

The
Neiman
Marcus
Group

Deutsche Bank
Leveraged Finance Conference
October 13, 2011



● ● ● | Forward Looking Statements Disclaimer

The following information contains, or may be deemed to contain, “forward-looking statements” (as defined in the U.S. Private Securities Litigation Reform Act of 1995). By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The future results of the company may vary from the results expressed in, or implied by, the following forward-looking statements, possibly to a material degree. For a discussion of some of the important factors that could cause the company’s results to differ from those expressed in, or implied by, the following forward-looking statements, please refer to the company’s Offering Circular. The company undertakes no obligation to update or revise any forward-looking statements.





THE NEIMAN MARCUS GROUP

REVENUE - \$4.0 BILLION*

SPECIALTY RETAIL - \$3.2 BILLION

41 Neiman Marcus Stores
2 Bergdorf Goodman Stores
6 CUSP Stores
30 Last Call Stores

NEIMAN MARCUS DIRECT - \$757 MILLION

Neimanmarcus.com
Bergdorfgoodman.com
Horchow.com
CUSP.com
Lastcall.com

*12 MONTH ROLLING REVENUE FIGURES AS OF Q4 FY2011

BUSINESS FOUNDATION



TO BE BEST-IN-CLASS IN EACH OF THE
PILLARS OF OUR BUSINESS

Merchandise
Marketing
Customer Service

***Neiman Marcus Group will provide an exceptional and seamless
omni-channel shopping experience for the affluent customer***

● ● ● | Specialty
Retail

Neiman Marcus

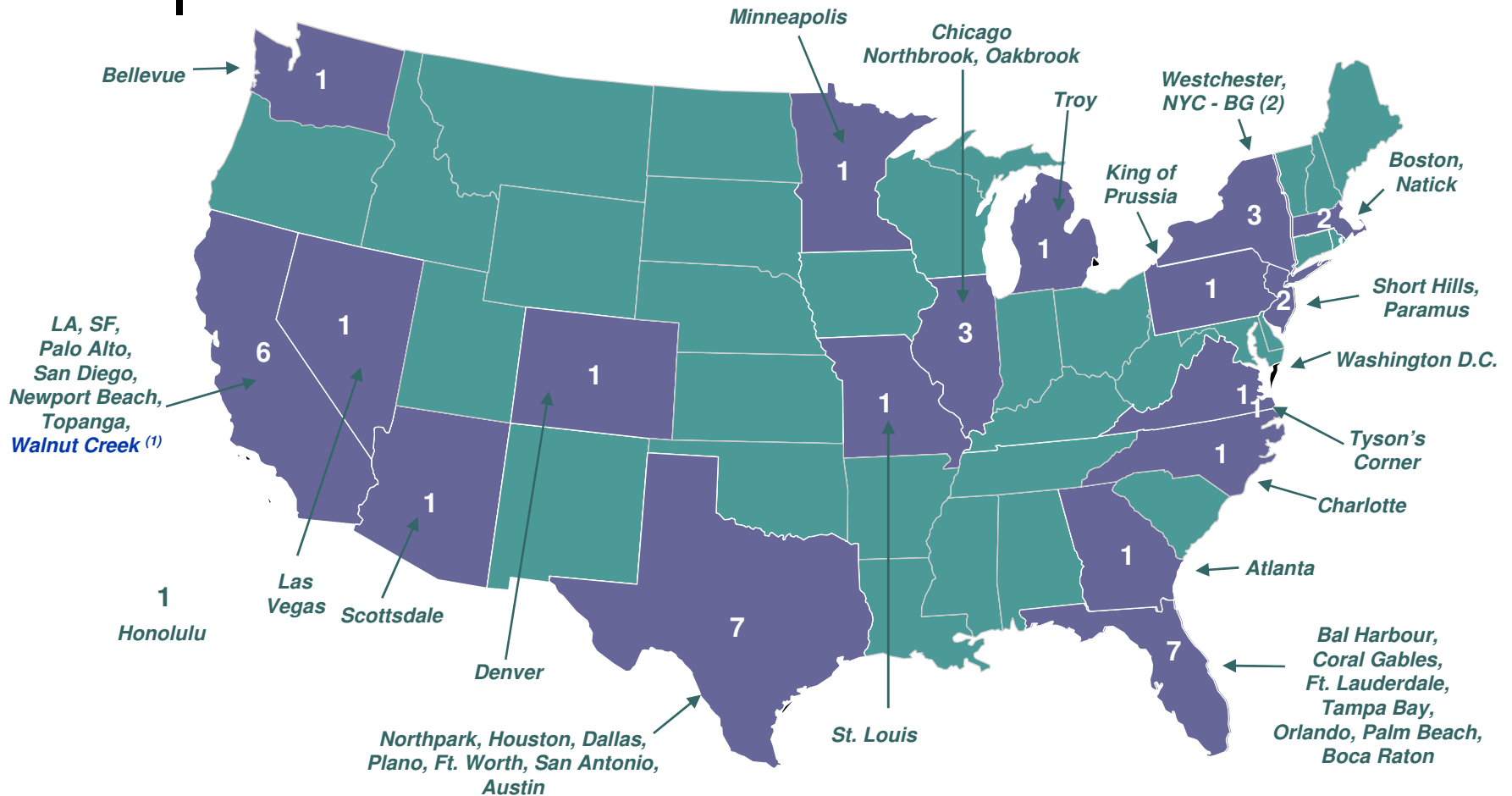
BERGDORF
GOODMAN



lastcall
BY NEIMAN MARCUS



Full Line Store Locations



Geographically diverse store base in premier locations in the nation's most affluent markets

(1) Expected to open in March 2012.

