

MYER

ASX & Media Release

H1 FY10 sales up 2%

H1 FY10 EBIT expected to exceed 10% growth

Thursday 4th February 2010

Myer Holdings Limited (MYR) today reported total sales revenue for the first half of FY10 to 23 January 2010 of \$1,797m, up 2% compared to the corresponding period last year. On a “like-for-like” basis, sales for the first half grew by 1.2%. EBIT for the first half of FY10 is expected to increase by more than 10% over the corresponding period last year, in excess of the prospectus guidance for EBIT growth of 5.6%.

Total sales revenue for the second quarter of FY10 was flat on the previous corresponding period. This followed sales growth in the first quarter of 5.2%. Like-for-like sales were strong in the months of November 2009 and in particular January 2010, however were negative in December 2009 reflecting both the very challenging pre-Christmas trading environment in which consumers delayed purchases in anticipation of the post-Christmas sale period and the anniversary of the first Federal Government stimulus package.

The strongest performing states were Victoria, New South Wales, South Australia, the Australian Capital Territory, and Tasmania. All categories performed above last year with the exception of Electrical, which benefited from last year’s Government stimulus.

The period leading up to Christmas 2009 was characterised by earlier and deeper discounting in the retail sector than has been evident for many years. Despite this backdrop, Myer is now expected to deliver strong EBIT growth, in excess of 10% for the first half, and a continuing improvement in EBIT to sales margin. The business finished the period with a clean inventory position and a strong cash position.

Myer confirmed that it is on track to achieve pro forma full year prospectus EBIT of \$261m in FY10.

Bernie Brookes, Chief Executive of Myer, said:

“Against a backdrop of unprecedented early and deep discounting in the retail sector in the run up to Christmas, we now expect to achieve growth in EBIT in excess of 10% for the first half, and a continuing improvement in EBIT to sales margin. This reflects a continued disciplined approach to running the business – an ongoing focus on cost control, and rigorous inventory management.

“While sales in the December month were disappointing, the business performed very strongly in January and the Stocktake sale was a great success. Customers have responded very well to our range of Myer Exclusive Brands including Wayne by Wayne Cooper and NF by Nicola Finetti, which offer customers fashionability at accessible price points.

“We were particularly pleased with the sales uplift resulting from investment in store refurbishments and the visual merchandising program, Project Batman. Sydney, Castle Hill, Blacktown and Doncaster delivered standout performances. We are about to commence work on our Eastland, Marion and Canberra stores.”

“Our new store opening and refurbishment program, including the rebuild of Myer Melbourne and the development of new full size stores in Top Ryde in NSW and Robina in QLD are on track and progressing well. Following a solid performance in the first half, we remain confident of delivering EBIT of \$261m for the full year.”

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EBIT as reported, excludes costs associated with the Initial Public Offer.

The sales figures quoted in this release represent revenue from the sale of goods including concession sales, but prior to any adjustment for the deferral of sales revenue required to be made under the Accounting Standards in relation to our customer loyalty program.

This release includes “forward-looking statements” within the meaning of securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “believe”, “continue”, “objectives”, “outlook”, “guidance” or other similar words, and include statements regarding certain plans, strategies and objectives of management and expected financial performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Myer, and its officers, employees, agents or associate. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Readers are cautioned not to place undue reliance on forward-looking statements and Myer assumes no obligation to update such information.