MYER

ASX & MEDIA RELEASE

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FOR IMMEDIATE RELEASE
1 SEPTEMBER 2015

FY2015 Full Year Results, FY2016 Outlook and Entitlement Offer

Myer Holdings Limited (Myer) today announced its audited full year results for the 52 weeks ended 25 July 2015. Myer also announced today the launch of a fully underwritten 2 for 5 accelerated pro-rata non-renounceable entitlement offer to raise approximately $221 million, at an offer price of $0.94 per share. The proceeds of the offer will be used to reduce core debt and provide balance sheet flexibility to implement the 'New Myer' strategy announced today.

Myer Chief Executive Officer and Managing Director, Richard Umbers, said "Today's announcements* are a significant step forward for Myer. The Board and management have taken prudent action to reset the balance sheet and add financial flexibility to the business. We believe that the New Myer strategy is a sustainable business model that will enable us to maintain and improve our competitive position and return the business to sustainable profit growth in the coming years."

FY2015 RESULTS OVERVIEW

- Total sales up 1.7% to $3,195.6 million, up 1.1% on a comparable store sales basis
- 2H total sales up 1.9%, up 1.3% on a comparable store sales basis
- Operating gross profit (OGP) margin down 53 bps to 40.4%
- Cost of doing business (CODB) up 3.3% to $1,067.2 million
- Earnings before interest, tax, depreciation and amortisation (EBITDA) down 11.6% to $223.2 million
- Earnings before interest and tax (EBIT) down 16.7% to $133.5 million
- Net profit after tax (NPAT) (excluding Individually Significant Items**) $77.5 million, down 21.3%
- Basic earnings per share (EPS) (excluding Individually Significant Items) 13.2 cents (FY2014: 16.8 cents). Statutory basic EPS 5.1 cents (FY2014: 16.8 cents)
- Individually Significant Items (post-tax) totalling $47.7 million
- There was no final dividend determined by the Board for FY2015

"Myer's FY2015 result supports the case for our comprehensive change agenda. The decisions we have taken to deliver New Myer will lead to changes to both our store network and operations, resulting in a more productive and efficient footprint," said Mr Umbers.

"During the past six months, management has been actively addressing the underlying issues in the business, implementing a series of initiatives that are consistent with the New Myer strategic direction; including, for example, the introduction of a large number of wanted brands, and initiatives to improve flexibility of our in-store labour to better align our workforce with customer demand.

** See separate ASX announcement lodged today entitled 'New Myer Strategy'*

*** Certain items have been separately identified and presented as Individually Significant based on the nature and/or impact these items have on the Group's financial performance for the period*

“The New Myer strategy sets out a defined pathway to return the business to sustainable profit growth. We will achieve this by delivering a sharper and more focused retail offer that attracts more of the customers who represent the highest value to our business. This will be supported by investment in our stores to make them more engaging and productive,” said Mr Umbers.

FY2015 FINANCIAL PERFORMANCE

Sales

In FY2015 Myer total sales increased by 1.7% to $3,195.6 million, driven by new stores and refurbishments as well as strong growth in the online business of approximately 80%. Myer has now delivered comparable store sales growth in 12 of the last 13 quarters.

There was continued strong growth in the Cosmetics business as well as in Childrenswear and Entertainment, offset by a poor performance in Womenswear. During Christmas 2014, the rollout of Giftorium, representing dedicated gifting space in all stores, was well received by customers.

Customers also responded positively to the four major store refurbishments that were completed ahead of Christmas 2014. In addition, new stores at Mt Gravatt (QLD) and Joondalup (WA) generated additional growth.

During the year, two stores were closed in New South Wales, at Hurstville in January 2015 and Top Ryde in July 2015.

A number of new brands were rolled out during the year, many of which performed particularly well including Menswear brands M.J. Bale, Aquila, Herringbone, Scotch & Soda, and Cosmetics brand Jo Malone.

Margins and CODB

The operating gross profit margin declined by 53 basis points to 40.4%. This was largely due to the depreciation in the Australian dollar and increased inventory provisions. Excluding the impact of these factors, operating gross profit margin increased by 32 basis points.

CODB increased by 3.3% to $1,067.2 million, driven by costs associated with refurbishments in four of our top 25 stores as well as two new stores, and costs associated with the growth in the omni-channel business.

Net finance costs and net debt

In June 2015, the syndicated debt facility, now totalling $600 million was successfully refinanced, with more favourable pricing, increased tenor and improved terms. In addition to a lower interest margin, the Fixed Charges Cover Ratio covenant was lowered from 1.65 times to 1.50 times across the facility.

Net debt increased by $40 million to $388 million, reflecting lower profitability and higher working capital. This was largely offset by lower capital expenditure, dividend and tax payments.

Net interest costs increased by 3.7% to $22.7 million as a result of the higher net debt position. Offsetting this were the savings achieved as a result of the re-financing in the second half.

Cash flow and balance sheet

The reduction in operating cash flow by $96 million to $167 million reflected both the reduction in earnings for the year as well as a negative working capital movement of $56 million. The negative working capital movement was due to an increase in trading inventory of $22 million compared to FY2014 and lower trade creditors of $19 million.

As part of our strategy to exit a large number of brands, the Spring Clean Clearance event launched in the first quarter of FY2016 has successfully reduced inventory by approximately $10 million with net debt also improving by approximately $20 million since balance date.

Capital expenditure during FY2015 decreased by $6 million to $62 million compared to FY2014 pending the outcomes of the strategic review.

Individually Significant Items

The FY2015 result includes a number of Individually Significant Items totalling $61.7 million (pre tax) which relate to the strategic review. These items have been separately identified and presented as Individually Significant based on the nature and/or impact that these items have on the Group's financial performance for the period.

These significant items represent the commencement of the 're-setting' of the business as we implement the New Myer strategy, and comprise:

- $24.5 million in costs associated with two store closures (Top Ryde and Hurstville), provisions for inventory clearance (the exit of brands identified as part of the 'New Myer' strategy) and asset impairments related to brands no longer planned to be ranged in store, as well as the impairment of lease rights
- $14.8 million provision for surplus lease space in support office and impairment of associated fitout assets
- $11.8 million in restructuring costs and provisions associated with headcount reduction in support office and supply chain, and a voluntary redundancy program in stores
- $10.6 million in strategic review and implementation costs

Dividend

In light of the Entitlement Offer announced today, the Board has determined that no final dividend will be declared for FY2015. The Board's current intention is to declare a dividend following 1HFY2016, subject to Myer's financial performance in that period. There is currently no intention to change Myer's target dividend payout ratio of between 70-80% of NPAT.

FY2016 OUTLOOK

FY2016 will represent a transitional year for Myer in which significant investments are being made in our future growth with the rewards from these investments to be realised in late FY2016 and thereafter. Following FY2016, Myer expects to return to sustainable profit growth.

As a result and including the impact of the Entitlement Offer, Myer expects NPAT for FY2016 to be in the range of $64 million to $72 million, excluding the impact of implementation costs associated with New Myer.

Individually Significant Items in FY2016 are expected to be in the range of $35 million to $45 million (pre tax) and will predominantly comprise costs associated with the New Myer strategy and improving productivity.

Capital expenditure is expected to be in the range of $100 million to $120 million in FY2016.