Neiman Marcus Direct

CUSP BY NEIMAN MARCUS
HERE&NOW LOOKS APPAREL SHOES BAGS ACCESSORIES TRENDS SALE

The Jean Pool
TAKE A CLOSER LOOK AT THE DENIM BEHIND SPRING'S MOST DELICIOUSLY CASUAL LOOKS

the super-skinny jean

Neiman Marcus FREE SHIPPING* with your \$150 order & code SHIPPED ASSISTANCE YOUR ONLINE ACCOUNT SHOPPING BAG

DESIGNERS INSITE APPAREL FOR HER CONTEMPORARY SHOES & HANDBAGS JEWELRY & ACCESSORIES BEAUTY MEN'S SHOP NM KIDS HOME GIFTS SALE

Earn DOUBLE INCIRCLE POINTS on your beauty purchases! Hurry ends Wednesday

the beauty event
ONLINE NOW, IN STORES
THURSDAY, FEB. 24

Receive a **TOTE & GOODIES** with purchase!

Plus vote for the **NM BEAUTY AWARDS** for a chance to win all the top picks! NO PURCHASE NECESSARY.

LOOK WHO'S HERE: ALEXANDER WANG

DONNA KARAN Pre-order from the fall runway

KEVIN'S picks now on InSite

FASHION EXTREMES

MI APPS THE BOOK, CATALOGS & QUICK ORDER INCIRCLE WEDDING REGISTRY WISH LIST STORE LOCATIONS & EVENTS

lastcall BY NEIMAN MARCUS

WELCOME SIGN IN SHOPPING BAG ACCOUNT HELP

SIGN UP FOR EMAIL AND BE ENTERED FOR A CHANCE TO WIN A \$3,000 GIFT CARD

fashion dash EXCLUSIVELY ONLINE
Quantities are limited, so get the deal before it's done!

SALE GOING ON NOW! Ends: November 6 at 10 a.m. CT Ready, Set, GO SIGN IN >

Joie apparel & shoes save as much as **55% off**
\$88 JOIE TOP Fashion Dash Price!

Jay Godfrey dresses save **50% off**
\$195 JAY GODFREY DRESS Fashion Dash Price!

enter for a chance to win a \$10,000 shopping spree >

fashion dash Sign up now for our spirited savings spree!
Limited-time sales exclusively for registered shoppers. Get in on the action >

Lucky Visit Lucky magazine's interactive "Wear & Share Style Platform," where Lucky editors offer expert advice on styles from LASTCALL.com

HORCHOW 2-DAY BEDDING SALE WITH FREE SHIPPING
CODE COMFORT • SHOP NOW

ROOMS & IDEAS FURNITURE BED & BATH DECOR & ANTIQUES LIGHTING TABLETOP RUGS & CURTAINS OUTDOOR DESK & TRAVEL SALE & VALUES

YOUR ACCOUNT ASSISTANCE CART Search Enter keyword or item #

THE MORE YOU SPEND THE MORE YOU SAVE

bedding sale with free shipping

SPEND	SAVE
\$100	10%
\$300	15%
\$500	20%
\$700	25%

CODE COMFORT
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Details >

Our online magazine: Fun, informative, and free! Read now >

enter e-mail for special offers & updates

CATALOGS QUICK ORDERS CATALOGS • MAGAZINE TRADES WISH LIST SHOWROOMS ABOUT HORCHOW NEIMAN MARCUS CREDIT CARD

DESIGNER SPOTLIGHT Ara Cahn Charisma Chen Austin Dranfield & Pires French Laundry Home GG Collection Jonathan Adler	DESIGNER SPOTLIGHT Laverie by Ralph Lauren Stewart Rugs Matacuk Safavieh Stern Tracy Porter Malone	TRENDS & LOOKS Design Team's List Exclusively Ours Mix & Match Dining Shop Our Rooms Most Popular Trends LookBook	DECORATING INFO Art & Decor: How To Display Bedding Glossary Chandeliers: How To Choose Curtains: How To Measure Rugs Glossary Rugs: How To Choose	SPECIAL OFFERS \$5,000 Bonuses Bed & Bath Events Clearance Home Economics Weekly Specials
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BERGDORF GOODMAN

DESIGNERS A-Z BIG VISION DESIGNER COLLECTIONS SF SHOE SALON HANDBAGS JEWELRY & ACCESSORIES BEAUTY MEN'S CHILDREN'S SALE

GUCCI
SPRING HANDBAGS
SHOP THE COLLECTION

THE LATEST
PREVIEW NEW ARRIVALS

SUITABLE
THE SWIM SHOP



Consumer Trends

Luxury

- Stock market volatility impacts spending behavior
- Willingness to spend is very deliberate
- Strong interest in fashion trends and luxury products
- Price-value relationship has increased in importance

Aspirational

- Disposable income, diminished but stabilized
- Increased focus on value, but has returned to shopping
- Strong interest in fashion trends
- Luxury brands remain important





