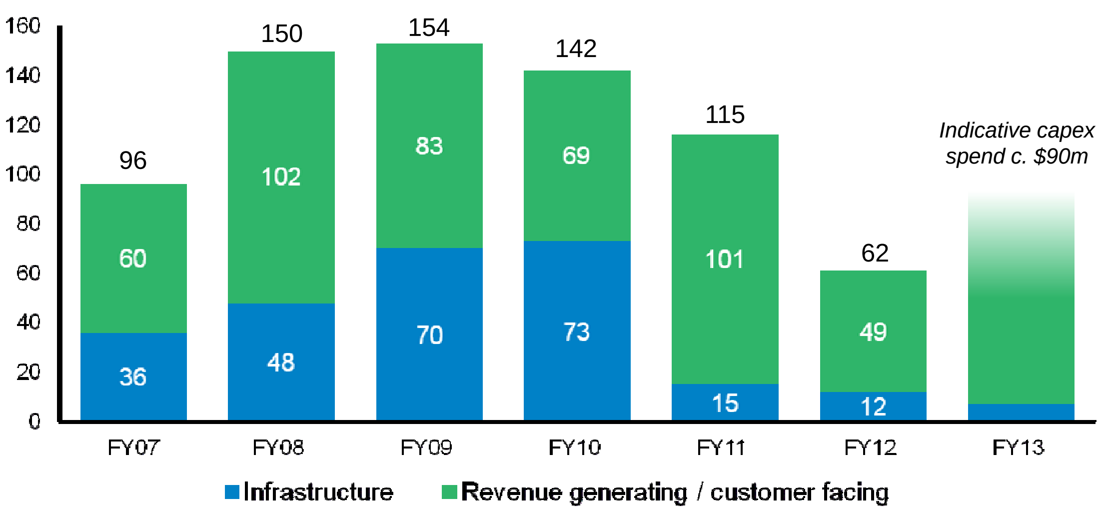


Out of Stocks



Significant capital invested in recent years

$m Gross capex spend



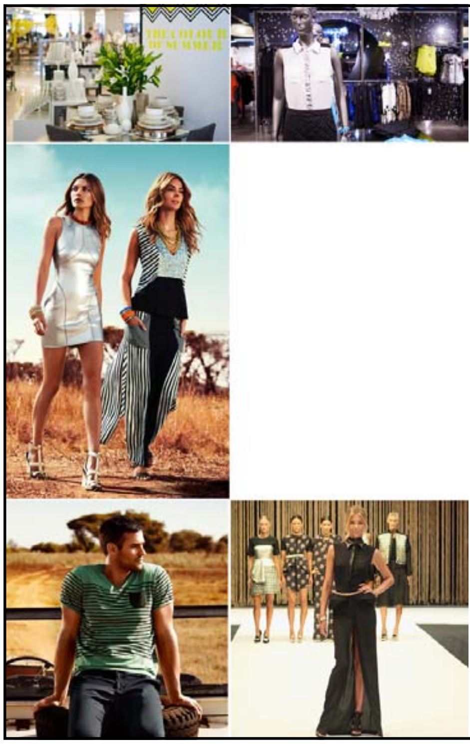
Key financial highlights in FY2012

- Sales growth from core categories
- Further growth in Myer Exclusive Brand sales
- Strong operating gross profit result offsetting continued cost pressures
- Investment in customer service, omni-channel
- Disciplined inventory management
- Strong cash flow

"Strong, stable balance sheet supports investment in strategic plan"

17 FINANCIAL UPDATE

MYER



FY2012 results

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MYER

Progress on delivering our plan

1. Improve customer service and efficiency
2. Enhance our merchandise offer
3. Strengthen our loyalty program
4. Build a leading omni-channel offer
5. Optimise our store network

“Investing to deliver shareholder returns”

19 DELIVERING OUR PLAN

MYER

1. Improve customer service and efficiency

Service initiatives

- Continued targeted investment of extra hours in high service areas, fitting rooms and Myer Exclusive Brands
- Additional staffing funded by National Brands
- Enhanced profit-based commission scheme
- Reward and recognition expanded
- Personal shopping service in additional stores

