



**ASX AND MEDIA RELEASE**

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**For Immediate Distribution**

**2 July 2014**

## **DAVID JONES CONFIRMS SCHEME MEETING DATE OF 14 JULY 2014 AND PROVIDES SUPPLEMENTARY DISCLOSURE**

David Jones has today released Supplementary Disclosure to update shareholders on recent events that may be relevant to their vote on the Woolworths Holdings Limited proposal to acquire all issued David Jones shares at A\$4.00 cash per share (WHL Proposal). A copy of the Supplementary Disclosure, together with a supplementary letter from the Independent Expert, is attached to this announcement. The Independent Expert has maintained the conclusion that the Scheme is fair and reasonable and, therefore, is in the best interests of David Jones Shareholders, in the absence of a Superior Proposal.

Printed copies of the Supplementary Disclosure will be sent to David Jones shareholders (and those shareholders who have previously nominated an electronic means of notification will be able to access the materials electronically).

The Scheme Meeting, as previously announced, will be held on Monday, 14 July 2014 at the Wesley Conference Centre, 220 Pitt Street, Sydney, commencing at 10.00am. The time for determining eligibility to vote at the Scheme Meeting is 7.00pm on Saturday, 12 July 2014. Signed and completed proxy forms must be received by 10.00am on Saturday, 12 July 2014.

**The David Jones Board continues to unanimously recommend that in the absence of a superior proposal, David Jones shareholders vote in favour of the WHL Proposal.** As at the date of this announcement 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 WHL Proposal.

***Ends.***

**Media Enquiries**

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**Shareholder Enquiries**

Shareholder Information Line  
Computershare  
Within Australia: 1300 580 123  
Outside Australia: +61 3 9415 4339  
Operational Monday to Friday from 9:00 am to  
5:00pm

**DAVID JONES**

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



2 July 14

## David Jones Limited: Scheme Booklet – Supplementary Disclosure

### 1. Update on the Scheme

#### Key points

- Since the issue of the Scheme Booklet, there have been a number of events relevant to David Jones Shareholders which David Jones has informed you of through ASX announcements and letters. The relevant announcements are described in Annexure A. This Supplementary Disclosure outlines further recent events.
- There has been no change to your Directors' recommendation on the Scheme and no change to the Independent Expert's Conclusion on the Scheme, having regard to these recent events.
- The Scheme Meeting is to be held on Monday, 14 July 2014 at the Wesley Conference Centre, 220 Pitt Street, Sydney, commencing at 10:00am.
- Proxy Votes must be submitted by 10:00 am on Saturday, 12 July 2014.
- You should read the Scheme Booklet and this Supplementary Disclosure before voting on the Scheme.

#### 1.1 Background

This document (**Supplementary Disclosure**) follows and supplements the Scheme Booklet dated 22 May 2014 relating to the proposal for the acquisition of all David Jones Shares by Vela Investments, a subsidiary of Woolworths Holdings Limited (**WHL**), by way of scheme of arrangement.

Since that date, there have been a number of events relevant to David Jones Shareholders that David Jones has kept shareholders informed of through announcements to the ASX (described in Annexure A) and letters to Shareholders.

This Supplementary Disclosure is intended to be read with the Scheme Booklet, together with the ASX releases described in Annexure A and the letters which David Jones has sent to Shareholders since the Scheme Booklet was issued. A copy of this Supplementary Disclosure has been provided to ASIC and ASX. Neither ASIC nor ASX nor any of their respective officers takes any responsibility for the contents of this Supplementary Disclosure

#### 1.2 Woolworths A\$4.00 offer under the Scheme is best and final

On 30 June 2014, WHL informed David Jones and its Shareholders that the offer price under the Scheme of A\$4.00 per David Jones Shares is its best and final offer, subject to no Competing Proposal emerging. According to WHL, this means that,

**DAVID  
JONES**



subject to no Competing Proposal emerging, WHL will not increase the offer price under the Scheme.