ENTITLEMENT OFFER

Myer today announced the launch of a fully underwritten 2 for 5 accelerated pro-rata non-renounceable entitlement offer ("Entitlement Offer" or "Offer") to raise approximately $221 million, at an offer price of $0.94 ("Offer Price") per share ("New Share"). The Offer Price of $0.94 per New Share represents a 17.0% discount to the theoretical ex-rights price ("TERP")[1] of $1.13.

The proceeds of the Offer will be used to reduce core debt and provide balance sheet flexibility to implement the New Myer strategy. Upon completion of the Offer, Myer will have reset the leverage (net debt/EBITDA) to be below 1.0x.

Details of the Offer

The Entitlement Offer comprises an institutional component ("Institutional Entitlement Offer") and a retail component ("Retail Entitlement Offer"). Eligible shareholders will be able to subscribe for 2 New Shares for every 5 existing Myer shares held on the Record Date of 7:00pm Friday, 4 September 2015. New Shares issued will rank pari passu with existing shares.

Key dates of the Entitlement Offer are provided in the Appendix to this document.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer which will take place from Tuesday, 1 September 2015 to Wednesday, 2 September 2015. Institutional entitlements not taken up by eligible institutional shareholders and entitlements of ineligible institutional shareholders will be sold to institutional investors in a bookbuild process managed by the underwriter.

Retail Entitlement Offer

Eligible retail shareholders will be invited to participate in the Retail Entitlement Offer which will take place from Tuesday, 8 September 2015 to Thursday, 17 September 2015. Eligible retail shareholders will be able to take up their entitlement as well as apply for additional New Shares. Retail entitlements not taken up by eligible retail shareholders and entitlements of ineligible retail shareholders will be placed by the underwriter.

Further details about the Retail Entitlement Offer will be set out in the Retail Offer Booklet, which Myer expects to lodge with the ASX on Tuesday, 8 September 2015. Eligible retail shareholders wishing to participate in the Retail Entitlement Offer should carefully read the Retail Offer Booklet and an accompanying personalised entitlement and acceptance form. Copies of the Retail Offer Booklet will be available on the ASX website at www.asx.com.au

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[1] The Theoretical Ex-Rights Price ("TERP") is the theoretical price at which Myer shares should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Myer shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. TERP is calculated by reference to Myer's closing price of $1.21 on 31 August 2015.

and on Myer's website at www.myer.com.au/investor from Tuesday, 8 September 2015. Entitlements are non-renounceable, meaning that eligible shareholders who do not take up their entitlements will not be able to transfer or receive any value in respect of those entitlements and their percentage shareholding in Myer will be diluted as a result of the Entitlement Offer.

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For further information please contact:
Investors:
Davina Gunn, Investor Relations Manager, +61 (0) 400 896 809

Media:
Mel Ward, Corporate Affairs Manager, +61 (3) 8667 7596 or +61 (0) 438 101 078
Rhys Ryan, Interim General Manager Corporate Affairs and Media, +61 (0) 427 227 719

Analyst and Investor briefing:

A briefing will be held for analysts and investors today at 10:30am (Melbourne time). This briefing will be webcast live at: http://streamcast.com.au/newmyer/010915 Viewers will need to register their name, email and company to access the webcast. An archive webcast of the briefing will be available afterwards at: www.myer.com.au/investor

APPENDIX
Indicative Timetable

	Date
Trading halt	Tuesday, 01 September 2015
Results of Institutional Entitlement Offer announced and trading on ASX resumes	Thursday, 03 September 2015
Record date for Entitlement Offer (7.00pm, Melbourne time)	Friday, 04 September 2015
Despatch of Retail Offer Booklet	Tuesday, 08 September 2015
Institutional Entitlement Offer settlement	Thursday, 10 September 2015
Issue and quotation of New Shares under the Institutional Entitlement Offer	Friday, 11 September 2015
Issue of New Shares under the Retail Entitlement Offer	Wednesday, 23 September 2015
New Shares under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	Thursday, 24 September 2015

The Indicative Timetable is subject to change. Myer reserves the right to vary the timetable for the Entitlement Offer without notice, subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws. The commencement of quotation of New Shares under the Entitlement Offer is subject to confirmation from ASX.

Myer shares are traded on the Australian Securities Exchange (MYR). Myer has a Sponsored Level I American Depository Receipt program which trades in the United States on OTC Markets (MYRSY). This release is for information purposes only and is not financial product or investment advice or a recommendation to acquire Myer shares (nor does it or will it form any part of any contract to acquire Myer shares). The information in this release is in summary form and does not contain all the information necessary to fully evaluate the New Myer strategy, the Entitlement Offer or any potential investment in Myer. It should be read in conjunction with Myer's other periodic and continuous disclosure announcements lodged with ASX. This release has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment *decision, prospective investors should consider the appropriateness of the information having regard to their own objectives and financial situation and seek legal, financial and taxation advice.*

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 including indications of and guidance on future earnings and financial position and performance are also forward-looking statements as are any statements in this release regarding the conduct and outcome of the Entitlement Offer, use of proceeds, the New Myer strategy and Myer’s debt. 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. Subject to law, Myer assumes no obligation to update such information.

Investors should note that this release contains pro forma financial information, including a pro forma balance sheet as at July 25, 2015. In preparing the pro forma financial information, certain adjustments were made to Myer’s audited balance sheet as at July 25, 2015 that Myer considered appropriate to reflect the application of the proceeds of the Entitlement Offer to repay debt, as if the Entitlement Offer and application of proceeds had occurred on July 25 2015. The pro forma financial information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

This release may not be released or distributed in the United States. This release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither the entitlements nor the New Shares have been, nor will be, registered under the U.S. Securities Act of 1933 (U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. The entitlements may not be taken up by, and the New Shares may not be offered or sold to, directly or indirectly, any person in the United States or any person that is, or is acting for the account or benefit of, any person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. All dollar values are in Australian dollars (A$) unless otherwise stated.

Investors should be aware that certain financial data included in this release are “non-GAAP financial measures” under Regulation G of the U.S. Securities Exchange Act of 1934. These measures include comparable store sales, 2H sales, OGP margin, Cash CODB, EBITDA, EBIT, NPAT (pre and post Individually Significant Items), Working Capital, Free Cash Flow and Net debt.
In addition, such measures may be "non-IFRS financial information" under Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC. The disclosure of such non-GAAP financial measures in the manner included in the release may not be permissible in a registration statement under the U.S. Securities Act. These non-GAAP financial measures do not have a standardized meaning prescribed by Australian Accounting Standards and therefore may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Although Myer believes these non-GAAP financial measures provide useful information to users in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-GAAP financial measures included in this release.
The distribution of this release in other jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute violation of applicable securities laws.

Table 1: Profit & Loss Statement for the 52 weeks to 25 July 2015

	FY 2015 $m	FY 2014 $m	Change vs. LY
Total Sales Value	**3,195.6**	**3,143.0**	**+1.7%**
Concessions	**501.2**	491.5	+2.0%
Myer Exclusive Brands	**660.1**	638.2	+3.4%
National Brands and other	**2,034.3**	2,013.3	+1.0%
Operating Gross Profit	**1,290.4**	1,285.9	+0.3%
Operating Gross Profit margin	***40.4%***	*40.9%*	(53bps)
Cost of Doing Business	**(1,067.2)**	(1,033.3)	+3.3%
Cost of Doing Business/Sales	***33.4%***	*32.9%*	+53bps
EBITDA*	**223.2**	**252.6**	**(11.6%)**
*EBITDA margin**	*7.0%*	*8.0%*	*(106bps)*
Depreciation and amortisation	(89.7)	(92.3)	(2.8%)
EBIT*	**133.5**	**160.3**	**(16.7%)**
*EBIT margin**	***4.2%***	*5.1%*	(92bps)
Interest	(22.7)	(21.9)	+3.7%
Net Profit Before Tax*	**110.7**	**138.4**	**(20.0%)**
Tax*	(33.2)	(39.9)	(16.8%)
Net Profit After Tax (NPAT) (excluding Individually Significant Items)*	**77.5**	**98.5**	**(21.3%)**
Individually Significant Items (post tax)	**(47.7)**	**-**	**(100.0%)**
NPAT (post Individually Significant Items)	**29.8**	**98.5**	**(69.7%)**

* *Excluding Individually Significant Items*

Table 2: Balance Sheet as at 25 July 2015

	July 2015 $m	July 2014 $m
Inventory	382	377
Other Assets	66	47
Less Creditors	(387)	(428)
Less Other Liabilities	(195)	(191)
Property	25	25
Fixed Assets	444	478
Intangibles	916	933
Total Funds Employed	**1,251**	**1,241**
Comprising of:		
Debt	441	422
Less Cash	(53)	(74)
Net Debt	**388**	**348**
Equity	863	893
	1,251	**1,241**

Table 3: Cash flow for the 52 weeks to 25 July 2015

	July 2015 $m	July 2014 $m
EBITDA	223	253
Working capital movement	(56)	10
Operating cash flow	**167**	**263**
Conversion	*75%*	*104%*
Capex paid	(62)	(68)
Free cash flow	**105**	**195**
Tax	(30)	(49)
Interest	(22)	(21)
Acquisitions and other	(3)	(34)
Individually Significant Items	(17)	-
Dividends	(73)	(99)
Net cash flow	**(40)**	**(8)**

Table 4: Other Statistics and Financial Ratios

	FY2015	FY2014
Return on Total Funds Employed*	10.7%	12.9%
Gearing	31.0%	28.1%
Net Debt/EBITDA*	1.7x	1.4x
Stock turn	3.4x	3.6x
Creditor Days	72 days	72 days

** Calculated on a rolling 12 months basis*

Table 5: Shares and Dividends

	FY2015	FY2014
Shares on Issue*	585.7 million	585.3 million
Basic EPS**	13.2 cents	16.8 cents
Dividend per share	7.0 cents	14.5 cents

* *Weighted average number of shares*
** *Excluding Individually Significant Items*

1 SEPTEMBER 2015

MYER FY2015 RESULTS

FY2016 OUTLOOK

AND ENTITLEMENT OFFER

Important notices and disclaimers

This investor presentation (Presentation) has been prepared by Myer Holdings Limited (ABN 14 119 085 602) (Myer). This Presentation has been prepared in relation to a pro rata accelerated non-renounceable entitlement offer of new Myer ordinary shares (New Shares), to be made to eligible institutional shareholders of Myer (Institutional Entitlement Offer) and eligible retail shareholders of Myer (Retail Entitlement Offer), under section 708AA of the Corporations Act 2001 (Cth) (Corporations Act) as modified by Australian Securities & Investments Commission (ASIC) class order 08/35 (together, the Entitlement Offer).

Summary information

This Presentation contains summary information about Myer, its subsidiaries and their activities, which is current as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete nor does it contain all the information which a prospective investor should consider when making an investment decision or that would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act. This Presentation should be read in conjunction with Myer's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), which are available at www.asx.com.au.

Not an offer

This Presentation is not a prospectus, product disclosure statement or other offering document under Australian law (and will not be lodged with ASIC) or the laws of another jurisdiction. This Presentation is for information purposes only and is not an invitation or offer of securities for subscription, purchase or sale in any jurisdiction. Any decision to purchase New Shares in the Retail Entitlement Offer must be made on the basis of the information to be contained in a separate retail offer booklet to be prepared and issued to eligible retail shareholders (Retail Entitlement Offer Booklet). The Retail Entitlement Offer Booklet for the Retail Entitlement Offer will be available to eligible retail shareholders following its lodgement with ASX. Any eligible retail shareholder who wishes to participate in the Retail Entitlement Offer should consider the Retail Entitlement Offer Booklet in deciding whether to subscribe for and purchase New Shares under that offer. Anyone who wishes to subscribe for and purchase New Shares under the Retail Entitlement Offer will need to follow the instructions contained in the Retail Offer Booklet and the Entitlement and Acceptance Form which will accompany it. This Presentation does not constitute investment or financial product advice or any recommendation to acquire existing shares or New Shares and does not and will not form any part of any contract for the acquisition of New Shares.

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This Presentation does **not** constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither the entitlements nor the New Shares have been, nor will be, registered under the U.S. Securities Act of 1933 (U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States.

The entitlements may not be taken up by, and the New Shares may not be offered or sold to, directly or indirectly, any person in the United States or any person that is, or is acting for the account or benefit of, any person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

The distribution of this Presentation in other jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute violation of applicable securities laws.

Important notices and disclaimers (Cont.)

Future performance

To the extent this Presentation contains certain "forward-looking statements", the words "forecast", "estimate", "likely", "anticipate", "believe", "expect", "project", "opinion", "predict", "outlook", "guidance", "intend" ,"should", "could", "may", "target", "plan", "consider", "forecast", "aim", "will" and similar expressions are intended to identify such forward-looking statements. Indications of and guidance on future earnings and financial position and performance are also forward-looking statements as are any statements in this Presentation regarding the conduct and outcome of the Entitlement Offer, use of proceeds, the new Myer strategy and Myer's debt. You are cautioned not to place undue reliance on forward-looking statements. While due care and attention has been used in the preparation of any forward-looking statements, any such statements, opinions and estimates in this Presentation, are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates.

Any forward-looking statements contained in this Presentation are not guarantees or predictions of future performance and involve known and unknown risks, contingencies and uncertainties and other factors, many of which are beyond the control of Myer, and may involve significant elements of subjective judgment and assumptions as to future events, which may or may not be correct. Refer to Appendix B 'Key Risks' of this Presentation for a non-exhaustive summary of certain general and company-specific risk factors that may affect Myer. Actual results, performance or achievements may vary materially from any forward-looking statements and the assumptions on which such statements are based. Investors should consider any forward-looking statements contained in this Presentation in light of those risks and disclosures. Any forward-looking statements are based on information available to Myer as at the date of this Presentation. Except as required by law or regulation (including the ASX Listing Rules), Myer disclaims any obligation and makes no undertaking to provide any additional or updated information whether as a result of new information, future events or results or otherwise, or to reflect any change in expectations or assumptions.

Past performance

Investors should note that past performance, including past share price performance and any pro-forma historical information in this Presentation is given for illustrative purposes only and cannot be relied upon as an indicator of (and provides no guidance as to) future Myer performance including future share price performance. This historical information includes pro-forma historical information which is not represented as being indicative of Myer's views on its future financial condition and/or performance. The historical information in this Presentation is, or is based upon, information that has been released to ASX.