“Supported by additional training”

20 DELIVERING OUR PLAN

MYER

1. Improve customer service and efficiency

Efficiency initiatives

- Supply chain
  - Improved 'floor ready' standards for more efficient replenishment
  - Out-of-stock levels significantly reduced
- Infrastructure
  - POS clustering and consolidation in 25 stores, improved signage in store
- IT
  - New POS, updated stores IT hardware and operating platform, new planning and rostering tool

21 DELIVERING OUR PLAN

2. Enhanced merchandise offer

- Brand acquisitions and exclusivity strengthen offer
- Addition of meaningful and wanted brands
- Space optimisation enables range enhancements
- Improved visual merchandise in stores
- Sourcing offices supporting Exclusive Brand growth
- Strong performances from recently introduced brands Lipsy, T.M. Lewin, KitchenAid

"Focus is on being first choice for fashion, cosmetics and home"

22 DELIVERING OUR PLAN

2. Merchandise – acquisition criteria

- Unique brand, capitalising on established infrastructure and processes
- Complements Myer's brand hierarchy, limited cannibalisation, potential for category growth
- Anticipated ROFE in excess of twice WACC

sass & bide
Trent Nathan
WAYNE COOPER
MINK
GRAB
urban soul
jack & milly
bAUHAUS

23 DELIVERING OUR PLAN MYER

2. Myer Exclusive Brand growth continues

- Top performing brands in FY2012
  - Miss Shop, Regatta, Wayne by Wayne Cooper, Basque, Blaq, Tokito, Jack Stone, Heritage, Jane Lamerton Home
- New Myer Exclusive Brands for FY2013
  - Trent Nathan, Material World by Madonna, Miss Shop (cosmetics), sass & bide (intimates), Leona by Leona Edmiston (handbags and sleepwear), Karen Walker Home, Australian House and Garden (home)

"Myer Exclusive Brands – a key strategic advantage"

24 DELIVERING OUR PLAN MYER

Trent Nathan



25 DELIVERING OUR PLAN

MYER

sass & bide



26 DELIVERING OUR PLAN

MYER

2. Merchandise - integrated sourcing

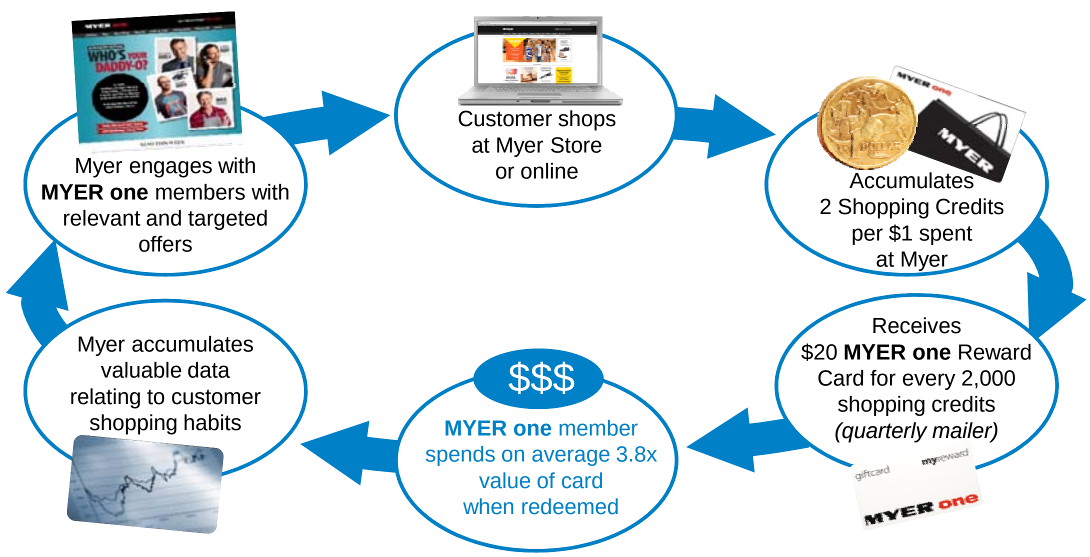
- Sourcing offices exceeding expectations
- Supporting growth in Myer Exclusive Brands
- Improvements in margin, quality, and lead time, all above expectations
- Expanding into new categories
- Broadening supply sources