### **1.3 Interest of companies associated with Mr Solomon Lew in David Jones and Country Road Limited**

David Jones sets out the following details for your information:

- As explained in our letter to Shareholders dated 20 June 2014, Mr Lew acquired a relevant interest in 9.89% of the David Jones Shares on issue.
- David Jones, after making due enquiries, is not aware of any other David Jones Shares that Mr Lew or his associated entities may have an interest in either through derivatives or share loan arrangements.
- Mr Lew also holds an approximate 11.8% stake in Country Road Limited (**Country Road**), an ASX listed company in which WHL is the majority shareholder (holding 87.88%).
- WHL, the bidder for David Jones, made a takeover bid for Country Road in October 1997 at A\$2.00 per share. At that time, Mr Lew had a stake of approximately 10% of Country Road. Mr Lew did not accept that takeover bid, and as a result WHL was not able to reach the 90% required to pursue compulsory acquisition and reach 100% ownership of Country Road.
- Since that time, there have been several public disputes between WHL and Mr Lew in relation to the strategic direction and management of Country Road.
- On 24 June 2014, WHL announced an intention to make a takeover bid for all shares in Country Road which it does not already own, at a price of A\$17.00 per share, conditional on (among other things) the David Jones Scheme becoming effective.
- On 30 June 2014, WHL announced that the offer of A\$17.00 under its bid for Country Road is its best and final offer, which means that WHL will not increase the offer price of A\$17.00. WHL also announced its intention that, upon the David Jones Scheme becoming effective, it will waive the regulatory action and prescribed occurrence conditions to its bid. This will, at that time, leave the bid subject only to the FIRB approval condition – unless FIRB approval has already been obtained by that time.

If Mr Lew chooses to accept the WHL Country Road bid, once that bid becomes unconditional, interests associated with Mr Lew will receive approximately A\$209.2 million in consideration for his Country Road shares. Some media commentary has suggested that A\$17.00 is a generous bid price for Country Road. David Jones is unable to make an assessment on that matter, but draws the following matters to the attention of David Jones Shareholders:



- David Jones has been informed by WHL that, before companies associated with Mr Lew acquired a stake in David Jones, WHL has had an ongoing desire to acquire all of the shares in Country Road which it did not already own. WHL indicated that the acquisition by Mr Lew of shares in David Jones prompted them to launch a takeover bid now rather than at some other time. Further, because WHL sees synergy benefits in owning both David Jones and Country Road (a retail company) and would like to resolve the stalemate with Mr Lew which has existed for 17 years with respect to Country Road, WHL was comfortable that to make the takeover bid for Country Road at this time was in the best interests of WHL's shareholders and delivered the greatest chance of transaction certainty for the Scheme.
- The closing price of Country Road on 23 June 2014, the day before WHL's takeover bid was announced was A\$14.00.
- The highest price at which Country Road shares traded in the 3 months up to and including 23 June 2014 was A\$15.40 and the lowest price was A\$9.80.
- The highest price at which Country Road shares have traded in the past year up to and including 23 June 2014 was A\$15.40 and the lowest price was A\$3.33.
- Due to the very limited free float of shares in Country Road, Country Road shares are extremely thinly traded and therefore may experience greater price volatility than other shares. Because of that thin trading, share prices may not be a reliable guide to the fair value of Country Road shares, and therefore David Jones Shareholders may wish to consider what weight to attribute to the Country Road share price in assessing the opportunity available to Mr Lew under the Country Road takeover bid, should you consider this relevant.

David Jones directors consider that this is a unique set of circumstances, where David Jones' Scheme risks being adversely affected by a long-running stalemate between Mr Lew and WHL in which David Jones has no involvement and which has nothing to do with David Jones. The David Jones' Board does not consider that, if the takeover bid for Country Road had not been made, any of the cash or value offered under the Country Road takeover bid would instead have been offered to David Jones Shareholders. David Jones considers the fact that the takeover bid has been made for Country Road is positive for David Jones Shareholders in that, consistent with views expressed publicly by several large David Jones Shareholders, they hope the fact that a takeover bid has been made for Country Road might lessen the risk to the David Jones Scheme.

As noted in section 1.5 below, the Independent Expert has considered these facts and confirmed that it remains of the view that the Scheme is fair and reasonable and,



therefore, in the best interests of David Jones Shareholders, in the absence of a superior proposal.

Further, the David Jones Board continues to unanimously recommend that, in the absence of a Superior Proposal, David Jones Shareholders vote in favour of the Scheme.

ASIC has queried with David Jones and WHL whether the WHL Country Road bid is a benefit that is intended or likely to induce Mr Lew to vote in favour of the Scheme or to dispose of his David Jones Shares, in circumstances where that benefit is not offered to all David Jones Shareholders.

