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AUSTRALIAN STOCK EXCHANGE



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FAX HEADER

DATE: 5 NOVEMBER 2002
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PAGES: 3 (Including header page)

MESSAGE:

MEDIA RELEASE

Neil Borman
Company Secretary

Media Release

November 5 2002

The New South Wales' Department of Fair Trading ("DFT") has applied to the Supreme Court for an order that Youngdown Pty Limited ("Youngdown"), a 100 per cent subsidiary of Miller's Retail Limited ("Miller's Retail"), be prevented from selling toys and certain other products including those for which there are prescribed standards under the Fair Trading Act ("the Act"). Those products include candles, candle holders, some lines of children's clothing and sunglasses.

The application affects 99 discount variety stores in NSW trading under the "Go Lo" and "Crazy Prices" brands. These stores were acquired by Miller's Retail between May 2000 and June 2001. Miller's Retail operates 978 retail stores across Australia.

In October and November 2001, the DFT raised concerns about Youngdown's compliance with certain prescribed standards under the Act. Youngdown worked to address the concerns in conjunction with the steps it was already taking to integrate the business into Miller's Retail. In February 2002, Youngdown voluntarily entered into a number of consent orders. The consent orders, in effect, embodied an agreement between Youngdown and the DFT about the company's obligations to ensure compliance with certain prescribed standards under the Act.

Youngdown appointed a Compliance Manager with responsibility to take all steps to ensure that products delivered to Go-Lo stores comply with the prescribed standards under the Act. The Compliance Manager is supported by a Compliance Inspector Team Leader, two Compliance Inspectors and an Administrative Assistant. Recently, compliance has been bolstered by the appointment of a Risk Manager into the management structure. Youngdown has engaged PricewaterhouseCoopers' Global Compliance and Regulations partner as Chief Compliance Officer, with the responsibility of overseeing regulatory

compliance of Miller's Retail's subsidiary companies including Youngdown. The company has also retained Freehills to provide advice on the compliance programs.

Youngdown's Managing Director, Mr Stewart James, said the company was extremely disappointed the DFT had taken this legal action.

"We will strenuously defend the application and strongly believe it will not be successful.

"Since the DFT raised concerns with us last year, we have done an enormous amount to put in place effective compliance programs. Our customers are our highest concern and regulatory compliance is firmly embedded in Youngdown's culture.

"We have been working to put in place the compliance systems across a product range of more than 11,000 items of merchandise. This is an ongoing process and, while we're not perfect yet, we believe we have demonstrated a real and continuing commitment.

"We have made significant progress in entrenching an effective regime and have independent advice that our compliance systems and processes are equal to if not better than those of comparable organisations," Mr James said.

"During the year, Youngdown has engaged independent professionals to advise on the establishment, implementation and review of product compliance systems. It has detailed compliance procedures that operate at the points of wholesale supply, distribution to stores and retail supply. The procedures create a cumulative series of compliance checks."

No date for the hearing has yet been set.

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