"Improving speed to market is key focus in fashion"

27 DELIVERING OUR PLAN

MYER

3. Loyalty program - MYER one loyalty loop



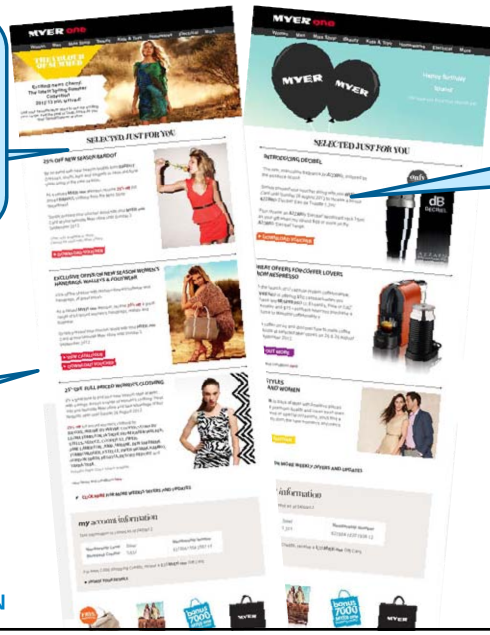
28 DELIVERING OUR PLAN

MYER

3. Personalised loyalty communications

Personal information including:
- Name
- Points balance
- Tier
- Membership

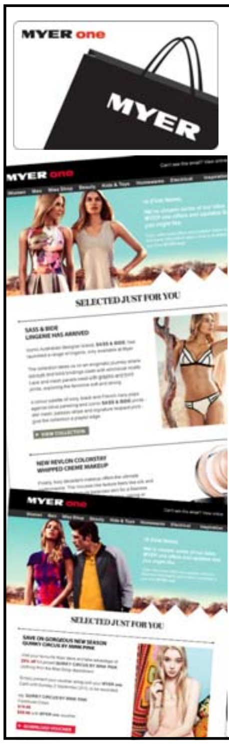
Personalised selection of up to three product offers



Personalised messages:
- You're nearly there gift card
- Tier increase/decrease
- Season message
- Birthday message
- E-commerce customer message
- Declining customer message
- Myer Visa
- Additional card holder
- Affiliates

29 DELIVERING OUR PLAN

MYER



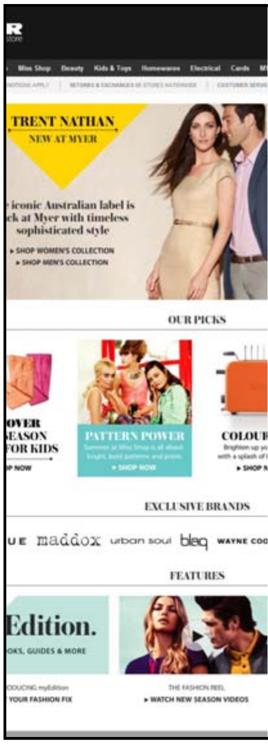
3. Strengthen our loyalty program

- Shopping data on approximately 70% of sales
- Effective tool to evaluate stores, brands, space, product, service and marketing
- Over 2 million email addresses, 3 million mobile numbers, valuable targeted marketing tools
- **MYER one** mobile application well progressed
- Initiatives to further strengthen program

*"**MYER one** – a key strategic advantage"*

30 DELIVERING OUR PLAN

MYER



4. Build a leading omni-channel offer

- Over 14 million unique visits last year
- Over 30,000 skus online
- Sales and key customer metrics all improved
- Myer brand, depth of range and sourcing, store network, **MYER one,** all competitive advantages
- Integrated marketing across all channels