David Jones considered it appropriate to bring these matters to your attention for your consideration, notwithstanding that the David Jones Board continues to unanimously recommend that in the absence of a Superior Proposal, David Jones Shareholders vote in favour of the Scheme.

Despite the David Jones Board's recommendation and Independent Expert's conclusion, you might consider it unfair that Mr Lew, as a Country Road shareholder, has an offer under the takeover bid for his Country Road shares which very substantially exceeds some recent trading prices of Country Road shares and might exceed the fair value of those shares, the timing of which appears to have been affected by his acquisition of a stake in David Jones, and you may consider this a reason to vote against the Scheme.

If, on the other hand, you are concerned at the risk that Mr Lew will vote against the Scheme, you may consider this a reason to vote in favour of the Scheme, to seek to maximise the chance of the Scheme vote being passed if Mr Lew votes against it. In relation to Mr Lew's voting intentions, David Jones has requested Mr Lew not to vote the shares noted above in the David Jones Scheme, but to-date Mr Lew has not provided any indication of his voting intentions in relation to the David Jones Scheme.

#### **1.4 No change to your Directors' recommendation in relation to the Scheme**

The David Jones Board considers that the WHL Country Road bid is a separate matter to the WHL offer currently in front of David Jones Shareholders. The David Jones Scheme with WHL is not conditional on the WHL bid for Country Road in any way.

**The David Jones Board continues to unanimously recommend that in the absence of a Superior Proposal, David Jones Shareholders vote in favour of the Scheme. The David Jones Board notes that at the time of this Supplementary Disclosure no Superior Proposal has emerged.**

**Further, the Directors of David Jones intend to vote all of the David Jones Shares held or controlled by them in favour of the Scheme.**



## **1.5 No change to the Independent Expert's conclusion in relation to the Scheme**

The David Jones Board asked the Independent Expert to consider the subsequent events and supplementary information outlined above.

The Independent Expert has assessed these events and concluded that they have no impact on the conclusion reached in the Independent Expert's report dated 22 May 2014. The Independent Expert has maintained the conclusion that the Scheme is fair and reasonable and, therefore, is in the best interests of David Jones Shareholders, in the absence of a Superior Proposal.

The Independent Expert states that:

*“Although the shareholding of Australian Retail Investments and the Country Road Offer have potential implications for whether or not the scheme resolution will be passed by David Jones shareholders, they have no impact on the value of the Woolworths offer (\$4.00 cash per share) or on Grant Samuel's estimate of the full underlying value of David Jones (\$3.73-4.14 per share). Therefore, they have no impact on Grant Samuel's conclusion that the Woolworths Offer is fair. Under the regulatory guidelines issued by the Australian Securities & Investments Commission, if an offer is fair, it is also reasonable.*

.....

*Accordingly, Grant Samuel remains of the view that the Woolworths Offer is fair and reasonable and, therefore, is in the best interests of shareholders, in the absence of a superior proposal.”*

A copy of the Independent Expert's Supplementary Letter is contained in Annexure B. You should read the Independent Expert's Supplementary Letter, as well as the Independent Expert's Report (contained in Annexure B to the Scheme Booklet released to ASX on 22 May 2014) in their entirety as part of your assessment of the Scheme and before voting on the Scheme Resolution.

## **2. Additional Information**

### **2.1 Scheme Meeting**

As announced to ASX on 19 June 2014, the Scheme Meeting will be held on Monday 14 July 2014 at the Wesley Conference Centre, 220 Pitt Street, Sydney, commencing at 10.00am.

The terms of the Scheme Resolution to be considered at the Scheme Meeting are contained in the Notice of Meeting in Annexure F to the Scheme Booklet.



## **2.2 Voting details**

The David Jones Board reminds David Jones Shareholders that every vote is important and encourages you to vote.

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 you can request another proxy form by calling the David Jones Shareholder Information Line on either 1300 580 123 or +613 9415 4339 (from outside Australia) between 9:00am and 5:00pm Monday to Friday.

You should read the Scheme Booklet (including this Supplementary Disclosure) before deciding how to vote.

Shareholders can vote either:

- In person, by attending the Scheme Meeting at the Wesley Conference Centre, 220 Pitt Street, Sydney at 10:00am on Monday, 14 July 2014; or
- 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](http://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, 12 July 2014, other than proxies delivered by hand which must be received by the David Jones Share Registry by 5:00pm (Sydney time) on Friday, 11 July 2014.

