

David Jones

New & Refurbished Stores Update

Tuesday 25th November 2008



DAVID JONES HAS ENTERED INTO A PROPERTY AGREEMENT

David Jones has entered into a multi-faceted high value property agreement with a number of landlords which delivers:

- 3 New Stores in high value locations - Pacific Fair (QLD), Macquarie (NSW) and Whitford (WA)
- 3 Strategic Refurbishments – Kotara (NSW), Marion (SA) and Karrinyup (WA)

THE AGREEMENT WILL SIGNIFICANTLY INCREASE SALES & EBIT FOR DAVID JONES



The 3 New Stores and 3 Strategic Refurbishments will deliver:

- 40,000 square metres of additional selling space (10% increase)
- ~\$200m of additional Sales (10% increase)
- ~\$26m of extra Store Contribution (15% increase in Department Store EBIT)

These financial benefits will commence flowing in FY12 and be fully realised in FY13

THE AGREEMENT WILL REQUIRE NO ADDITIONAL DEBT FUNDING



The capital cost of the new stores and strategic refurbishments will be shared by the stakeholders

As a result on average no more than 30% of the Company's \$50m annual capital budget will go to the project across FY11 and FY12

David Jones will therefore not require any additional debt funding to support the Property Agreement



NEW STORES SUMMARY

All of the new stores meet the high value targets outlined in the Company's FY09-12 Strategic Plan and each new store will:

1. Rank within the top half of the David Jones store portfolio
2. Be located in attractive high value demographic locations for David Jones
3. Achieve a minimum of \$40m sales and \$5m store contribution in year 2
4. Benefit from shared capital funding from stakeholders to deliver a payback within 1-2 years

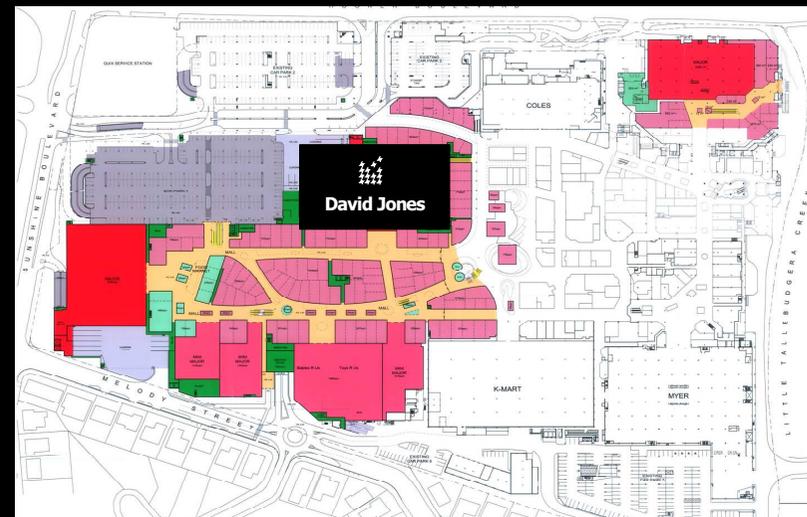


NEW DAVID JONES STORE AT PACIFIC FAIR (QLD)



- Pacific Fair is Queensland's 3rd largest Shopping Centre for Moving Annual Turnover
- The centre attracts over 17 million customers a year making it the 6th most visited shopping centre in Australia
- The centre is located in the Gold Coast region which has been growing at twice the national average

- A development application has been approved for a \$400m redevelopment of Pacific Fair
- As part of the redevelopment David Jones will open a 14,500 sqm department store
- The store is scheduled to open in late 2011



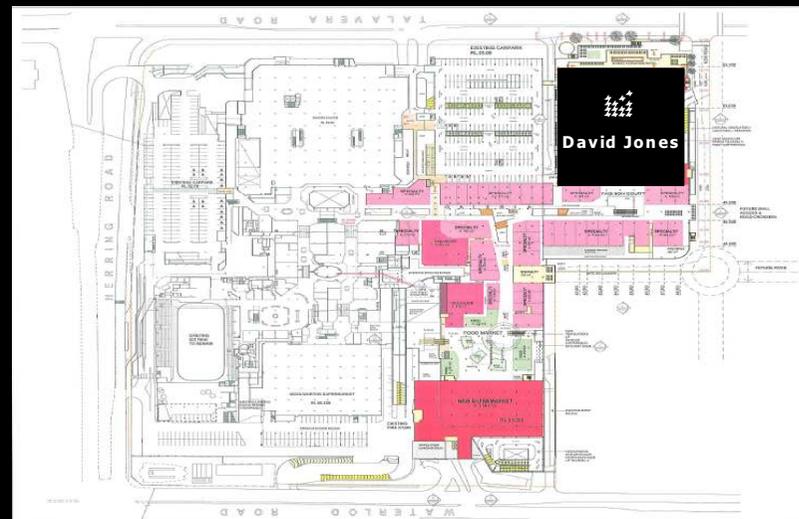


NEW DAVID JONES STORE AT MACQUARIE (NSW)