"Stores, technology, range, and fast efficient fulfilment are critical to success"

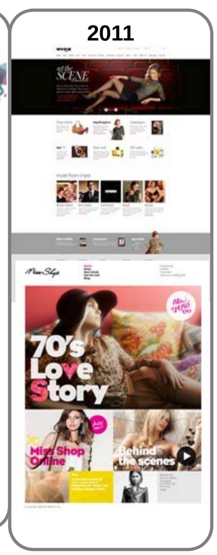
31 DELIVERING OUR PLAN

MYER

Hampers site from October 2007

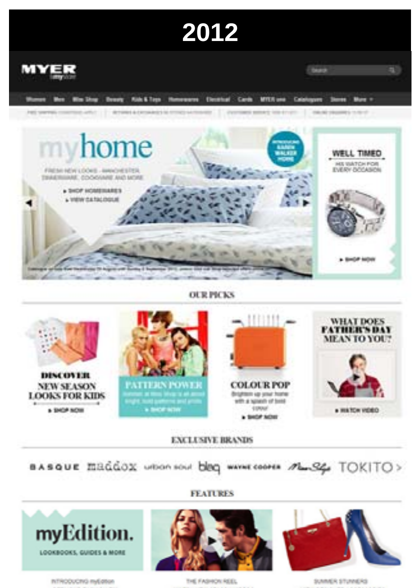
Selling Gifts Online

400 skus extended to 3,900 by end of 2010



4,100 skus

Increased focus on 'buy online'



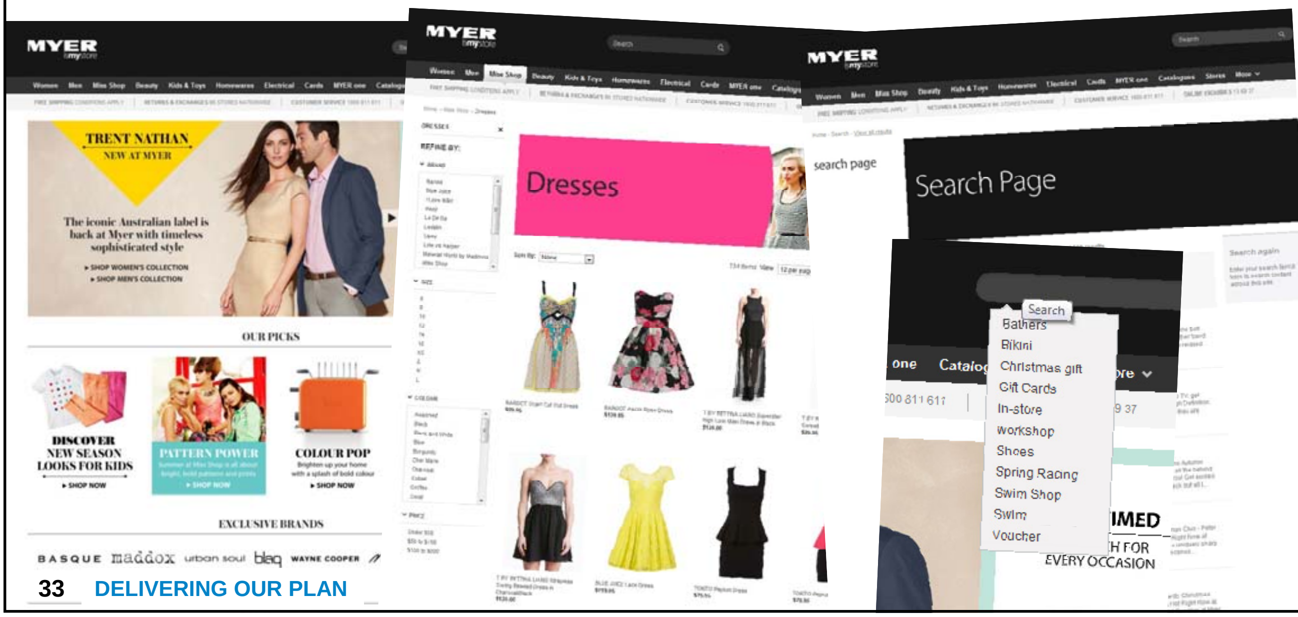
Relaunched with c30,000 skus

"Accelerated progress over past 2 years"