FY12 Focus

Omni-channel

Technology

Customer Service





Omni-Channel Customer Experience

Creating a total shopping experience regardless of channel

Access to affluent customers beyond store trading areas

Consistent policies and procedures

Coordinated promotional activities to ensure a consistent message



Anywhere...Any time...Any place

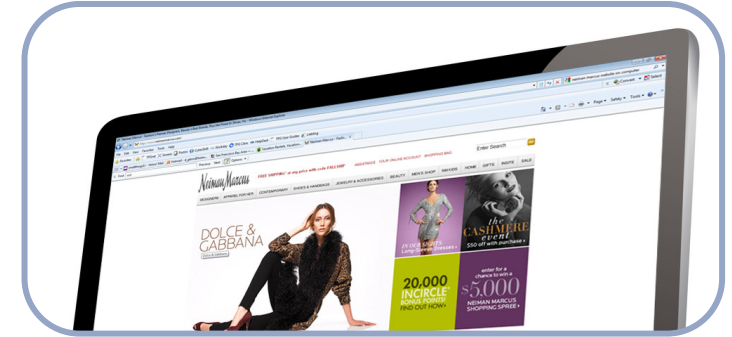
Omni-Channel Retailing

STORES



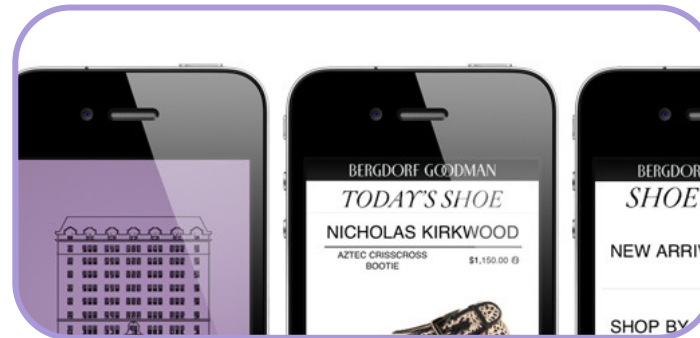
- World-class in-store customer service
- Touch and feel product
- Personal shoppers able to sell across channels
- Accept on-line returns in stores

ONLINE



- Research before buying
- Shopping outside of trade areas
- Editorial “authority” on fashion and trends

MOBILE



- Providing sales associates with better technology to serve their customers
- Launched mobile shopping apps

Shop anytime, anywhere on any device



Technology

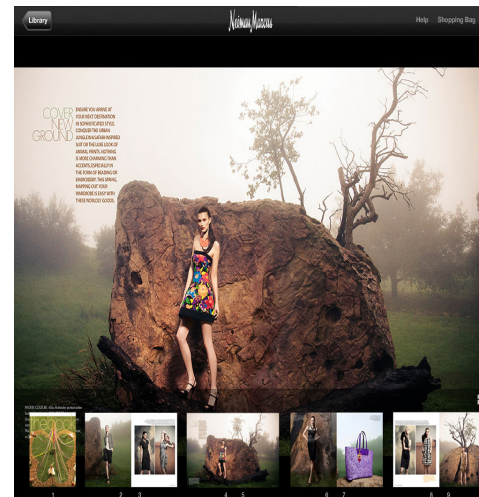
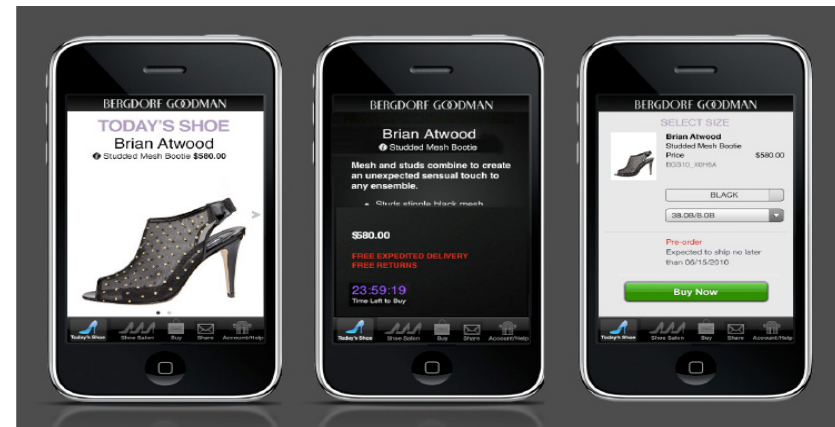
In Store:

- Improved technology tools for sales associates
- Upgraded WIFI capabilities

Online:

- Improved website functionality and personalization
- Integrated editorial content in the shopping path
- Expanded targeted marketing