- Macquarie is the 16th largest Shopping Centre in Australia for Moving Annual Turnover
- The centre is situated in the north western Sydney region where David Jones is under-represented
- The centre catchment area is a highly attractive demographic for David Jones with average household income ranked 5th in the David Jones portfolio

- A development application has been lodged for a \$300m redevelopment of Macquarie
- As part of the redevelopment David Jones will open a 14,000 sqm department store
- The store is scheduled to open in mid 2011



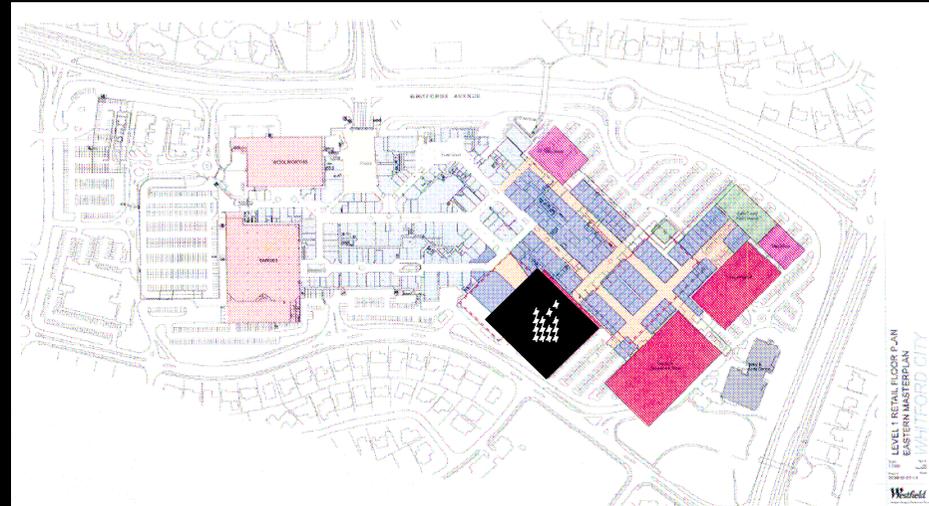


NEW DAVID JONES STORE AT WHITFORD (WA)



- Whitford is the 3rd largest shopping centre in Western Australia for Moving Annual Turnover
- The centre turnover has been growing at 12.5% per annum
- Department Store Type Merchandise (DSTM) spend for the region is projected to grow 6.1% per annum up to 2016, which represents the 2nd highest growth in the David Jones portfolio

- David Jones will open a 13,500 sqm department store as part of a \$200m redevelopment of the centre
- David Jones will anchor the redevelopment as the only department store in the centre
- The store is scheduled to open in early 2012





STRATEGIC REFURBISHMENT AT KOTARA (NSW)



- Kotara is the largest shopping centre serving the Hunter region
- David Jones has agreed new lease terms at Kotara for the next 25 years
- Under the new lease David Jones will refurbish and expand its store, increasing sell space by over 30% with the addition of a third trading level which will payback in 1-2 years
- With the reopening of the Newcastle David Jones, the two new stores will expand David Jones' presence in a market which has attractive demographics and under-representation of department stores
- If Newcastle is delayed, David Jones will be able to maintain and grow its regional share in the market through the new full line refurbished store at Kotara



STRATEGIC REFURBISHMENTS AT MARION (SA)



- Marion is the largest shopping centre serving South Australia and is the 7th largest centre in Australia trading in excess of \$700 million in MAT per annum
- David Jones has renewed its lease for a further 25 years at Marion
- David Jones will refurbish its store which will reinforce our “home of brands” positioning and enhance our customer shopping experience
- The store refurbishment will achieve a payback of 1-2 years



STRATEGIC REFURBISHMENTS AT KARRINYUP (WA)



- The Karrinyup market size is comparable with Doncaster in Victoria and is projected to grow to \$2.8bn by 2016
- David Jones trades out of a 9,500 square metre store in Karrinyup and is currently underrepresented in this growing market
- David Jones has Landlord support to expand into a 13,000-14,000sqm full line department store, subject to all approvals



FY09-12 STRATEGIC PLAN UPDATE

Since the announcement of the FY09-12 Strategic Plan in March, David Jones has committed to a further:

1. 4 new stores in high value locations
 - A new David Jones store at Sunshine Plaza (Qld) was announced in May 2008
 - 3 new stores announced today – Pacific Fair (Qld), Macquarie (NSW) and Whitford (WA),
2. 9 strategic refurbishments of high value stores
 - 5 stores announced in March 2008 – Bourke Street Mall (Vic), Elizabeth & Market Street (NSW), Bondi Junction (NSW) and Robina (Qld)
 - Newcastle (NSW) announced in September 2008
 - 3 announced today – Kotara (NSW), Marion (SA) & Karrinyup (WA)

All these projects deliver a payback of 1-3 years



SUMMARY

As a result of today's New and Refurbished Stores update, David Jones will deliver:

- 40,000 sqm of additional selling space (10% increase)
- ~\$200m of Sales (10% increase)
- ~\$26m of Store Contribution (15% increase in Department Store EBIT)

David Jones will not require more than 30% of its \$50m annual capital budget averaged across the two years to deliver the Property Agreement

These financial benefits will commence flowing in FY12 and be fully realised in FY13