

# MYER

## ASX Release

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For immediate release – 4<sup>th</sup> August 2009

### Myer Group to advance review of possible IPO

- **39 MONTHS INTO THE 50 MONTH TURNAROUND PHASE**
- **SOLID Q4 SALES AND TURNAROUND PROGRESS AHEAD OF SCHEDULE**
- **MYER TO ADVANCE REVIEW OF IPO TIMING**
- **BOARD CHANGES IN ANTICIPATION OF LISTING**
- **MYER REAFFIRMS COMMITMENT TO GROWTH STRATEGY**

The ongoing trend of performance improvement across a range of business metrics and a continued strengthening of sales and profit performance in the 4<sup>th</sup> quarter, has encouraged the owners of Myer to begin a review process that may result in an IPO in the near term, potentially this calendar year.

As part of this review process and acknowledging the need to provide a long-term commitment to the next phase of the Company's re-emergence, Bill Wavish has advised that he will step down as Executive Chairman of Myer and as a Director of Myer effective immediately. Bill has advised the Board that he believes any potential re listing would require an extended commitment and involvement beyond his initial commitment to the business and has decided to step down from his roles.

CEO Bernie Brookes said "Bill's significant contribution to the progress of the Myer business through the Turnaround Phase of the business is widely acknowledged. While he has elected to scale back from his full time commitment it has been mutually agreed that he will be retained in a non-executive capacity for a further twelve months to July 2010 as a consultant to Myer management to provide his invaluable input through the transition from the Turnaround Phase to the Growth Phase."

"Bill will retain an office in Myer Sydney and will continue to make a major contribution to the store improvement programme covering service, efficiency, presentation and rostering involving all in-store projects."

Bill Wavish said "In the year FY July 09 just completed, we have achieved our acquisition goal to raise EBIT to sales from below 2 cents in the Dollar to over 7 cents in the Dollar. While some Turnaround projects remain to be completed such as the new Point-of-Sale, CCTV, the new Support Centre, and the rebuilt Melbourne store significant progress has been made on all fronts. We have also made significant progress on reducing costs, improving margins and driving stronger in-store performance and have made very substantial progress in the remaining turnaround projects. The completion of these remaining projects will permanently cement the Turnaround goals we set for the business. Based in Sydney I will continue to assist in driving in-store improvements". "It will mean that after more than three years of commuting from my home in Sydney to work in Melbourne, I will be able to remain in Sydney with my wife and nine year old daughter."

“Bernie Brookes and I are very pleased with the success of the Turnaround Phase. In the ensuing Growth Phase from FY11 and beyond, I wish Bernie and his team every success. Most of the building bricks for growth in the form of signed leases for new stores are already in place or will be put in place over the next year and I am confident that with the Turnaround Phase behind them this sets the basis of a wonderful future for Myer.”

Howard McDonald has been appointed as Non Executive Chairman of Myer. Mr McDonald has had a direct association with the Myer business over the past three years and has worked as a director closely with Bill and Bernie throughout this time. Bernie Brookes said “His appointment ensures a seamless transition both in the role of Chairman and also the transition to a potential listing of the business. Mr McDonald brings significant retail and fashion as well as IPO experience to the Myer business.”

Howard McDonald said “I want to thank Bill for his tremendous contribution to the Myer business to date. We are fortunate to be able to continue to have his input particularly on in store improvement opportunities but also more generally from a retail perspective across the business. I and the rest of the Board wish Bill and his family well for the future”

Bernie Brookes said “Bill and I have been driving change at a rapid rate. When the history of the last three years at Myer is written covering the permanent turnaround of the iconic Myer business it will recognise Bill as a great architect of the new Myer financial and cultural foundation. I am very pleased that Bill will continue to be available to assist in a variety of areas”

Dan Carroll of TPG Capital said “Bill has made an extraordinary contribution to the turnaround of Myer over the last three years and we thank him for his great service and his continued involvement in the business as a consultant. We look forward to working closely with Howard McDonald as Non-Executive Chairman.”

Bill, aged 61, will retire and intends to pursue his family investment and not-for-profit interests. This includes his involvement as a Founding Director of Australian Age of Dinosaurs, which recently announced the discovery of three new-to-science dinosaurs, as well as Bill and Von Wavish's focus on Aboriginal welfare

Whilst the review process has commenced, any decision to list will be made by TPG Capital, The Myer Family Company and Blum Capital having regard to market conditions, potential demand for alternative ownership and other factors. As a result there is no certainty that an IPO will occur, and no assurance can be given about the timing of any IPO. If an IPO occurs, a disclosure document will be made available when the relevant securities are offered and anyone who wishes to acquire securities in the IPO will need to complete the application form in the disclosure document.

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**Notes to Editors:**

Mr Howard McDonald has been a Director of the Myer Group since October 2006. Howard was Managing Director of The Just Group from December 1997 to September 2006, during which time he re-positioned and expanded the Group. In 2001, he led the Just Jeans Group into Australia's first public to private MBO and in May 2004, Just Group was listed on the ASX. Just Group Ltd is the largest specialty apparel retailer in Australasia with over 800 stores. Its stable of brands includes Just Jeans, Jay Jays, Jacqui E, Portmans, Peter Alexander and Dotti.

Prior to this, Howard held a number of roles within the Pacific Dunlop Group across Footwear, Clothing and Textiles and Corporate. Some of Howard's achievements during this time include internationalising the Sheridan Bedlinen business into Asia, the USA and Europe; and heading up Corporate Affairs for Pacific Dunlop, where he sat on all the Management Boards of this diversified conglomerate. Howard's time at Pacific Dunlop culminated in the role of Managing Director of the Pacific Brands Clothing operations, where he focussed on off shore manufacturing, international marketing and textile manufacturing, managing brands such as Bonds, Holeproof, Berlei, Jockey and others.

Howard holds a Bachelor of Economics degree from Monash University and is a member of the Australian Institute of Company Directors.