



**ASX AND MEDIA RELEASE**

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**For Immediate Distribution**

**23 August 2010**

## **DAVID JONES TO EXIT NEWCASTLE CBD FOLLOWING GPT'S DECISION NOT TO PROCEED WITH REDEVELOPMENT**

David Jones Limited (DJS) today announced that it has been informed this afternoon that GPT Group has decided to withdraw its proposed redevelopment in the City of Newcastle. As a result David Jones will exit its Newcastle CBD store when its lease expires on 31 January 2011.

On 10 September 2008 David Jones entered into an Agreement for Lease (AFL) with The GPT Group for a new department store that would anchor GPT's proposed \$600 million CBD redevelopment, adjacent to the Hunter Street Mall.

By 19 August 2009 GPT had advised the Company that the Newcastle CBD redevelopment project would be delayed and asked David Jones to extend its lease to 31 January 2011.

Mr Zahra said, "We are disappointed that GPT's Newcastle CBD redevelopment is not proceeding given we have traded in the area for more than 50 years.

"We have however made excellent progress in the refurbishment of our nearby Kotara store which is on track to be completed by October 2010 and will service the Hunter/Newcastle region when the David Jones Newcastle store closes.

"The Kotara store is 7 km away from David Jones' Newcastle store and will upon completion deliver a 33% increase in space and a bigger and better selection of the worlds best national and international brands.

"We are confident of migrating customers and sales from our Newcastle store following its closure, to our Kotara store and of enhancing our profit due to the lower cost base of not operating a store as old and as in need of refurbishment as our Newcastle store, ' Mr Zahra said.

The Company also stated that it has sufficient time until closure of its Newcastle store on 31 January 2011 to redeploy staff from that store to its newly enlarged Kotara store.

**ENDS**

**FOR FURTHER INFORMATION CONTACT:**

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