## **2.3 No material changes in David Jones' financial position**

Other than:

- the accumulation of profits in the ordinary course of trading; or
- as disclosed in the Scheme Booklet, this Supplementary Disclosure or as otherwise disclosed to ASX by David Jones,

within the knowledge of the David Jones Board, the financial position of David Jones has not materially changed since 25 January 2014, being the date of the David Jones Half Year (1H14) financial report.



### **3. No other material information**

Except as set out in the Scheme Booklet, this Supplementary Disclosure and each of the ASX announcements listed in Annexure A, so far as the David Jones Directors are aware, there is no information material to the making of a decision by David Jones Shareholders in relation to the Scheme, being information that is, within the knowledge of any Director at the time of lodging this Supplementary Disclosure with ASIC, which has not previously been disclosed to David Jones Shareholders.

### **4. Consents**

Grant Samuel & Associates Pty Limited has given, and not withdrawn before the date of this Supplementary Disclosure with ASIC, its written consent to be named in this Supplementary Disclosure in the form and context it is so named and to the inclusion of its Supplementary Independent Expert's Letter as Annexure B to this Supplementary Disclosure. Grant Samuel & Associates Pty Limited has not caused or authorised the issue of this Supplementary Disclosure, does not make or purport to make any statement in this Supplementary Disclosure or any statement on which a statement in this Supplementary Disclosure is based and takes no responsibility for any part of this Supplementary Disclosure other than any reference to its name and the Supplementary Independent Expert's Letter as Annexure B.

### **5. Glossary**

Unless otherwise defined in this Supplementary Disclosure, capitalised terms have the meanings given to those terms in the Scheme Booklet (section 13).





## **Annexure A – Relevant David Jones announcements**

Since the Scheme Booklet was released on 22 May 2014, there have been a number of events relevant to David Jones Shareholders that David Jones has kept Shareholders informed of through announcements to the ASX and letters to all Shareholders. These events are set out below:

- On 30 May 2014, David Jones announced that S L Nominees Pty Ltd, a company associated with Mr Solomon Lew, had acquired a relevant interest in 3.5 million David Jones Shares, equating to 0.65% of David Jones' issued share capital.
- On 18 June 2014, David Jones announced the outcome of the WHL shareholder meeting in relation to WHL's proposed acquisition of David Jones. At the WHL shareholder meeting, the resolutions to give effect to the transaction were passed with the requisite majorities, satisfying a key condition precedent to the implementation of the Scheme.
- Further, on 18 June 2014, Australian Retail Investments Pty Ltd (**ARI**) lodged a substantial shareholder notice (the "**ARI Notice**"), confirming that entities associated with Solomon Lew hold 9.89% of David Jones Shares.
- On 19 June 2014, David Jones announced, with agreement from WHL and approval from the Federal Court, that it has postponed its Scheme Meeting relating to the Scheme until Monday, 14 July 2014, following the lodgement of the ARI Notice.
- On 24 June 2014, WHL announced an intention to make a bid for the remaining shares it does not already own in Country Road Limited.
- On 24 June 2014, David Jones announced this development and that it continues to assess the implications of the 9.89% stake in David Jones that entities associated with Solomon Lew hold.
- On 30 June 2014, David Jones announced that it had received a letter from WHL informing David Jones that the A\$4.00 offer under the Scheme is WHL's best and final offer, subject to no competing proposal emerging.



**Annexure B – Supplementary Independent Expert’s Letter**



2 July 2014

The Directors  
David Jones Limited  
86-108 Castlereagh Street  
Sydney NSW 2014

Dear Directors

### **Offer by Woolworths Holdings Limited**

#### **1 Introduction**

Grant Samuel & Associates Pty Limited (“Grant Samuel”) prepared an independent expert’s report dated 22 May 2014 in relation to the proposal for a wholly owned subsidiary of South African based retail group Woolworths Holdings Limited (“Woolworths”) to acquire all of the David Jones Limited (“David Jones”) shares outstanding by way of a scheme of arrangement at a price of \$4.00 per share (“the Woolworths Offer”). The full report was included as Annexure B to the Notice of Meeting and Explanatory Memorandum (“Scheme Booklet”) dated 22 May 2014 sent by David Jones to its shareholders. Grant Samuel concluded that the Woolworths Offer is fair and reasonable and, therefore, is in the best interests of shareholders, in the absence of a superior proposal.