Social Networking



Social Networking

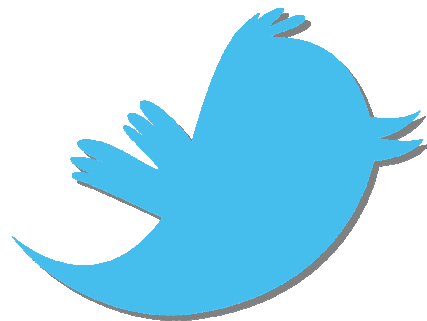


Facebook

400,000 NM Facebook fans
120,000 BG Facebook fans

Twitter

29,000 followers



5th/58th

NMdaily



Distinct Voice and Point of View



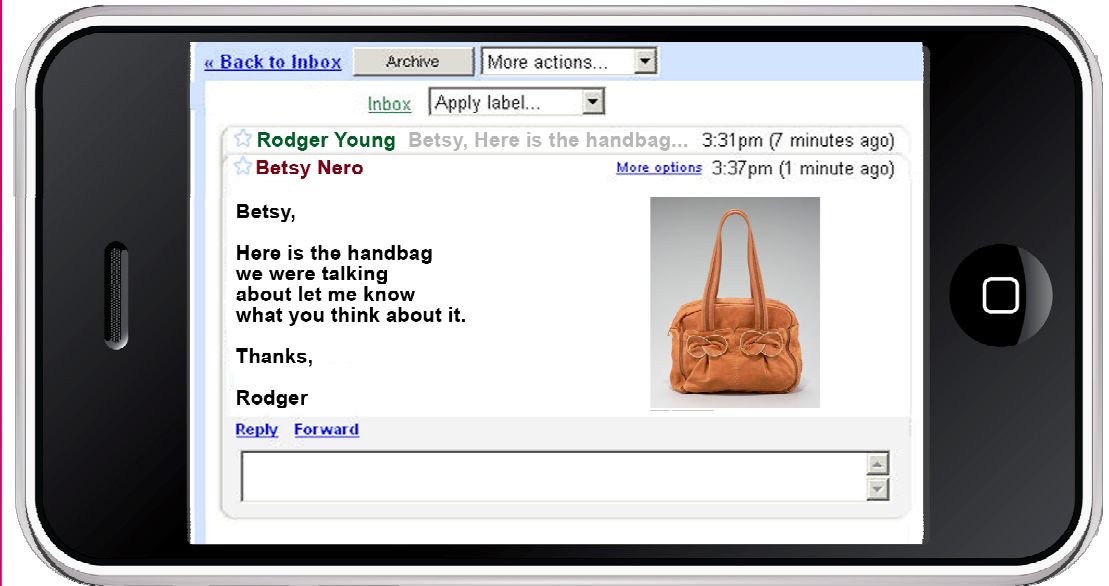
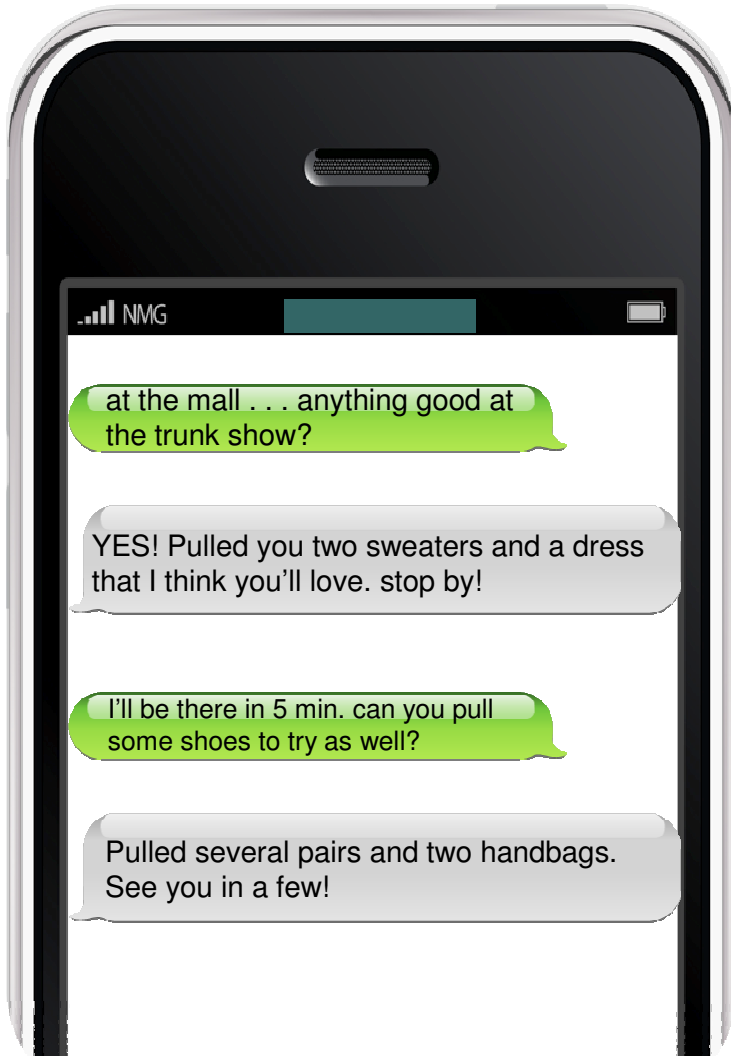
Customer Service

- Uniformity of customer experience
- Increased use of Mystery Shoppers
- Improved customer survey process
- More stringent customer satisfaction measurement standards
- Enhanced hiring tools
- Evolving sales associate/customer communication tools



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the customer is in control



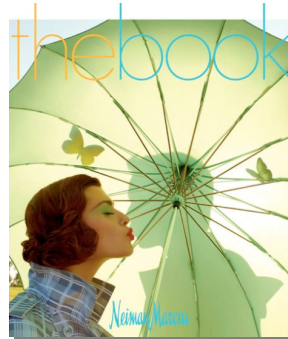
immediate interaction and service:
texts
emails
pictures
accessibility
responsive and personalized selling

The Transformation of the Shopping Experience



InCircle

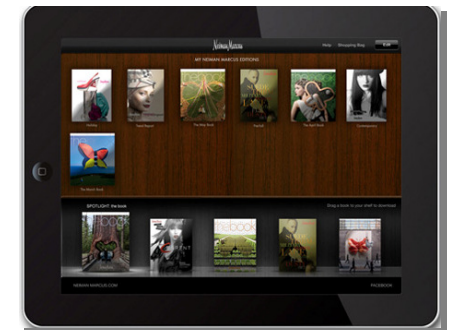
The 1st and oldest retail customer loyalty program



Emails

4.6M email addresses

34M emails sent per week



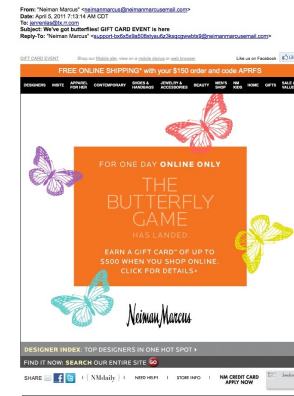
Events/Promotions



Direct Mail

of unique NM catalog and book titles: 53 (8 books and 45 catalogs)

of NM customer mailings (catalogs and books only): 45M



Apps

282,000 total downloads



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ANYTIME...ANYWHERE...ANY PLACE