Disclaimer

Neither the underwriter of the Entitlement Offer, nor any of its affiliates or related bodies corporate, nor any of each of their respective advisers, directors, officers, partners, employees or agents, have authorised, permitted or caused the issue, submission, dispatch or provision of this Presentation and, none of them makes or purports to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by any of them. For the avoidance of doubt, the underwriter and its affiliates, or related bodies corporate, and each of their respective advisers, directors, officers, partners, employees and agents have not made or purported to make any statement in this Presentation and there is no statement in this Presentation that is based on any statement by any of them. To the maximum extent permitted by law, Myer, the underwriter, their respective affiliates, or related bodies corporate, and each of their respective advisers, directors, officers, partners, employees and agents exclude and disclaim all liability, including without limitation for negligence or for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and the information in this Presentation being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. To the maximum extent permitted by law, each of Myer, the underwriter, their respective affiliates, or related bodies corporate, and each of their respective advisers, directors, officers, partners, employees and agents make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this Presentation and, with regards to the underwriter, and its affiliates, or related bodies corporate, and each of their respective advisers, directors, officers, partners, employees and agents, take no responsibility for any part of this Presentation or the Entitlement Offer.

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The underwriter and its affiliates, or related bodies corporate, and each of their respective advisers, directors, officers, partners, employees and agents make no recommendations as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties to you concerning the Entitlement Offer, and you represent, warrant and agree that you have not relied on any statements made by the underwriter, or any of its affiliates, or related bodies corporate, or any of their respective advisers, directors, officers, partners, employees or agents in relation to the Entitlement Offer and you further expressly disclaim that you are in a fiduciary relationship with any of them. Statements made in this Presentation are made only as at the date of this Presentation. The information in this Presentation remains subject to change without notice. Myer reserves the right to withdraw the Entitlement Offer and/or vary the timetable for the Institutional Entitlement Offer or Retail Entitlement Offer without notice.

No representation or warranty is or will be made by any person (including Myer and its affiliates, or related bodies corporate, and each of their respective advisers, directors, officers, partners, employees and agents) in relation to the accuracy or completeness of all or part of this document, or any constituent or associated presentation, information or material, or the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects or returns contained in, or implied by, the information in this Presentation or any part of it. The information in this Presentation includes information derived from third party sources that has not been independently verified.

Not investment advice

Each recipient of this Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Myer and the impact that different future outcomes may have on Myer. This Presentation has been prepared without taking account of any person's investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs, make their own assessment of the information and seek legal, financial, accounting and taxation advice appropriate to their jurisdiction in relation to the information and any action taken on the basis of the information. Myer is not licensed to provide financial product advice in respect of Myer shares. Cooling off rights do not apply to the acquisition of New Shares under the Entitlement Offer.

Investment risk

An investment in Myer shares is subject to known and unknown risks, some of which are beyond the control of Myer, including possible loss of income and principal invested. Myer does not guarantee any particular rate of return or the performance of Myer nor does it guarantee the repayment or maintenance of capital or any particular tax treatment. Investors should have regard to the Risk Factors outlined in this Presentation when making their investment decision.

Financial data

All dollar values are in Australian dollars (A$) unless otherwise stated.

Investors should be aware that certain financial data included in this Presentation are "non-GAAP financial measures" under Regulation G of the U.S. Securities Exchange Act of 1934. These measures include comparable store sales, 2H sales, OGP margin, Cash CODB, EBITDA, EBIT, NPAT (pre and post Individually Significant Items), Working Capital, Free Cash Flow and Net debt.

In addition, such measures may be "non-IFRS financial information" under Regulatory Guide 230 Disclosing non-IFRS financial information published by ASIC. The disclosure of such non-GAAP financial measures in the manner included in the Presentation may not be permissible in a registration statement under the U.S. Securities Act. These non-GAAP financial measures do not have a standardized meaning prescribed by Australian Accounting Standards and therefore may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Although Myer believes these non-GAAP financial measures provide useful information to users in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-GAAP financial measures included in this Presentation.

Investors should note that this presentation contains pro forma financial information, including a pro forma balance sheet as at July 25, 2015. In preparing the pro forma financial information, certain adjustments were made to Myer's audited balance sheet as at July 25, 2015 that Myer considered appropriate to reflect the application of the proceeds of the entitlement offer to repay debt, as if the entitlement offer and application of proceeds had occurred on July 25,2015. The pro forma financial information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

THE AGENDA

Audited FY2015 result and FY2016 Outlook

Entitlement offer

Appendix A: Supporting materials for FY2015 result

Appendix B: Key risks

Appendix C: FY2016 guidance key assumptions

Appendix D: Selling restrictions

MYER

FY2015 result supports the case for change

- Positive sales result driven by new stores, refurbishments, and growth of online
- FY2015 comparable store sales up 1.1%
- 2H sales +1.9%, up 1.3% on a comparable stores sales basis
- OGP margin impacted by exchange rate, and higher inventory provisions
- CODB increase reflects investment in new and refurbished stores and costs associated with omni channel growth
- NPAT (excluding Individually Significant Items)* $77.5 million

$ MILLION	2015	2014	CHANGE
Sales	3,195.6	3,143.0	+1.7%
Operating gross profit (OGP)	1,290.4	1,285.9	+0.3%
OGP margin (%)	40.4	40.9	(53 bps)
CODB	(1,067.2)	(1,033.3)	+3.3%
EBITDA*	223.2	252.6	(11.6%)
EBIT*	133.5	160.3	(16.7%)
Interest	(22.7)	(21.9)	+3.7%
Tax*	(33.2)	(39.9)	(16.8%)
NPAT (excluding Individually Significant Items)*	77.5	98.5	(21.3%)
Individually Significant Items (post tax)	(47.7)	-	(100.0%)
NPAT (post Individually Significant Items)	29.8	98.5	(69.7%)
Basic EPS (excluding Individually Significant Items)*	13.2 cents	16.8 cents	(3.6 cents)

MYER

** Excluding Individually Significant Items. Certain items have been separately identified and presented as Individually Significant based on the nature and/or impact these items have on the Group's financial performance for the period*

FY2015 key operational highlights

- Continued strong performance in Cosmetics, Childrenswear and Entertainment, offset by Womenswear
- Strong customer response to refurbishments at Adelaide City, Macquarie, Miranda and Indooroopilly
- Opened new stores at Mt Gravatt and Joondalup, closed stores at Hurstville and Top Ryde
- Major brand re-launch for *'find wonderful'* and revitalised Christmas offering in the form of the Giftorium across all stores
- Continued strong growth in online business, sales up approximately 80% with improved profitability
- Click and collect business grew by 183% and sales on iPads in stores reached $20 million in first 11 months
- Digital HUB trial successfully launched at Parramatta in Q4 FY2015
- Top new brands during FY2015 included Menswear brands M.J. Bale, Aquila, Herringbone, Scotch & Soda and Jo Malone in Cosmetics
- Progress made to change mix of permanent and casual team members to improve customer service