32 DELIVERING OUR PLAN

MYER

4. Our omni-channel offer continues to evolve



33 DELIVERING OUR PLAN

4. Our omni-channel roadmap continues to evolve

Introduced

- Transactional website
- Core infrastructure
- Customer generated content
- Multiple devices
- Customer Value Propositions
- Analytics Suite
- Ratings and Reviews
- Online Merchandising
- Photography and Video
- One-page checkout
- Complex promotions

In development

- Customer order management
- Social media interface
- Mobile optimisation
- Customer wish list and outfit building
- **MYER one** personalisation
- Increased range and optimisation
- Fulfilment solution
- Store staff incentives
- Seamless model through one site
- Content development and brand building
- Leveraging supply chain

The future

- *In store multi-channel experience*
- *Enhanced mobile technology*
- *Single view of customer*
- *Borderless trading*
- *Partnerships and affiliates*
- *Customer led agility and trading*
- *Endless aisles and brands*
- *Leverage of Myer Exclusive Brands*
- *Leverage sourcing model*
- *Customer communications and information*

"We will remain customer led, agile and innovative"

34 DELIVERING OUR PLAN

MYER

5. Optimise our store network

- Extensive store network supports omni-channel
- Further ongoing lease renegotiations
- Timelines for new stores impacted by landlords
- Improved operating gross profit per square metre
- Anticipate maintaining current total floor space
- Continued commitment to refurbishments

“Reviewing the merits of all new and existing stores”

35 DELIVERING OUR PLAN

MYER

5. New store at Fountain Gate

- One of Australia’s largest shopping centres, with current sales over $650 million
- Significant catchment, above average income
- Only full-line department store in centre
- 12,000m^2, two levels
- Opening 20 September 2012

36 DELIVERING OUR PLAN

MYER

5. New store at Townsville

- Only full-line department store in region
- Follows success of Mackay
- Current catchment 174,000, with above average income
- Strong population growth
- 12,000m^2, two levels
- Opening October 2012

5. Optimise our store network

- Refurbishments completed at Liverpool, Carindale
- Indooroopilly refurbishment commenced
- Plans well progressed for works at
  - Highpoint, Adelaide, Miranda
- Exit of Forest Hill and Tuggeranong
- Planned exits of Fremantle, Elizabeth
- Announced new store for Darwin by 2016

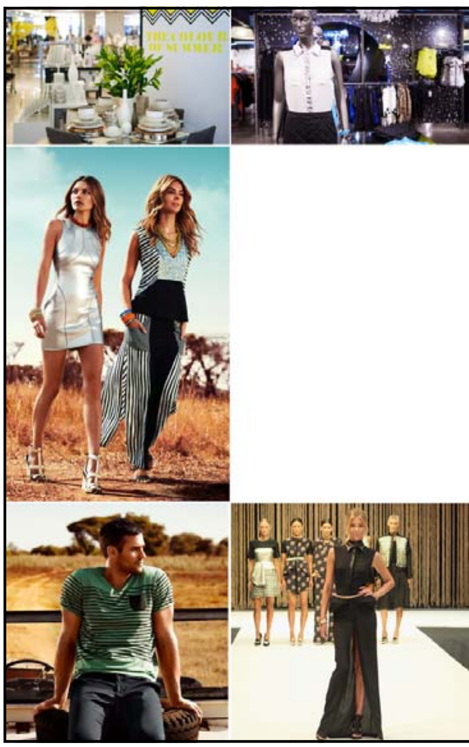
Competitive advantages

- Increased customer service investment
- Established vertically-integrated exclusive brand model supported by sourcing offices
- Brand acquisitions and increasing exclusivity
- Unique and valuable loyalty program
- Strength of Myer brand, extensive store network
- World-class supply chain, significant IT investment

"Stable, experienced management team"

39 DELIVERING OUR PLAN

MYER



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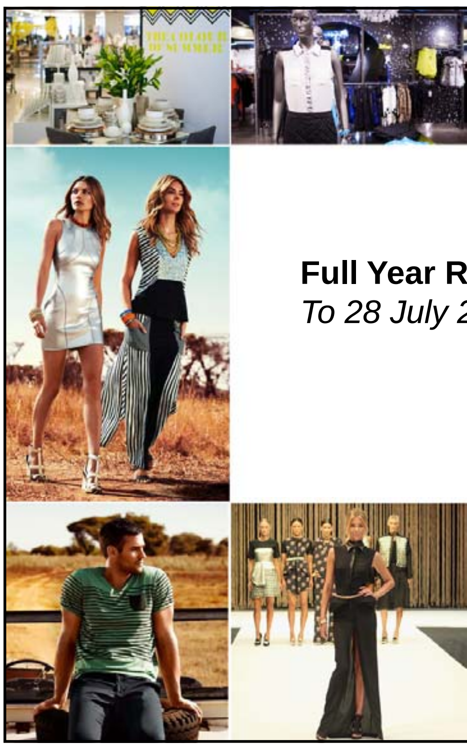
Outlook

- Five-point strategic plan provides clear direction
- Anticipate further improved gross profit margin to offset known cost headwinds
- Tough retail trading environment and subdued consumer sentiment expected to continue
- Myer does not intend to provide sales or profit guidance to the market for FY2013

“Strong cash flow and stable balance sheet to support strategic plan and investment for the future”

41 OUTLOOK

MYER



Full Year Results
To 28 July 2012

Bernie Brookes
CEO and Managing Director

Mark Ashby
CFO

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Brand Hierarchy example

MEB Blaq	National Blazer	Designers Trent Nathan	International Hugo Boss




MEB Blaq		National Blazer		Designers Trent Nathan		International Hugo Boss	
Blazer	$200.00	Blazer	$ 269.95	Blazer	$299.95	Blazer	$699.00
Polo	$59.95	Shirt	$89.95	Knit	$99.95	Shirt	$250.00
Chino	$89.95	Pant	$99.95	Chino	$109.95	Trouser	$299.00
Total:	**$349.90**	**Total:**	**$459.85**	**Total:**	**$509.85**	**Total:**	**$1,248.00**

43 APPENDIX

MYER

Historical sales including concessions

	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12
Total Sales $m	706.1	1,027.0	657.3	768.4	681.4	1022.6	651.1*	766.0
Total Sales growth	-1.5%	-4.9%	-2.1%	-5.8%	-3.5%	-0.4%	-0.9%	-0.3%
LFL Sales growth**	-1.7%	-7.4%	-3.1%	-7.9%	-5.1%	-1.7%	-2.1%	0.3%

Notes:

* 3Q12 Sales were $649.1 million post IFRS adjustment

** In the like-for-like methodology (comparable store sales) sales for refurbished stores are excluded for the period of refurbishment only. Also excluded are new and closed stores as well as sass & bide pre-acquisition in March 2011