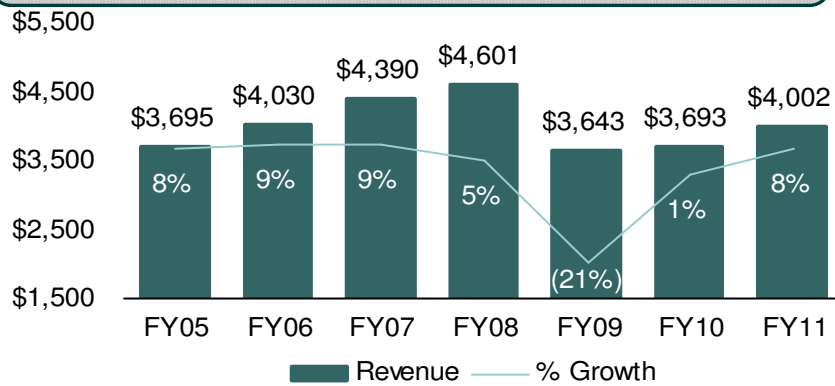


Financial Overview



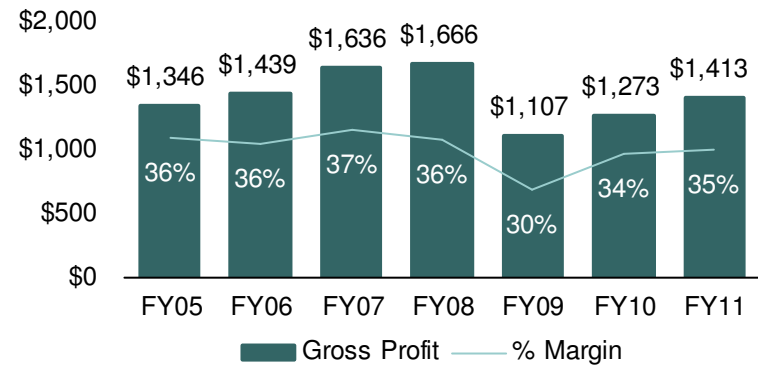
Historical Financial Snapshot

Revenue

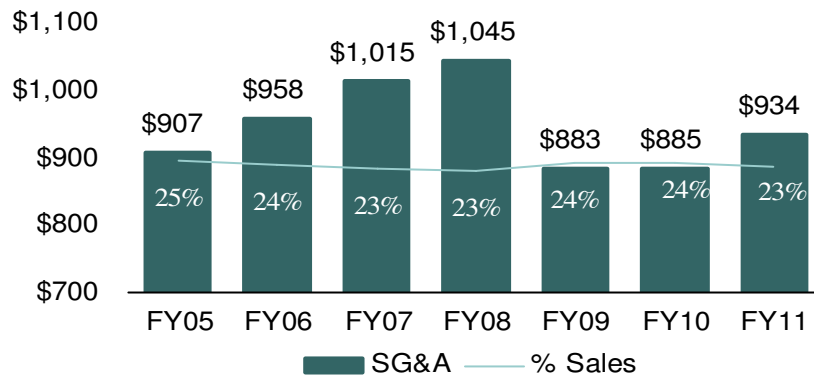


SSS:	9.8%	7.3%	6.7%	1.7%	(21.4)%	(0.1)%	8.1%
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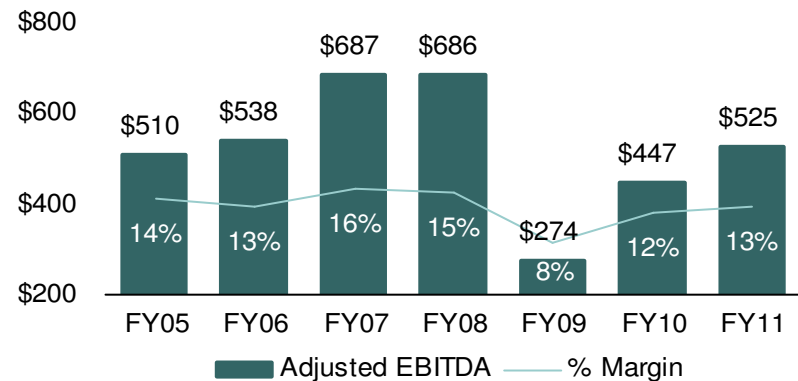
Gross Profit



SG&A



Adjusted EBITDA (1)

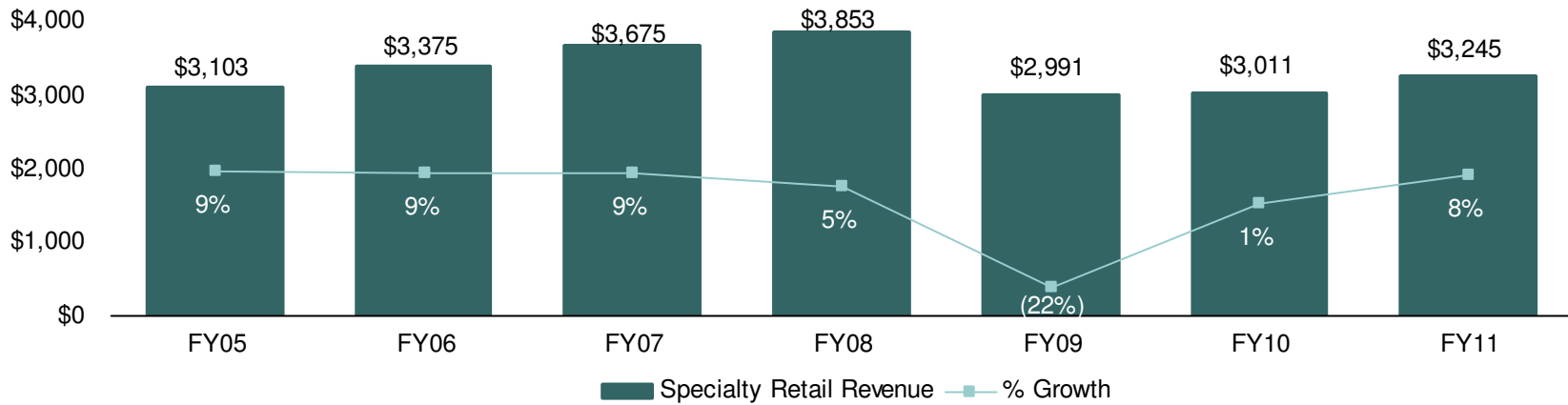


(1) EBITDA adjusted to exclude non-recurring charges.