Consistent with our new strategy, we have taken steps to reset the business

Individually Significant Items relating to strategy

- Rationalisation of Support Office and supply chain
  - Customer Led Offer/Omni-Channel Shopping/Productivity Step Change
- Brand exits to support new merchandising strategy
  - Customer Led Offer
- Optimise store labour costs
  - Wonderful Experiences/Productivity Step Change
- Store network rationalisation and impairment
  - Productivity Step Change

$ MILLION	NATURE OF ITEM
10.6	Strategic review & implementation costs
11.8	Restructuring and redundancy costs
24.5	Store and brand exit costs and other asset impairments
14.8	Support office onerous lease and asset impairment
$61.7	**Total of Individually Significant Items**
($14.0)	Tax
$47.7	**Post tax impact of Individually Significant Items**

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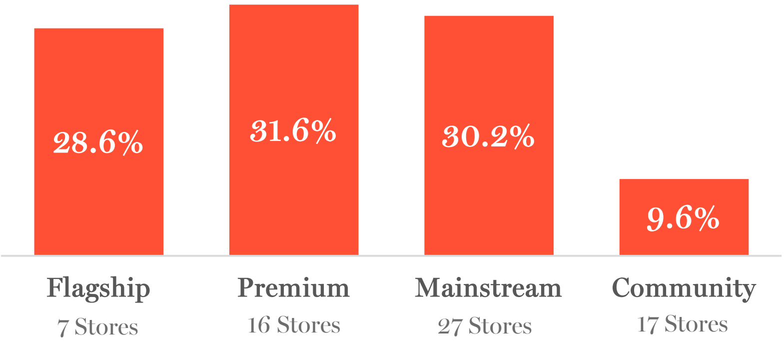
Working capital disappointing but improvements seen in 1st quarter FY2016

- Working capital higher due to higher net inventory and lower creditors (reduced purchasing in 4th quarter FY2015)
- Provisions for inventory increased for NRV and shrinkage
- Cash capex down from $68 million to $62 million impacted by timing of store refurbishments and strategic review
- Net debt $40 million above last year due to lower earnings and higher working capital
- Successfully refinanced syndicated debt facility with more favourable pricing, increased tenor and improved terms
- No FY2015 final dividend determined
- Spring Clean sale has resulted in improvement in working capital, and c.$20 million improvement in net debt

$ MILLION	FY15	FY14
EBITDA	223	253
Working capital movement	(56)	10
Operating cash flow	**167**	**263**
Conversion	*75%*	*104%*
Capex paid	(62)	(68)
Free cash flow	**105**	**195**
Tax	(30)	(49)
Interest	(22)	(21)
Acquisitions and other	(3)	(34)
Individually Significant Items	(17)	0
Dividends	(73)	(99)
Net cash flow	**(40)**	**(8)**
Closing net debt	(388)	(348)
Net debt/EBITDA	1.7x	1.4x

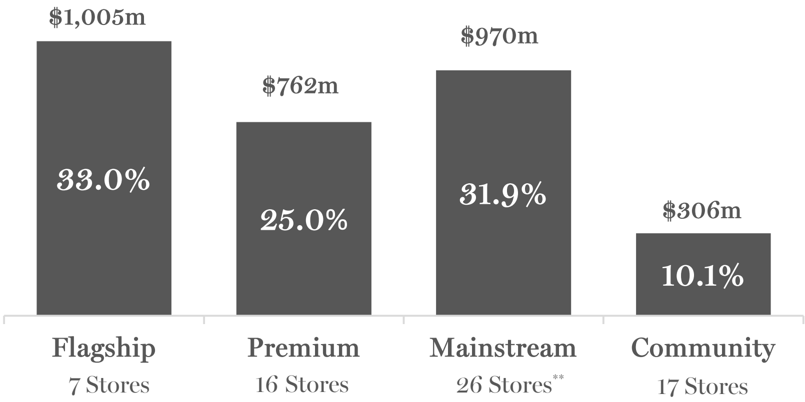
The majority of our leases relate to our most profitable stores

FY2015 STORE CONTRIBUTION BY CLUSTER



Note: Store Contribution percentage is based on Store EBITDA excluding central support office costs, for department stores only

FY2015 LEASE COMMITMENTS BY CLUSTER*



** Department stores only ** Excluding Top Ryde (closed July 2015)*

MYER

FY2016 Outlook

Under the New Myer strategy and assuming no further deterioration in trading conditions Myer anticipates:

- FY2016 will represent a transitional year in which significant investments are made in future growth with rewards from these investments to be realised in late FY2016 and thereafter
- Following FY2016, Myer expects to return to sustainable profit growth
- Including the impact of the Entitlement Offer Myer expects NPAT for FY2016 to be in the range of \$64 million to \$72 million, excluding the impact of implementation costs associated with New Myer
- Costs associated with implementation of New Myer strategy are expected to be between \$35-\$45 million (pre tax)
- Capital expenditure expected to be in the range of \$100 million to \$120 million

THE AGENDA

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Overview of entitlement offer

- Fully underwritten accelerated pro rata non-renounceable entitlement offer to raise approximately $221 million
- Proceeds used to reduce core debt
- Provides balance sheet flexibility to implement the New Myer strategy
- Leverage (net debt/EBITDA) post entitlement offer expected to be below 1.0x

Details of entitlement offer

Structure and size	- Fully underwritten 2 for 5 accelerated pro-rata non-renounceable entitlement offer to raise approximately $221 million
Offer price	- $0.94 per New Share - 17.0% discount to the theoretical ex-rights price of $1.13[1]
Institutional entitlement offer	- Institutional Entitlement Offer to raise approximately $104 million - Institutional entitlements not taken up by institutional shareholders and entitlements of ineligible institutional shareholders will be sold to institutional investors in a bookbuild process managed by the underwriter[2]
Retail entitlement offer	- Retail Entitlement Offer to raise approximately $117 million - Retail entitlements not taken up by retail shareholders and entitlements of ineligible retail shareholders will be placed by the underwriter[2]
Ranking	- New Shares issued will rank pari passu with existing shares
Record date	- 7:00pm (Melbourne time) on Friday, 04 September 2015
Use of proceeds	- Reduce core debt and provide balance sheet flexibility to implement the New Myer strategy

UPON COMPLETION OF THE OFFER, MYER EXPECTS LEVERAGE (NET DEBT/EBITDA) TO BE BELOW 1.0X

1 The Theoretical Ex-Rights Price ("TERP") is the theoretical price at which Myer shares should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Myer shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not equal the TERP. TERP is calculated by reference to Myer's closing price of $1.21 on 31 August-2015.

2 Entitlements are non-renounceable, meaning that eligible shareholders who do not take up their entitlements will not be able to transfer or receive any value in respect of those entitlements and their percentage shareholding in Myer will be diluted as a result of the Entitlement Offer.

Financial information

$ MILLION	AUDITED BALANCE SHEET 25 JUL 2015	ADJUSTMENTS	PRO-FORMA BALANCE SHEET 25 JUL 2015
Inventory	382		382
Other assets	66	2	68
Less creditors	(387)		(387)
Less other liabilities	(195)		(195)
Property	25		25
Fixed assets	444		444
Intangibles (Brands / Goodwill / Lease rights)	803		803
Intangibles software	113		113
Total funds employed	**1,251**	**2**	**1,253**
Comprising of:			
Debt	441	(213)	228
Less cash	(53)		(53)
Net debt	**388**	**(213)**	**175**
Equity	863	215[1]	1,078
	1,251	**2**	**1,253**
Shares on issue (shares)	585,689,551	235,574,466[2]	821,264,017

Notes:

- The pro forma balance sheet has been prepared for illustrative purposes to show the potential effect of the entitlement offer on Myer if the entitlement offer had occurred on 25 July 2015
- The information on which the pro forma balance sheet is based has been derived from the 25 July 2015 audited consolidated financial statements of Myer and should be read in conjunction with the notes and assumptions set out in those financial statements

1 Net of transaction fees (post tax).
2 Additional shares includes 927,604 performance rights due to vest prior to the Record Date of the Entitlement Offer

MYER

Indicative entitlement offer timetable

	DATE
Trading halt	Tuesday, 01 September 2015
Results of Institutional Entitlement Offer announced and trading on ASX resumes	Thursday, 03 September 2015
Record date for Entitlement Offer (7.00pm, Melbourne time)	Friday, 04 September 2015
Dispatch of Retail Offer Booklet	Tuesday, 08 September 2015
Institutional Entitlement Offer settlement	Thursday, 10 September 2015
Issue and quotation of New Shares under the Institutional Entitlement Offer	Friday, 11 September 2015
Issue of New Shares under the Retail Entitlement Offer	Wednesday, 23 September 2015
New Shares under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	Thursday, 24 September 2015
Quotation of securities issued under Retail Offer	Friday, 25 September 2015
Despatch of holding statements	Friday, 25 September 2015

MYER

The Indicative Timetable is subject to change. Myer reserves the right to vary the timetable for the Entitlement Offer without notice, subject to the Corporations Act 2001 (Cth), ASX Listing Rules and other applicable laws. The commencement of quotation of New Shares under the Entitlement Offer is subject to confirmation from ASX.

APPENDICES

Appendix A: EBIT and NPAT reconciliation with statutory slides

$ million	EBITDA	EBIT	TAX	NPAT
Statutory reported result	**182.6**	**71.8**	**(19.2)**	**29.8**
Add back: Individually Significant Items				
Strategic review and implementation costs	10.6	10.6	(3.2)	7.4
Restructuring and redundancy costs	11.4	11.8	(3.5)	8.3
Store and brand exit costs and other asset impairments	10.0	24.5	(4.1)	20.4
Support office onerous lease expense and impairment of assets	8.6	14.8	(3.2)	11.6
	40.6	**61.7**	**(14.0)**	**47.7**
Underlying result	**223.2**	**133.5**	**(33.2)**	**77.5**

Appendix A: Operating cash flow reconciliation with statutory result

$ million	STATUTORY	INDIVIDUALLY SIGNIFICANT ITEMS	UNDERLYING
EBITDA	**182.6**	**40.6**	**223.2**
Working capital movement	(32.6)	(23.9)	(56.5)
Operating cash flow	150.0	16.7	166.7
Interest and tax	(53.0)	-	(53.0)
Net cash inflow from operating activities	97.0	16.7	113.7

Appendix B: Key Risks

Myer is subject to a variety of risk factors. Some of these are specific to its business activities, while others are of a more general nature. Individually, or in combination, these risk factors may affect the future operating and financial performance of Myer, its investment returns and the value of an investment in shares in Myer.

The risks listed in this Appendix B are not an exhaustive list of risks associated with an investment in Myer, either now or in the future, and this information should be considered in conjunction with Myer's other periodic and continuous disclosure announcements lodged with ASX (including all other information in this Presentation and the New Myer strategy investor presentation released to ASX today). Many of the risks described in this Appendix B are outside the control of Myer, its directors and management.

This Appendix B discusses the key risks associated with an investment in Myer shares, which may affect the future operating and financial performance of Myer and the value of Myer shares. Before investing in Myer shares, you should consider whether such an investment is suitable for you having regard to your personal circumstances and following consultation with your legal, financial and taxation advisers. Additional risks and uncertainties that Myer is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Myer's operating and financial performance and the value of Myer shares.

Operating risks

- **Deterioration in the Australian retail industry** - General levels of consumer sentiment and consumer spending may impact Myer's operational and financial performance. There is a risk that Australian economic conditions will worsen which may lead to a reduction in discretionary consumer expenditure. If economic conditions deteriorate, there is a risk that consumers may reduce their level of spending or redirect their spending to cheaper products. Sustained weak economic conditions and consumer sentiment could affect sales or impact margins and a reduction in consumer spending may have a material impact on Myer's revenue and may have a material adverse effect on Myer's future financial performance.
- **Damage to the Myer brand** - The Myer brand is a crucial asset to Myer's business. The reputation and value in the perception of the brand as high quality and credible could be adversely impacted by a number of factors, including: i) product and service quality issues; ii) disputes with third parties such as suppliers; and iii) adverse media coverage. Significant deterioration of the Myer brand could have an adverse impact on Myer's future financial performance.
- **Consumer preferences** - A significant proportion of Myer's revenues are generated from fashion-related products, which are subject to rapid and occasionally unpredictable changes in consumer preferences. A failure by Myer to identify, predict or respond to any such changes, or failure to deliver products that appeal to consumers, could have an adverse impact on Myer's future financial performance.
- **Possible deterioration in competitive position** - Myer faces competition from other specialty retailers, as well as discount department stores, domestic and international department stores and on-line retailers. The barriers to entry in the market in which Myer operates are low and there is a risk that an existing or new entrant to the market might aggressively attempt to grow its market share through store rollout, growing online presence, increased advertising and / or price cutting. Such activities, or a failure by Myer to respond to changes in the retail environment including stakeholder expectations, may cause Myer's competitive position to deteriorate. Any deterioration in Myer's competitive position may result in a decline in revenue and margins and a loss of market share which may have an adverse effect on Myer's future financial performance.
- **Product supply** - Myer's products are supplied from a network of third parties. A material change in Myer's product supply arrangements or a failure by a supplier to comply with Myer's ethical sourcing policies could have an adverse impact on Myer's future financial performance. Loss of, or interruption to, the business of major suppliers, including delays or failures in receiving orders, may result in increased product supply costs for Myer or a reduction in the available range in one or more stores. This may in turn adversely impact sales and margins, reduce overall profitability and have an adverse effect on Myer's future financial performance.

Appendix B: Key Risks (Cont.)

Operating risks (cont.)