The directors of David Jones have requested that Grant Samuel review its opinion in light of matters which have arisen or changed since the release of the Scheme Booklet on 23 May 2014. A copy of this letter will accompany the supplementary disclosure to be sent to shareholders by David Jones. Terms used in this letter are as defined in Grant Samuel’s independent expert’s report dated 22 May 2014.

#### **2 Subsequent Events**

##### ***Australian Retail Investments Pty Limited***

On 18 June 2014, David Jones received a substantial shareholder notice from Australian Retail Investments Pty Limited (“Australian Retail Investments”) indicating that entities associated with Mr Solomon Lew hold 9.89% of David Jones, all of which had been acquired on market since 9 May 2014. As a consequence, David Jones (with the agreement of Woolworths) applied to the Federal Court seeking postponement of the scheme meeting from 30 June 2014 to 14 July 2014. The Court granted the postponement to allow sufficient time for the David Jones board to assess the implications of Australian Retail Investments’ shareholding for David Jones shareholders.

Entities associated with Mr Solomon Lew are involved in a range of activities (with a focus on the retailing sector) including interests in ASX listed entities. In particular, Australian Retail Investments holds an 11.88% interest in Country Road Limited (“Country Road”), which is controlled by Woolworths with an 87.88% interest. This shareholding structure for Country Road has existed since 1998 when Australian Retail Investments did not accept a takeover offer by Woolworths for all of the ordinary shares in Country Road.

##### ***Woolworths Shareholder Approval***

Shareholders of Woolworths approved the acquisition of David Jones and certain matters associated with the equity raising to fund the acquisition on 17 June 2014, thereby satisfying a condition precedent to the David Jones scheme.



### *Offer for Country Road*

On 24 June 2014, Woolworths announced its intention to make a cash off market takeover offer for all the ordinary shares in Country Road that it does not already own at a price of \$17.00 per share (“the Country Road Offer”). This offer is subject to a number of conditions including approval under the Foreign Acquisitions and Takeovers Act, 1975 (“FIRB approval”) and the David Jones scheme becoming effective.

On 30 June 2014, Woolworths declared the price of \$17.00 cash per share to be its best and final offer and that, upon the David Jones scheme becoming effective, it will waive the regulatory action and prescribed occurrence conditions of the Country Road Offer (i.e. the offer would only be subject to FIRB approval).

### *Woolworths Offer*

On 30 June 2014, Woolworths declared that the Woolworths Offer of \$4.00 cash per share for David Jones is its best and final offer, subject to no competing proposal emerging.

## **3 Impact on Opinion**

Grant Samuel has considered these subsequent events (both individually and collectively) and their implications for David Jones shareholders in so far as they impact the conclusions drawn in its opinion on the Woolworths Offer.

Although the shareholding of Australian Retail Investments and the Country Road Offer have potential implications for whether or not the scheme resolution will be passed by David Jones shareholders, they have no impact on the value of the Woolworths offer (\$4.00 cash per share) or on Grant Samuel’s estimate of the full underlying value of David Jones (\$3.73-4.14 per share). Therefore, they have no impact on Grant Samuel’s conclusion that the Woolworths Offer is fair. Under the regulatory guidelines issued by the Australian Securities & Investments Commission, if an offer is fair, it is also reasonable.

David Jones has advised that its trading performance remains in line with expectations prevailing at the date of Grant Samuel’s report and that it is not aware of any other matter that may impact Grant Samuel’s opinion.

Accordingly, Grant Samuel remains of the view that the Woolworths Offer is fair and reasonable and, therefore, is in the best interests of shareholders, in the absence of a superior proposal.

## **4 Other Matters**

This letter should be read in conjunction with the full independent expert’s report dated 22 May 2014 included as Annexure B to the Scheme Booklet. In particular, all limitations, disclaimers and declarations set out in that report apply in full to this letter.

This letter is general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of individual David Jones shareholders. Accordingly, before acting in relation to their investment, shareholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs. Shareholders should read the Scheme Booklet issued by David Jones in relation to the Woolworths Offer.