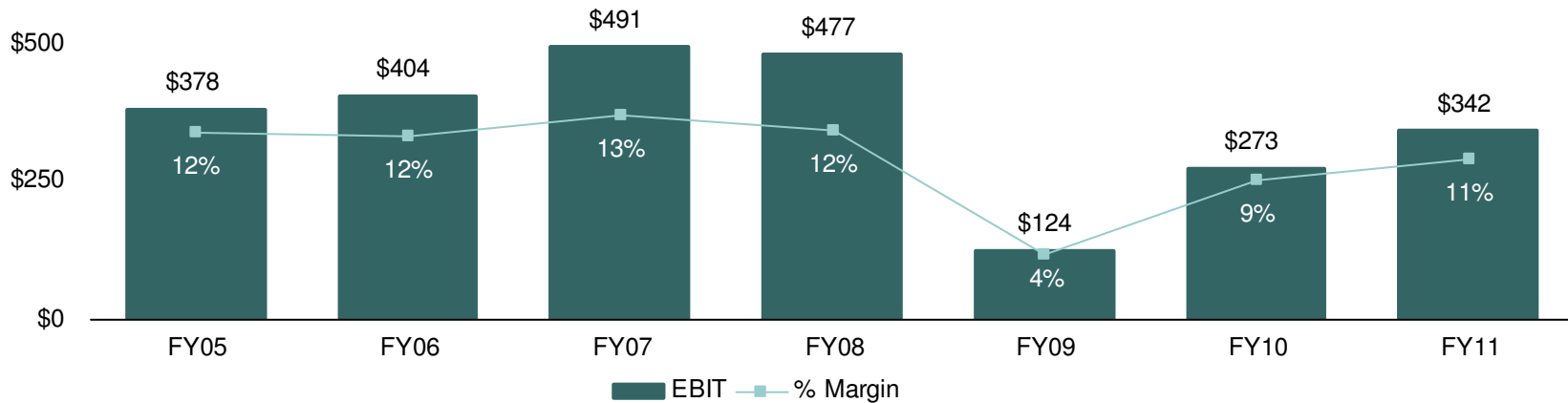


Specialty Retail

Historical Revenue



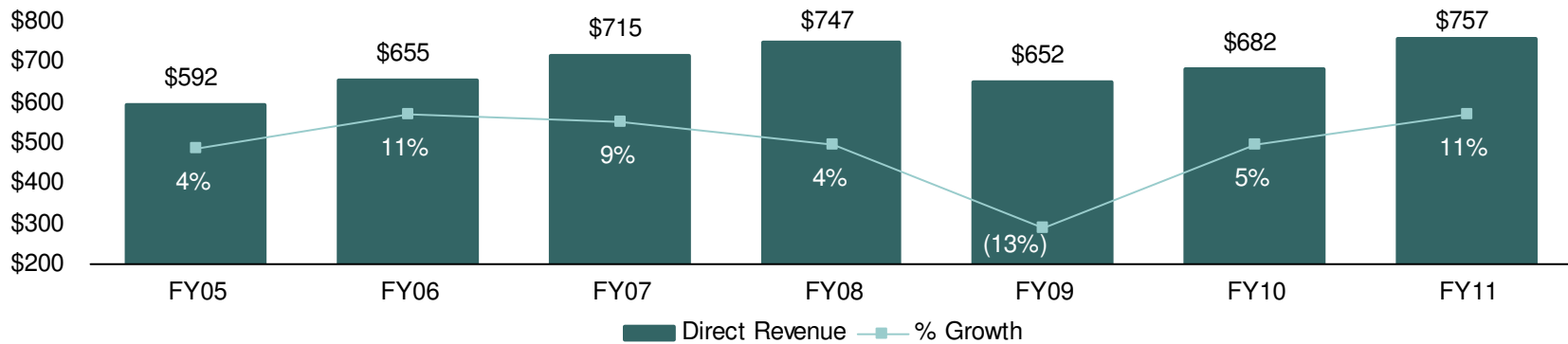
Historical EBIT



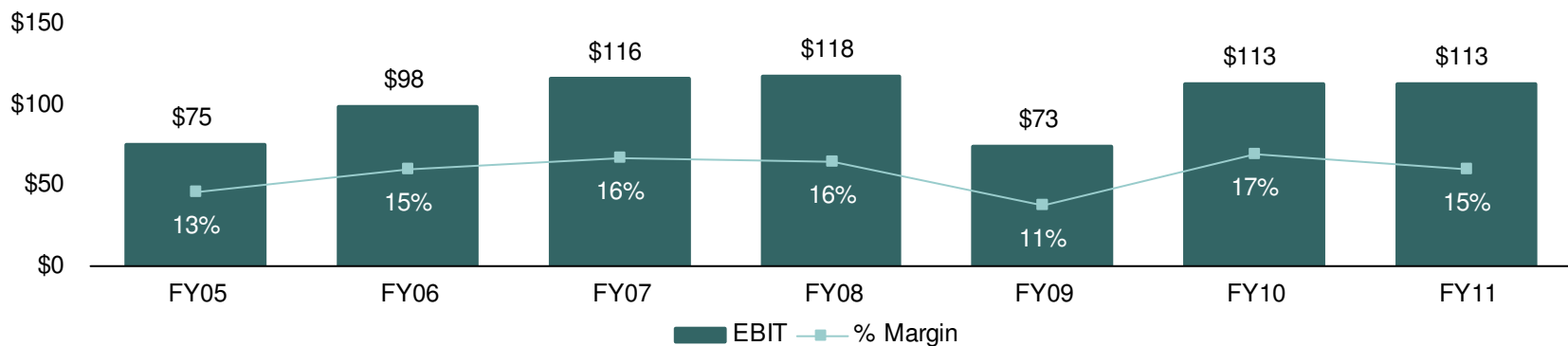


Neiman Marcus Direct

Historical Revenue

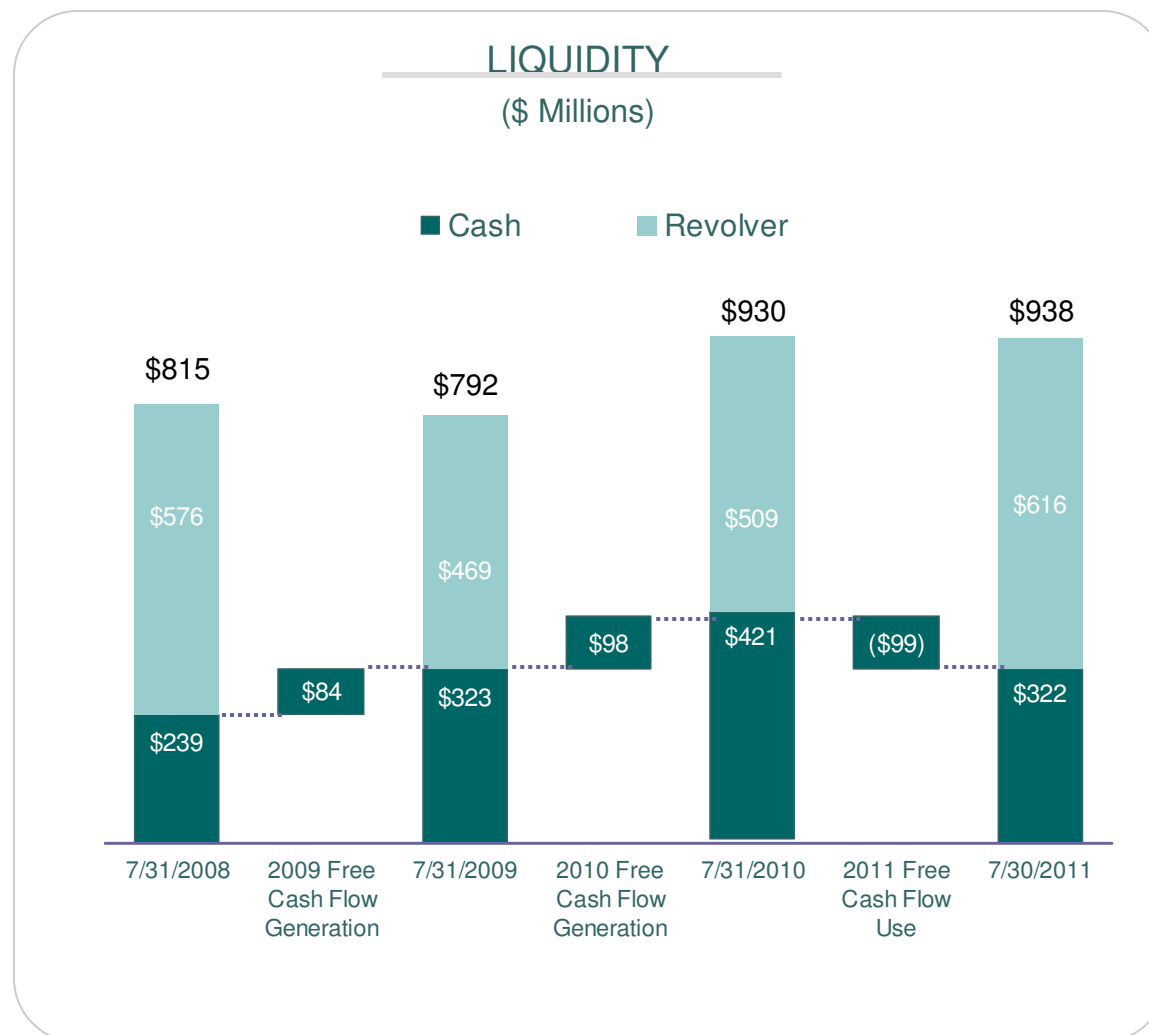


Historical EBIT





Liquidity Management





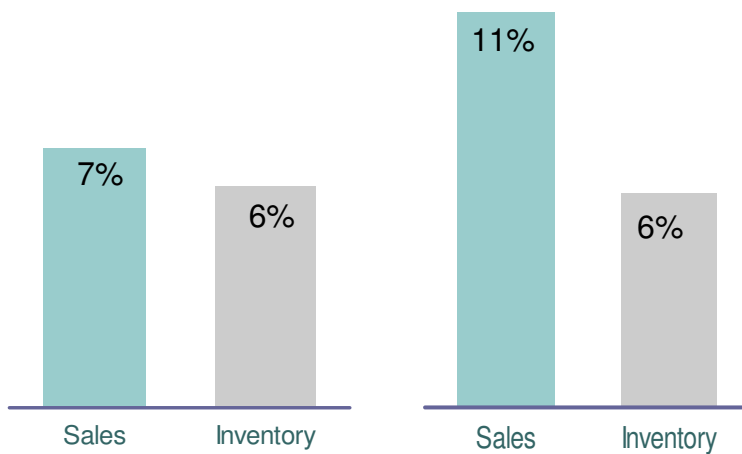
Liquidity Management

INVENTORY MANAGEMENT

(% Change)