- **Relationships with key brand owners, designers and concession operators** - Myer's ability to offer a wide range of brands in its stores is a key contributor to the appeal of its product offering to customers. External brand owners operating concessions (i.e. store-within-store) in Myer stores allow Myer to further expand its product offering and provide a key source of Myer's revenue. The loss or impairment of Myer's relationships with key brand owners, designers or concession operators, or an inability to renew existing contractual arrangements with such parties or negotiate agreements with new parties on terms which are no less favourable to Myer, is likely to result in a reduction in revenue and could have an adverse effect on Myer's future financial performance.
- **Myer's strategies may not achieve their objectives** - Myer has developed strategies to drive sales growth and margin improvements, the implementation of which may be subject to delays or cost overruns and there is no guarantee that these strategies will generate all or any of their anticipated benefits. Further, the implementation of Myer's turnaround initiatives and growth strategies will result in changes to Myer's product mix and the consumer shopping experience, which may result in unintended consequences if such changes do not identify consumer preferences or meet the needs of the Australian retail industry. Any delay in implementation, failure to successfully implement or resource, or unintended consequences of implementing the strategies may have an adverse effect on Myer's future financial performance.
- **Loss of key management personnel and shortages of skilled personnel** - Myer's success and day-to-day operations rely on a number of key personnel. The loss of key management personnel or the inability to recruit or retain suitable skilled personnel may adversely impact sales and margins, reduce overall profitability and have an adverse effect on Myer's future financial performance.
- **Property** - The financial results of Myer are likely to result from Myer's ability to continue to operate stores on a profitable basis. A significant increase in rental costs associated with existing and/or new stores, an inability to negotiate lease terms which are favourable to Myer or Myer becoming subject to less favourable lease terms could impact margins and the profitability of some stores and therefore the future financial performance of Myer.
- **Foreign exchange rates** - Various goods purchased by Myer and its suppliers are priced in foreign currencies and consequently are exposed to movements in the relevant foreign exchange rate. Any such movement may result in an increase in the cost of inventory, which may not be able to be passed on to consumers and could have an adverse impact on Myer's profitability.
- **Online retailing** - The ability to purchase products via the internet is increasing retail competition by opening up that market to participants who provide online platforms for purchasing products (whether instead of, or in addition to, traditional retail stores). Online retailing has resulted in consumers being able to undertake greater global price comparisons and has placed pressure on wholesalers to move to global pricing and traditional bricks and mortar retailers to compete on price despite their higher overhead costs. Migration of consumers to online retail purchases from competitors or a failure to meet consumer demand for online retailing may adversely impact the performance of Myer.
- **Debt covenants** - Myer's debt facilities are subject to covenants based around certain financial ratios. In the course of operating a prudent financing strategy, particularly in current market conditions, Myer can employ a range of strategies in order to meet its financial covenants. If there were a significant decline in revenue or earnings, this could cause Myer to not comply with these financial covenants. A failure to comply with any of these financial covenants may require Myer to seek amendments, waivers of covenant compliance or alternative borrowing arrangements. There is no assurance that its lenders would consent to such an amendment or waiver in the event of non-compliance, or that such consent would not be conditioned upon the receipt of a cash payment, revised payout terms, increased interest rates, or restrictions in the expansion of debt facilities in the foreseeable future, or that its lenders would not exercise rights that would be available to them, including among other things, demanding payment of outstanding borrowings.

Appendix B: Key Risks (Cont.)

Operating risks (cont.)

- **Seasonal factors** - Part of Myer's business is seasonal in nature and prolonged unseasonal weather conditions in a particular region could result in Myer's product range becoming unattractive to consumers in that region, which may adversely affect sales in that region.
- **Workplace relations risks** - Myer staff members operate under a modern award and are subject to the terms and conditions of the Fair Work Act. Staffing costs are one of the main costs of Myer and any material adverse change to the modern award, the Fair Work Act or adverse changes due to labour market forces may increase costs, reduce overall profitability and have an adverse effect on Myer' future financial performance.
- **Information Technology (IT) systems** - Myer is reliant on the capability and reliability of its IT systems and backup systems, and those of its external service providers such as communications carriers, to process transactions, manage debtors and inventory, report financial results and manage its business. The failure of or unauthorized access to any of Myer's IT systems, including retail point of sale and inventory management systems, could have a significant impact on Myer's ability to trade and may have an adverse effect on Myer's future financial performance.
- **Litigation** - Myer may be subject to litigation, claims and disputes in the ordinary course of its business, including contractual disputes with suppliers and landlords, employment disputes, indemnity claims, and occupational and personal claims. There is a risk that such litigation, claims and disputes could have a material adverse effect on Myer's operating and financial performance.
- Specifically, on 25 March 2015, legal proceedings were served against Myer by a shareholder seeking to bring a group action for itself and on behalf a defined (but unnamed) group of shareholders. The writ was filed by Portfolio Law Pty Ltd on behalf of Melbourne City Investments Pty Ltd (MCI). MCI alleges loss and damage said to have resulted from a statement made in the context of Myer's full year FY2014 results. Myer strongly denies any and all allegations made against it and intends to vigorously defend itself against the claims. Myer does not presently know the size of the claims, nor can it, based on the information currently available, quantify any potential financial exposure arising from the proceedings. No provision has been recognized at 25 July 2015 in respect of this matter.
- **Dividends** - The payment of dividends on Myer's shares is dependent on a range of factors including Myer's profitability, the availability of cash, capital requirements of the business and obligations under debt instruments. Any future dividend levels will be determined by the Myer board having regard to its operating results and financial position at the relevant time. That said, there is no guarantee that any dividend will be paid by Myer or, if paid, that they will be paid at previous levels. Myer does not intend to pay a dividend for the full year FY2015. The Board's current intention is to declare a dividend following 1H2016, subject to Myer's financial performance in that period.

Appendix B: Key Risks (Cont.)

Regulatory

- From time to time, Myer may be subject to regulatory investigations and disputes, the outcome of which may have a material adverse effect on Myer's operating and financial performance. This may include investigations and disputes by the Australian Taxation Office (ATO), Federal or State regulatory bodies including the Australian Competition and Consumer Commission (ACCC), the Australian Securities & Investments Commission (ASIC) and the Australian Securities Exchange.
- Myer has received from ASIC enquiries relating to Myer's continuous disclosure practices during the period of 1 November 2014 to 18 March 2015. ASIC's enquiries are ongoing and Myer is fully co-operating with ASIC. Myer is confident that it has at all times complied, and continues to comply, with its continuous disclosure obligations.

Risks associated with the Entitlement Offer

- **Dilution** - your percentage shareholding in Myer will be diluted if you do not participate to the full extent in the Entitlement Offer and you will not be exposed to future increases or decreases in Myer's share price in respect of the new shares which would have been issued to you had you taken up your full entitlement.
- **Underwriting Risk -** The underwriting agreement relating to the Entitlement Offer sets out various events, the occurrence of which will entitle the underwriter to terminate the underwriting agreement. Accordingly, there is a risk that the underwriter may terminate its obligations under the underwriting agreement if any such events occur. These events include (but are not limited to):
  - Myer ceases to be admitted to the official list of ASX or Myer's shares cease trading or are suspended from quotation on ASX;
  - Myer or Myer Pty Ltd becomes insolvent;
  - Myer is in default of any of the terms and conditions of the underwriting agreement;
  - any statement in the documents published in connection with the Offer were, at the time of issue, false, misleading or deceptive (including by way of omission) or likely to mislead or deceive or a matter required to be included was omitted from those documents;
  - there is an adverse change or effect in or affecting the business, operations, prospects, management, financial position, earnings position or shareholders' equity of the Myer group (taken as a whole) from the documents published in connection with the Offer on announcement of the Entitlement Offer or otherwise disclosed to ASX prior to the date of the underwriting agreement;
  - the S&P/ASX 200 Index falls by 10% or more between the announcement date and 3.00pm on the institutional settlement date; and
  - ASIC makes a determination, exemption or order which would prevent Myer from making the Entitlement Offer under section 708AA of the Corporations Act (as modified by ASIC Class Order 08/35).
- The ability of the underwriter to terminate the underwriting agreement in respect of some events will depend on whether the event (in the reasonable opinion of the underwriter):
  i) has, or is likely to have, a material adverse effect on the success or settlement of the Entitlement Offer, the ability of the underwriter to market or promote or settle the Entitlement Offer, or the likely price at which New Shares will trade on ASX; or
  ii) has given, or is likely to give, rise to the underwriter contravening, being involved in a contravention of, or incurring a material liability under, contract, the Corporations Act, or any other applicable law or otherwise as a result of the event.

