



DAVID JONES EXPANDS HIGH VALUE KARRINYUP (WA) STORE

- David Jones today announced it has entered into a **new 20-year agreement for lease (AFL)** with AMP Capital Investors Limited (**AMP Capital**) in relation to its store in the Karrinyup Shopping Centre in Perth.
- The AFL is on attractive commercial terms and **delivers a minimum 30% increase in trading space** for the existing David Jones store from ~9,500 sq. m to ~13,000 sq. m.
- The AFL also provides that AMP Capital will use reasonable endeavours to obtain development approval to enable the existing David Jones store to increase space by 50% to a ~14,000 sq. m full line department store.
- The Karrinyup centre is located in the high value, high growth northern Perth region. It has a main trade catchment of 195,000 people and an average wealth demography in line with that of Chadstone (Vic) and Southland (Vic), 2 of our best performing suburban stores.

David Jones Limited (DJS) today announced that it has entered into a new 20-year agreement for lease (AFL) with AMP Capital for its Karrinyup (WA) store. The existing Karrinyup lease expires on 16 September 2013.

OVERVIEW OF THE KARRINYUP CATCHMENT

The Karrinyup Shopping Centre (which is managed by AMP Capital) is located in the northern region of Perth and serves a main trade catchment of 195,000 people with average household income of \$83,989 p.a.* in line with that of Chadstone (Vic) and Southland (Vic), two of our best performing suburban stores.

THE EXISTING DJS STORE AT KARRINYUP

David Jones currently operates a ~9,500 square metre store in the Karrinyup centre. The centre also contains a ~14,000 square metre Myer store. The David Jones Karrinyup store under performs against the David Jones benchmark for similar catchments due to its restricted space and limited brand offering.

To capitalise on the opportunities available in the Karrinyup catchment David Jones would like to expand its existing store to a full line ~13,000 to ~14,000 square metre department store. This would improve David Jones' competitive positioning relative to Myer and maximise sales and profit in a proven, established two department store centre.

TERMS OF THE NEW LEASE

The AFL is on attractive commercial terms in line with the more favourable David Jones leases, meets all the Company's required KPIs and delivers to David Jones at least a 30% increase in trading space from its existing floor space of ~9,500 square metres to ~13,000 square metres.

DAVID JONES

David Jones Limited A.C.N. 000 074 573
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The AFL also provides that AMP will use reasonable endeavours to obtain development approval to enable the existing David Jones store to relocate to a new location within an expanded Karrinyup centre and increase space by 50% to a ~14,000 square metres full line department store.

The Development Application for the increased store area to ~13,000 square metres has been approved by local authorities, subject to approval by the Western Australian Planning Commission (**WAPC**). AMP Capital is working with WAPC and is confident that approval will be forthcoming.

AMP Capital and David Jones are working together with a view to ensure that the expanded ~13,000 square metres store is completed and handed over by 17 September 2013.

CONCLUSION

As part of the FY09 – 12 Strategic Plan David Jones identified Perth as a region with significant growth opportunity for the Company with Department Store penetration in Perth low at 7%** , given the Australian average of 11.1% in other metropolitan regions where David Jones operates stores.

Added to this, Perth is projected to be the fastest growth department store type merchandise (DSTM) market, with growth estimated at 5.6% per annum (p.a.)* in future years.

Within Perth the northern region has the highest growth potential and most attractive demographics. Population in the northern region of Perth is approximately 530,000 and is growing at 3.1% p.a.

David Jones CEO Paul Zahra said, "In light of these factors Northern Perth has been identified as a target area with significant growth potential for David Jones.

"I am pleased to report that since 2008 we have locked in:

- a proposed new store in Whitford;
- an option for a new store at the proposed Westfield Innaloo redevelopment; and
- an expanded Karrinyup store (with potential to expand even further).

This has effectively enabled us to lock-in a dominant position in the high value, high growth northern Perth region,' Mr Zahra said.

ENDS

FOR FURTHER INFORMATION CONTACT:

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NOTES:

* *Population and income data obtained from MapInfo/Dimasi demographic reports prepared for David Jones.*

** *Penetration rates based on internal calculations of data from MapInfo/Dimasi demographic reports prepared for David Jones.*

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