

**ASX AND MEDIA RELEASE**

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For Immediate Distribution

30 January 2014

DAVID JONES RESPONSE TO MEDIA COMMENTARY

David Jones today responded to various media commentary following a speculative article in today's "Street Talk" column in the Australian Financial Review. The article speculated that Myer could approach David Jones in respect of a "union" by way of an all scrip deal at "a ratio of 1.4 Myer shares for every David Jones share."

If David Jones is approached with a proposal which is in the best interests of its shareholders and has the prospect of realising value for them, David Jones will inform its shareholders in accordance with its listing rule obligations. David Jones is not currently in discussions with Myer in relation to any such proposal.

David Jones was previously approached in respect of a possible merger with Myer. On 28 October 2013, David Jones received an invitation from Myer on a confidential, conditional, non-binding and indicative basis to engage in discussions to investigate the potential for David Jones to propose to its shareholders a scheme of arrangement, under which their David Jones shares would be acquired by Myer in exchange for Myer shares at a zero premium exchange ratio (1.06 shares in Myer for each David Jones share, based on the respective last 12 month VWAPs at that time).

The invitation included a request from Myer that David Jones provide due diligence access and information to Myer.

The David Jones Directors considered Myer's invitation with the company's advisers and formed the view that the invitation should be rejected shortly after it was received. The Board formed the view that the potential transaction did not have sufficient merit for David Jones shareholders to warrant engaging in discussions and providing the access and information requested by Myer.

The potential transaction to be discussed did not include any premium for David Jones shareholders. It involved Myer stock only as consideration.

The execution and implementation of any such transaction would have substantial commercial, market, business and regulatory risks (including the ACCC review process). It would involve the diversion of company resources over a lengthy period with great uncertainty as to the final outcome and the potential to result in diminution of value of the David Jones business.

The David Jones Board believed that the potential transaction did not represent sufficient value for David Jones shareholders. Accordingly, the Board declined Myer's invitation.

ENDS**FOR FURTHER INFORMATION CONTACT:**

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David Jones Limited (ASX:DJ) is pleased to announce that it has received a conditional offer from the Government of Western Australia (WA) to acquire 100% of the issued capital of the WA Government's 100% owned subsidiary, David Jones WA Pty Ltd (DJWA). The offer is subject to the approval of the WA Government and the completion of certain conditions.

The offer is a cash offer and is expected to be completed by the end of the month. The acquisition of DJWA will enable David Jones to expand its presence in the Western Australian market and provide a wider range of products and services to its customers.

David Jones Limited is a listed company on the Australian Securities Exchange (ASX) and is a member of the ASX 100. The company is a leading retailer of clothing, footwear, and accessories in Australia.

For more information, please contact the David Jones Media and Investor Relations team on 0404 045 325 or hkarlis@davidjones.com.au.

The acquisition of DJWA is a strategic move for David Jones Limited and is expected to be a significant addition to its portfolio of businesses.

David Jones Limited is committed to providing its customers with the highest quality products and services and is confident that the acquisition of DJWA will enable it to do so.

The acquisition of DJWA is a key part of David Jones Limited's growth strategy and is expected to be a significant milestone in the company's history.

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