Appendix B: Key Risks (Cont.)

General risks

The business activities of Myer are subject to various general economic and investment risks that may impact on the future performance of Myer. These risk factors include, but are not limited to those summarised below.

- **Changes in law or government policy** - Myer is required to comply with a range of laws and government policies, including in relation to fair trading and consumer protection, privacy, employment, property, environment and customs, tariffs and taxation. Changes in law or government policy could have a significant influence on the financial and operational performance of Myer and could adversely impact returns to investors.
- **Investment in capital markets** - as with all stock market investments, there are risks associated with an investment in Myer. Securities listed on the stock market, can experienced price and volume fluctuations that may be unrelated to the operating performances of such companies. These factors may materially affect the market price of Myer's shares regardless of Myer's performance. The price of Myer's shares might trade below or above the Offer Price for the New Shares.
- **Accounting standards** - Australian accounting standards are set by the Australian Accounting Standards Board (AASB). Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in Myer's financial statements.
- **General economic risks** - the operating and financial performance of Myer is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates and exchange rates, supply and demand, industrial disruption, access to debt and capital markets and government fiscal, monetary and regulatory policies. Changes in general economic conditions may result from many factors including government policy, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters and could adversely impact the operating and financial performance of Myer or the value of Myer shares.

Appendix C: Key assumptions adopted in preparing forward looking statements

- No material change in the competitive environment in which Myer operates
- No significant deviation from current market expectations of global or local Australian economic conditions (including financial market stability) relevant to Myer
- No material changes in Commonwealth, State or local government legislation (including tax legislation), regulatory requirements or government policy
- No material business acquisitions or disposals, excluding the rationalisation of up to 20% of the footprint
- Key personnel, particularly the senior management team, are retained and Myer maintains its ability to recruit and retain required personnel
- Continued online sales growth, in line with the recent trend
- Successful roll-out of selected concessions in Myer department stores
- Sales transferred from reduced footprint to remaining stores in line with historical assumptions
- Implementation of a tighter mark-down policy

There is a risk that one or more of these key assumptions may prove incorrect, which may affect whether the forward looking statements are achieved

Please also refer to 'Key Risks' in Appendix B. To the extent that one or more of those key risks are realised, that may adversely affect whether the forward looking statements are achieved.

Appendix D: Selling restrictions

This Presentation does **not** constitute an offer of New Shares in any jurisdiction in which it would be unlawful.

New Shares may **not** be offered or sold in any country outside of Australia except to the extent permitted below.

Canada (British Columbia, Ontaria and Quebec provinces)

- This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such New Shares.
- This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus and Registration Exemptions*, of the Canadian Securities Administrators
- No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of New Shares and any representation to the contrary is an offence
- No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the New Shares
- The Company, and the directors and officers of the Company, may be located outside Canada, and as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada, and as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.
- Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars
- *Statutory rights of action for damages or rescission*
  - Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defenses contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.
  - The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the New Shares purchased pursuant to this document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act (Ontario) provides that, if this document contains a misrepresentation, a purchaser who purchases the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased the New Shares with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of the New Shares as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which the New Shares were offered.

Appendix D: Selling restrictions (Cont.)

  - Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have

- *Certain Canadian income tax considerations.* Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces

- *Language of documents in Canada.* Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

European Economic Area (Austria, Belgium, Denmark, Germany, Luxembourg and Netherlands)

- The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to publish a prospectus for offers of securities

- An offer to the public of New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in the Relevant Member State:

  - to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;

  - to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);

  - to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"); or

  - to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

France

- This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 *et seq.* of the General Regulation of the French Autorité des marchés financiers ("AMF"). The New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France

- This document and any other offering material relating to the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation

- Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code

Appendix D: Selling restrictions (Cont.)

Hong Kong

- WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO)
- No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities
- The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice

Ireland

- The information in this document does not constitute a prospectus under any Irish laws or regulations and this document has not been filed with or approved by any Irish regulatory authority as the information has not been prepared in the context of a public offering of securities in Ireland within the meaning of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005, as amended (the "Prospectus Regulations"). The New Shares have not been offered or sold, and will not be offered, sold or delivered directly or indirectly in Ireland by way of a public offering, except to "qualified investors" as defined in Regulation 2(l) of the Prospectus Regulations

Italy

- The offering of the New Shares in the Republic of Italy has not been authorized by the Italian Securities and Exchange Commission (Commissione Nazionale per le Società e la Borsa, "CONSOB") pursuant to the Italian securities legislation and, accordingly, no offering material relating to the New Shares may be distributed in Italy and the New Shares may not be offered or sold in Italy in a public offer within the meaning of Article 1.1(t) of Legislative Decree No. 58 of 24 February 1998, as amended ("Decree No. 58"), other than:
  - to qualified investors ("Qualified Investors"), as defined in Article 100 of Decree No. 58 by reference to Article 34-ter of CONSOB Regulation no. 11971 of 14 May 1999, as amended ("Regulation No. 1197l"); and
  - in other circumstances that are exempt from the rules on public offer pursuant to Article 100 of Decree No. 58 and Article 34-ter of Regulation No. 11971.
- Any offer, sale or delivery of the New Shares or distribution of any offer document relating to the New Shares in Italy (excluding placements where a Qualified Investor solicits an offer from the issuer) under the paragraphs above must be:
  - made by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993 (as amended), Decree No. 58, CONSOB Regulation No. 16190 of 29 October 2007 (as amended) and any other applicable laws; and
  - in compliance with all relevant Italian securities, tax and exchange controls and any other applicable laws
- Any subsequent distribution of the New Shares in Italy must be made in compliance with the public offer and prospectus requirement rules provided under Decree No. 58 and the Regulation No. 11971, unless an exception from those rules applies. Failure to comply with such rules may result in the sale of such New Shares being declared null and void and in the liability of the entity transferring the New Shares for any damages suffered by the investors

Appendix D: Selling restrictions (Cont.)

Japan

-The New Shares have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors. Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect

Malaysia

This document may not be distributed or made available in Malaysia. No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of the New Shares. The New Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the FMC Act and the Securities Act (Overseas Companies) Exemption Notice 2013.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or

is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Norway

- This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007
- The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation)

Appendix D: Selling restrictions (Cont.)

Singapore

- This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA
- This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore
- Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly

Switzerland

- The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations
- Neither this document nor any other offering or marketing material relating to the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA)
- This document is personal to the recipient only and not for general circulation in Switzerland

Appendix D: Selling restrictions (Cont.)

United Kingdom

- Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom
- Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company
- In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents

United States

- This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States.
- The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 (the “Securities Act”) or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, to persons in the United States or persons that are acting for the account or benefit of a person in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction in the United States.
- This Presentation may not be released or distributed in the United States.