Grant Samuel has not been engaged to provide a recommendation to shareholders in relation to the Woolworths Offer, the responsibility for which lies with the directors of David Jones. In any event, the decision whether to vote for or against the Woolworths Offer is a matter for individual shareholders, based on their own views as to value, their expectations about future market conditions and their particular circumstances including risk profile, liquidity preference, investment strategy, portfolio structure and tax position. In particular, tax consequences may vary from shareholder to shareholder. Shareholders who are in doubt as to the action they should take in relation to the Woolworths Offer should consult their own professional adviser.

GRANT SAMUEL



Similarly, it is a matter for individual shareholders as to whether to buy, hold or sell shares in David Jones. This is an investment decision independent of a decision on whether to vote for or against the Woolworths Offer upon which Grant Samuel does not offer an opinion. Shareholders should consult their own professional adviser in this regard.

Grant Samuel has prepared a Financial Services Guide as required by the Corporations Act, 2001. The Financial Services Guide is included as Appendix 1 to this letter.

Yours faithfully

**GRANT SAMUEL & ASSOCIATES PTY LIMITED**

*Grant Samuel & Associates*



## Appendix 1

### Financial Services Guide

Grant Samuel & Associates Pty Limited ("Grant Samuel") holds Australian Financial Services Licence No. 240985 authorising it to provide financial product advice on securities and interests in managed investments schemes to wholesale and retail clients.

The Corporations Act, 2001 requires Grant Samuel to provide this Financial Services Guide ("FSG") in connection with its provision of an independent expert's report ("Report") which is included in a document ("Disclosure Document") provided to members by the company or other entity ("Entity") for which Grant Samuel prepares the Report.

Grant Samuel does not accept instructions from retail clients. Grant Samuel provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Samuel does not provide any personal retail financial product advice to retail investors nor does it provide market-related advice to retail investors.

When providing Reports, Grant Samuel's client is the Entity to which it provides the Report. Grant Samuel receives its remuneration from the Entity. In respect of the Report for David Jones Limited dated 22 May 2014 in relation to the offer by Woolworths Holdings Limited ("the David Jones Report"), Grant Samuel received a fixed fee of \$450,000 plus reimbursement of out-of-pocket expenses for the preparation of the Report (as stated in Section 7.3 of the David Jones Report). In respect of this letter for David Jones ("Supplementary Letter"), Grant Samuel will receive an additional fee based on executive time incurred estimated at less than \$10,000.

No related body corporate of Grant Samuel, or any of the directors or employees of Grant Samuel or of any of those related bodies or any associate receives any remuneration or other benefit attributable to the preparation and provision of the David Jones Report or the Supplementary Letter.

Grant Samuel is required to be independent of the Entity in order to provide a Report. The guidelines for independence in the preparation of Reports are set out in Regulatory Guide 112 issued by the Australian Securities & Investments Commission on 30 March 2011. The following information in relation to the independence of Grant Samuel is stated in Section 7.3 of the David Jones Report:

*"Grant Samuel and its related entities do not have at the date of this report, and have not had within the previous two years, any business or professional relationship with David Jones or Woolworths or any financial or other interest that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Woolworths Offer.*

*Grant Samuel had no part in the formulation of the Woolworths Offer. Its only role has been the preparation of this report.*

*Grant Samuel will receive a fixed fee of \$450,000 for the preparation of this report. This fee is not contingent on the conclusions reached or the outcome of the Woolworths Offer. Grant Samuel's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Samuel will receive no other benefit for the preparation of this report.*

*Grant Samuel considers itself to be independent in terms of Regulatory Guide 112 issued by the ASIC on 30 March 2011."*

Grant Samuel has internal complaints-handling mechanisms and is a member of the Financial Ombudsman Service, No. 11929. If you have any concerns regarding the David Jones Report or the Supplementary Letter, please contact the Compliance Officer in writing at Level 19, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000. If you are not satisfied with how we respond, you may contact the Financial Ombudsman Service at GPO Box 3 Melbourne VIC 3001 or 1300 780 808. This service is provided free of charge.

Grant Samuel holds professional indemnity insurance which satisfies the compensation requirements of the Corporations Act, 2001.

Grant Samuel is only responsible for the David Jones Report, the Supplementary Letter and the associated FSGs. Complaints or questions about the Disclosure Document and the Supplementary Disclosure should not be directed to Grant Samuel which is not responsible for that documentation. Grant Samuel will not respond in any way that might involve any provision of financial product advice to any retail investor.