44 APPENDIX

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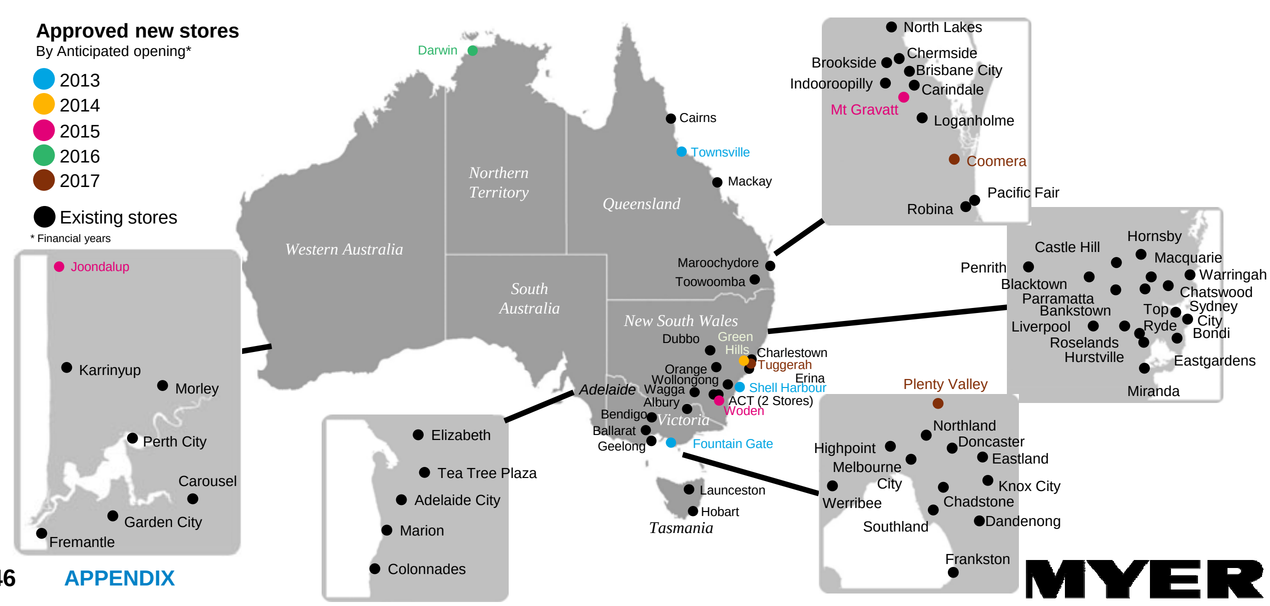
Indicative new stores schedule*

Store	State	Year	Size (GLA sqm)	Landlord	Centre MAT** $mill	Estimated catchment population	Metro infill	Growth corridor	Regional city
Townsville[1]	QLD	FY2013	12,000	Stockland	230	174,000			✓
Fountain Gate[1]	VIC	FY2013	12,000	Westfield	654	180,000		✓	
Shell Harbour	NSW	FY2013	12,000	Stockland	206	205,000			✓
Myer Melbourne expansion[2]	VIC	FY2014	7,500	CFS	NA	c. 4 million			
Greenhills	NSW	FY2014	12,000	Stockland	309	145,000			✓
Hobart replacement store	TAS	FY2014	12,600	Private	NA	203,000			
Woden	ACT	FY2015	12,500	Westfield	416	144,000	✓		
Mt. Gravatt	QLD	FY2015	12,500	Westfield	563	276,000	✓		
Werribee replacement store	VIC	FY2015	12,500	Pacific	406	148,000		✓	
Joondalup	WA	FY2015	12,000	Lend Lease	551	200,000		✓	
Darwin	NT	FY2016	12,000	GPT	380	151,000			✓
Coomera	QLD	FY2017	12,000	Westfield	NA	134,000		✓	
Tuggerah	NSW	FY2017	12,000	Westfield	469	151,000			✓
Plenty Valley	VIC	FY2017	12,000	Westfield	307	140,000		✓	

** Subject to variation by landlords*
*** Moving Annual Turnover*

1. Opening before Christmas 2012
2. Emporium expansion underway in CFS Lonsdale Street building

Indicative new stores schedule



Disclaimer

All numbers are unaudited.

This release may contain "forward-looking statements". Forward-looking statements can generally be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" and similar expressions. Indications of plans, strategies and objectives of management, sales and financial performance are also forward-looking statements. Forward-looking statements are not guarantees of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Myer. Actual results, performance or achievements may vary materially from any forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements, which are current only as at the date of this release. Myer assumes no obligation to update such information.

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