

3 March 2015

Dear Shareholder,

On behalf of the Board of Directors, I am writing to advise you of some important changes within the senior management team at Myer and provide a brief update on progress in relation to the assessment of strategic opportunities.

The Board has a constant focus on leadership succession and in September 2014 a number of highly experienced executives were appointed to the management team. At this time, the Board committed to a smooth CEO transition when the time was right for the Company.

I am pleased to inform you that Richard Umbers has been appointed the new Chief Executive Officer and Managing Director of Myer Holdings Limited, effective 2 March 2015, replacing Bernie Brookes who has stepped down after almost nine years in the position.

Daniel Bracken has been appointed Deputy Chief Executive Officer in addition to his current role as Chief Merchandise and Marketing Officer.

Richard will lead a significant program of change and reinvigoration to ensure Myer is well placed to meet the expectations of its current and target customers, and importantly to be able to adapt faster as retail evolves. Bernie will support Richard through a two month transition period.

Richard is currently Myer's Chief Information and Supply Chain Officer, a position he has held since September 2014 when he joined the company. He is a highly credentialed executive with significant global and Australian retail experience and a strong background in leading organisational change. He has held senior positions at Aldi throughout the United Kingdom and Europe, Woolworths in Australia, including buying and marketing, operations and transformation as well as customer engagement. Most recently, Richard was Executive General Manager in charge of e-commerce and the parcel service at Australia Post.

In his position as Myer's Chief Information and Supply Chain Officer, Richard has been responsible for the development and strengthening of Myer's omni-channel offer and has shown outstanding leadership in the key areas of online services, information technology including payment systems, supply chain, and the MYER one loyalty program.

The Board and the entire Myer team thank Bernie for his dedication and hard work over the past almost nine years. He has guided the business through an eventful period, from a turnaround under private ownership to a public listing, and through a period of sustained weakness in consumer sentiment, competitive disruption, and structural change. Myer has been well served by having a retailer of his calibre during this period.

Daniel's appointment as Deputy Chief Executive Officer is in recognition of the central role Merchandise and Brand will play as we seek to reinvigorate our offer for customers. He has already demonstrated his significant brand and fashion credentials in his time at Myer. Daniel joined Myer in September 2014 and has extensive international experience in retail and fashion including more than 15 years at Burberry London and most recently as CEO of The Apparel Group.

We are confident that the current leadership team has the right balance of new insights and established experience to ensure Myer's success.

The company's Chief Financial Officer, Mark Ashby, has recently resigned after seven years in the position to take up a role overseas and leaves Myer with our very best wishes. The Board and management team thank Mark for his substantial commitment and hard work during his time at Myer. He will assist in a comprehensive handover while a decision on his replacement is made.

Strategic review progress – transformation for future growth

In recognition of challenging retail conditions in recent years and significant structural change, a strategic review has been ongoing for some time, with a view to improving Myer's ability to respond to the rapidly changing retail environment and to reshape the business for a profitable, sustainable future.

In my address at the AGM in November I spoke about the Board's focus on assessing strategic opportunities for the business and the need to expedite change. Richard's appointment reflects the pivotal point that the strategic review has reached with the Board and management team agreeing that now is the right time for a new CEO to own, lead, and drive the transformation program over the coming years.

We recognise the need to take action today to ensure we are an exciting and inspiring destination for our customers. The creation of shareholder value will underpin the strategic review and the Board believes that there is significant opportunity available to the business and expects a new strategy to drive sustainable revenue and profit growth.

An update on the strategic review will be provided in due course as the strategy is developed in greater detail under the leadership of Richard Umbers.

The interim results for the 26 weeks ended 24 January 2015 will be released to the market on 19 March 2015.

Yours sincerely,



Paul McClintock AO
Chairman

Biography – Richard Umbers

Richard Umbers, aged 48, joined Myer in September 2014 as Chief Information and Supply Chain Officer, with responsibility for online strategy, financial services and MYER one, as well as the logistics and IT functions.

Prior to joining, Richard was Executive General Manager (EGM) for Parcel and Express Services at Australia Post, and also held the position of CEO for StarTrack, a road and air express logistics provider. He also had responsibility for the enterprise wide eCommerce program, a major change initiative designed to position Australia Post to take advantage of the boom in online shopping. Also while at Australia Post, Richard held the role of EGM eServices, and was responsible for developing Australia Post's digital offering and delivering new online initiatives to drive business growth.

Richard has previously held a range of senior and General Management positions in fast moving consumer goods (FMCG) retailing. He was General Manager Buying and Marketing, and later General Manager Customer Engagement at supermarket retailer Woolworths in Australia. Richard also has international experience, having been Managing Director of supermarket chain Progressive Enterprises Ltd in New Zealand, and Managing Director (North West UK and Republic of Ireland) for supermarket discounter Aldi.

Biography – Daniel Bracken

Daniel Bracken, aged 47, joined Myer in September 2014 as Chief Merchandise and Marketing Officer. In this role he manages the merchandise areas of design, sourcing, buying, and manufacturing, as well as advertising, digital, marketing, events and execution of the Myer brand strategy.

Daniel has extensive experience in retail including more than 15 years at Burberry London and prior to joining Myer was the CEO of The Apparel Group, owner of Sportscraft, Saba, Willow and Jag.