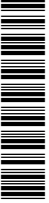


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8 September 2015

Dear Shareholder

**MYER HOLDINGS LIMITED - ENTITLEMENT OFFER
NOTIFICATION TO INELIGIBLE SHAREHOLDERS**

On 1 September 2015, Myer Holdings Limited (**Myer**) announced that it was seeking to raise new equity capital through a 2 for 5 pro-rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) of new fully paid ordinary shares (**New Shares**) in Myer at a fixed offer price of A\$0.94. The Entitlement Offer is fully underwritten by Goldman Sachs Australia Pty Ltd (**Goldman Sachs**). The Entitlement Offer is being made without a prospectus in accordance with section 708AA of the Corporations Act 2001 (Cth) (as modified by Class Order [CO 08/35]).

This letter is to inform you about the Entitlement Offer, and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue entitlements or New Shares to you, nor an invitation for you to apply for entitlements or New Shares. You are not required to do anything in response to this letter.

DETAILS OF THE INSTITUTIONAL ENTITLEMENT OFFER

On 3 September 2015, Myer announced that it had successfully completed the institutional component of the Entitlement Offer (**Institutional Entitlement Offer**). Through the Institutional Entitlement Offer Myer has now raised a total of approximately A\$99 million. After completion of the retail component of the Entitlement Offer (**Retail Entitlement Offer**), which is expected to raise approximately A\$122 million, the total amount raised will be approximately A\$221 million.

The net proceeds of the Entitlement Offer will be used to reduce core debt to provide balance sheet flexibility for the New Myer strategy.

Eligible institutional shareholders are those who:

- (a) were registered as an existing Myer shareholder as at 7.00pm (Melbourne time) on 4 September 2015 (**Record Date**);
- (b) had a registered address on the Myer share register in Australia, New Zealand, Canada (Alberta, Ontario, Quebec), the European Economic Area (Belgium, Germany, Netherlands, Luxembourg), France, Hong Kong, Ireland, Italy, Japan, Malaysia, Norway, Singapore, Switzerland and the United Kingdom;
- (c) were not in the United States and if any such shareholder outside the United States is acting on behalf of a beneficial owner in the United States, it is only an "Eligible Institutional Shareholder" if its buy order is originated outside the United States and constitutes an "offshore transaction" within the meaning of Regulation S under the U.S. Securities Act of 1933;
- (d) were eligible under all applicable securities laws to receive an offer under the Institutional Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered,

and received an offer from or on behalf of Myer under the Institutional Entitlement Offer (**Eligible Institutional Shareholders**).

Concurrently with the Institutional Entitlement Offer, Myer offered New Shares to certain eligible shareholders in the United States pursuant to a U.S. private placement.

DETAILS OF THE RETAIL ENTITLEMENT OFFER

The Retail Entitlement Offer is being made to Eligible Retail Shareholders (as defined below), on the basis of 2 entitlements to subscribe for New Shares for every 5 existing Myer shares held as at 7.00pm (Melbourne time) on the Record Date (**Entitlement**). Eligible Retail Shareholders will be able to take up their Entitlement as well as apply for additional New Shares. Further details about the Retail Entitlement Offer are set out in an offer booklet relating to the Retail Entitlement Offer (**Retail Offer Booklet**), which has today been lodged with the Australian Securities Exchange (**ASX**) and is currently being despatched to Eligible Retail Shareholders.

Shareholders who are eligible to participate in the Retail Entitlement Offer (**Eligible Retail Shareholders**) are those who:

- (a) are registered as an existing Myer shareholder as at 7.00pm (Melbourne time) on the Record Date;
- (b) have a registered address on the Myer share register in Australia or New Zealand;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States (except to the extent such persons hold Myer ordinary shares for the account or benefit of a person in the United States);
- (d) were not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer; and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

ELIGIBILITY CRITERIA

The restrictions upon eligibility to participate in the Entitlement Offer are because of the legal and regulatory requirements in certain countries, the relatively small number of shareholders in those countries, the small number of shares they hold, the relatively low value of New Shares to which those shareholders would otherwise be entitled and the potential cost of complying with those legal and regulatory requirements in those countries. Myer has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3) of the Corporations Act 2001 (Cth) (**Corporations Act**), that it would be unreasonable to make offers under the Entitlement Offer to shareholders of Myer in countries other than Australia and New Zealand and, in respect of the Institutional Entitlement Offer, certain additional countries (see paragraph (b) of the definition of Eligible Institutional Shareholder above), due to the legal limitations and potential cost of complying with regulatory requirements in those countries.

Shareholders who were not Eligible Institutional Shareholders and are not Eligible Retail Shareholders are ineligible to participate in the Entitlement Offer.

Unfortunately, according to our records, you did not satisfy the eligibility criteria for an Eligible Institutional Shareholder and do not satisfy the eligibility criteria for an Eligible Retail Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3) of the Corporations Act, Myer wishes to advise you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for New Shares under the Entitlement Offer.

This notice is to inform you about the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. You are not required to do anything in response to this letter.

If you have any questions in relation to any of the above matters or if you believe that you are eligible to participate in the Entitlement Offer, please contact the Myer Shareholder Information Line on 1300 722 984 (within Australia) or +61 3 9415 4343 (from outside Australia) at any time from 8.30am to 5.30pm (Melbourne Time) during the Retail Entitlement Offer period. You may also wish to contact your stockbroker, accountant or other professional adviser.

On behalf of the Board and management of Myer, thank you for your continued interest in Myer.

Yours sincerely



Paul McClintock
Non-Executive Chairman
Myer Holdings Limited

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This letter is issued by Myer. This letter is not a prospectus or offer document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in Myer in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of Myer shares. No action has been, or will be, taken to register any offer or otherwise permit a public offering of securities outside Australia and New Zealand. This letter may not be released or distributed in the United States.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The entitlements and the New Shares offered in the Entitlement Offer have not been, and will not 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. Accordingly, the entitlements may not be taken up by persons in the United States and the New Shares may not be offered or sold in the United States, unless they have been registered under the U.S. Securities Act or are offered or sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The entitlements and the New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.