FALL 2011

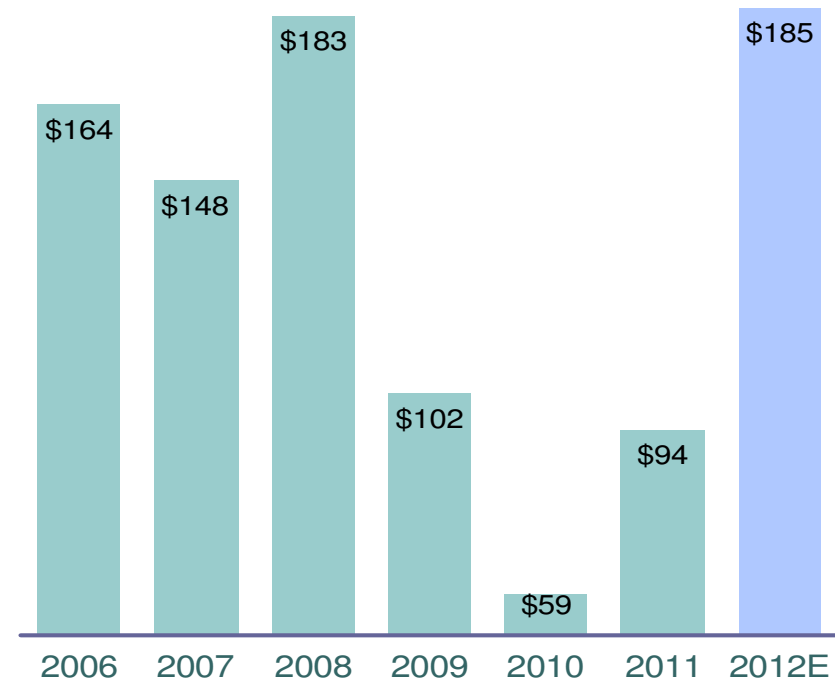
SPRING 2011



Maintained tight control of inventory

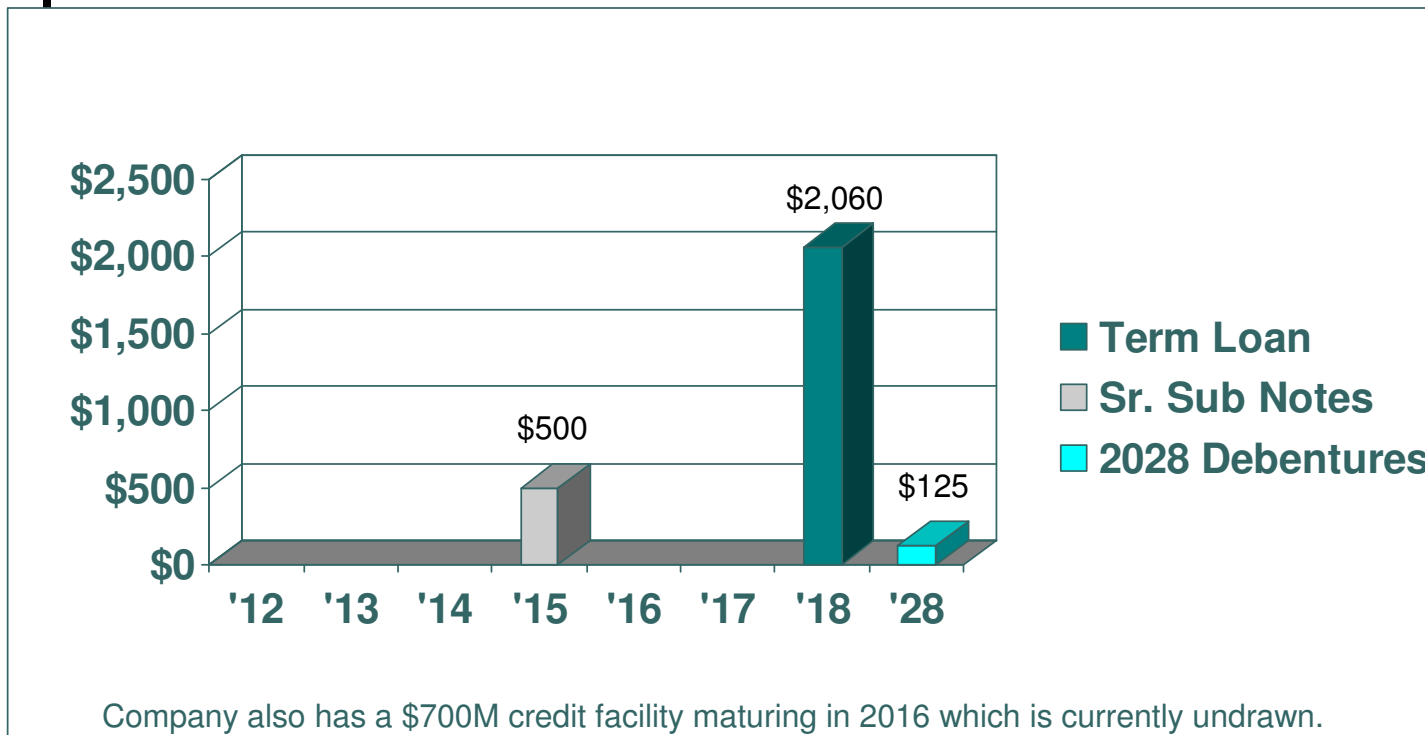
GROSS CAPITAL EXPENDITURES

(\$ Millions)



Debt Maturities

(\$ in millions)



	<u>Q1 FY06</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>
Leverage Ratio	6.5x	5.6x	4.3x	4.3x	10.9x	6.5x	5.1x
Net Leverage Ratio ⁽¹⁾	5.8x	5.3x	4.2x	4.0x	9.9x	5.7x	4.6x

(1) Assumes all available cash (less \$50M) is used to pay down debt.



Reconciliation of Adjusted EBITDA

(\$ in millions)

	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>
EBITDA (Reported)	501	515	686	687	(429)	447	525
Adjustments:							
Pension curtailment gain				(33)			
Impairment of Horchow tradename			12	31			
Proceeds from investment in an Internet retailer			(4)				
Other income related to aged, non-escheatable gift cards			(6)				
Transaction and other costs		24					
Loss on disposition of Chef's Catalog	15						
Gain on sale of private label credit card portfolio	(6)						
Impairment charges					703		
EBITDA (Adjusted)	510	538	687	686	274	447	525

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