



18 June 2014

The Manager
Company Announcements Platform
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/ Madam

**PROPOSAL TO ACQUIRE YOUR DAVID JONES SHARES BY WOOLWORTHS HOLDINGS LIMITED
(SOUTH AFRICA) AT A\$4.00 CASH PER SHARE**

We advise that David Jones (ASX: DJS) has today sent the attached letter to Shareholders regarding the above.

Yours sincerely,

Susan Leppinus
Company Secretary
David Jones Limited

DAVID JONES

David Jones Limited A.C.N. 000 074 573
A.B.N. 75 000 074 573



18 June 2014

Dear shareholder,

PROPOSAL TO ACQUIRE YOUR DAVID JONES SHARES BY WOOLWORTHS HOLDINGS LIMITED (SOUTH AFRICA) AT A\$4.00 CASH PER SHARE

On 9 April 2014 the Board of David Jones Limited (David Jones) announced that South African based retail group, Woolworths Holdings Limited has offered to buy all of the issued shares of David Jones at a price of A\$4.00 cash per share by way of a Scheme of Arrangement ("Woolworths Proposal").

By now you should have received a David Jones Scheme Booklet setting out the details of the Woolworths Proposal and next steps for you as a shareholder. The Woolworths Proposal requires the approval of both David Jones' and Woolworths' shareholders. David Jones shareholders will have the opportunity to vote on the Woolworths Proposal at the Scheme Meeting to be held on 30 June 2014 at The Wesley Centre, 220 Pitt Street Sydney. For further details on how to vote please refer to the "How to Vote" section on page 2 of this letter.

As at the date of this letter, Woolworths has obtained approval from its shareholders to proceed with its proposed acquisition of David Jones, as well as the approval of the Australian Foreign Investment Review Board and The South African Reserve Bank. The Woolworths Proposal remains subject to approval by David Jones shareholders and the Federal Court.

Woolworths' Proposal to pay David Jones shareholders A\$4.00 cash per share represents a substantial premium to the David Jones share price prior to the Woolworths offer.

The Board of David Jones engaged an Independent Expert, Grant Samuel & Associates Pty Limited, to review the Woolworths Proposal. A copy of the Independent Expert's Report is included in the Scheme Booklet sent to you. The Independent Expert has concluded that in the absence of a superior proposal the Woolworths Proposal is fair and reasonable and in the best interests of David Jones Shareholders. The Independent Expert has assessed the full underlying value of David Jones as between A\$3.73 and A\$4.14 per share. The Woolworths Proposal of A\$4.00 cash per David Jones share is well within this range.

Importantly the Independent Expert has stated in its report that "in the absence of the Woolworths Offer or any alternative offerit is likely that, under current market conditions, David Jones shares would trade at prices well below \$4.00."

The David Jones Board unanimously recommends that in the absence of a superior proposal, David Jones shareholders vote in favour of the Woolworths Proposal. As at the date of this letter no superior proposal has emerged, accordingly the David Jones Directors intend to vote all the David Jones Shares held or controlled by them in favour of the Woolworths Proposal.

**DAVID
JONES**

David Jones Limited A.C.N. 000 074 573
A.B.N. 75 000 074 573



YOUR VOTE IS IMPORTANT

If you have already voted and do not wish to change your vote, you do not need to take any action. If you have not yet voted, or have submitted a proxy but wish to change your vote, then for your convenience we have enclosed an additional proxy form. You may either complete and return the enclosed proxy form, or otherwise vote as explained below.

You should read the Scheme Booklet before deciding how to vote.

HOW TO VOTE

You can vote:

- In person, by attending the Scheme Meeting at the Wesley Conference Centre, 220 Pitt Street, Sydney at 10:00am on Monday, 30 June 2014;
- By appointing a proxy or attorney to attend the Scheme Meeting and vote on your behalf:
 - by lodging a proxy online via www.investorvote.com.au;
 - by mailing the enclosed proxy form to Computershare Investors Services Pty Limited, GPO Box 242 Melbourne Victoria 3001;
 - by faxing the enclosed proxy form to 1800 783 447 (within Australia) and +61 3 9473 2555 (outside Australia); or
 - by hand delivering the enclosed proxy form to the David Jones Share Registry at Level 4, 60 Carrington Street, Sydney NSW 2000.

Full details on how to submit your vote are set out in the Scheme Booklet. To be valid, a proxy vote must be received by the David Jones Share Registry by 10:00am (Sydney time) on Saturday, 28 June 2014, other than proxies delivered by hand which must be received by the David Jones Share Registry by 5:00pm (Sydney time) on Friday, 27 June 2014.

If you have not yet received your copy of the Scheme Booklet or have any further questions, please contact the David Jones Shareholder Information Line on 1300 580 123 (from within Australia) or (+ 613) 9415 4339 (from outside Australia).

Yours Sincerely

Gordon Cairns
Chairman
David Jones Limited

**DAVID
JONES**

DAVID JONES

ABN 75 000 074 573

Lodge your proxy form:



Online:

www.investorvote.com.au



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

In Person:

Scheme Meeting Proxy Forms returned by hand must be received by 5.00pm (Sydney time) Friday, 27 June 2014
Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
Sydney NSW 2000

By Fax:

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 580 123
(outside Australia) +61 3 9415 4339

Scheme Meeting Proxy Form



Lodge your proxy online or view the Notice of Scheme Meeting and Scheme Booklet,
24 hours a day, 7 days a week:

www.investorvote.com.au

- Lodge your proxy online
- Access the Notice of Scheme Meeting and Scheme Booklet
- Review and update your shareholding

Your secure access information is:

Control Number: 999999

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10.00am (Sydney time) on Saturday, 28 June 2014, other than proxy forms delivered by hand which must be received by 5.00pm (Sydney time) on Friday, 27 June 2014.

How to Vote on the Item of Business

All your shares will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking the box opposite the item of business. If you do not mark the box your proxy may vote as they choose. If you mark more than one box on the item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of shares you wish to vote in the For, Against or Abstain box. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you should use the same Scheme Meeting Proxy Form to appoint both proxies and you must specify the percentage of votes or number of shares for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of shares for each in Step 1 overleaf.

Default to the Chairman of the Scheme Meeting: If your appointed proxy does not attend the Scheme Meeting, then the proxy appointment will automatically default to the Chairman of the Scheme Meeting. Also, any directed proxies that are not voted on a poll at the Scheme Meeting will automatically default to the Chairman of the Scheme Meeting who is required to vote proxies as directed on a poll.

A proxy need not be a shareholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the shareholder must sign.

Joint Holding: Where the holding is in more than one name, all of the shareholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate shareholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

GO ONLINE TO LODGE YOUR PROXY, or turn over to complete the form to appoint a proxy →



Change of address. If incorrect, mark this box and make the correction in the space to the left. Shareholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of David Jones Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Scheme Meeting of David Jones Limited to be held at the Wesley Conference Centre, 220 Pitt Street, Sydney NSW 2000 on Monday, 30 June 2014 at 10.00am (Sydney time) and at any adjournment of that meeting.

STEP 2 Item of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Scheme Resolution

That, pursuant to and in accordance with the provisions of section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between David Jones Limited and the holders of its ordinary shares, as contained in and more particularly described in the Scheme Booklet of which the notice convening this meeting forms part, is approved, with or without alterations or conditions as approved by the Federal Court of Australia to which David Jones Limited, Vela Investments Pty Ltd and Woolworths Holdings Limited agree.

For Against Abstain

The Chairman of the Meeting intends to vote undirected proxies in favour of the item of business.

SIGN Signature of Shareholder(s) *This section must be completed.*

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / /