

**ASX AND MEDIA RELEASE**

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For Immediate Distribution

30 January 2014

DAVID JONES RESPONSE TO MEDIA COMMENTARY

David Jones today responded to various media commentary following a speculative article in today's "Street Talk" column in the Australian Financial Review. The article speculated that Myer could approach David Jones in respect of a "union" by way of an all scrip deal at "a ratio of 1.4 Myer shares for every David Jones share."

If David Jones is approached with a proposal which is in the best interests of its shareholders and has the prospect of realising value for them, David Jones will inform its shareholders in accordance with its listing rule obligations. David Jones is not currently in discussions with Myer in relation to any such proposal.

David Jones was previously approached in respect of a possible merger with Myer. On 28 October 2013, David Jones received an invitation from Myer on a confidential, conditional, non-binding and indicative basis to engage in discussions to investigate the potential for David Jones to propose to its shareholders a scheme of arrangement, under which their David Jones shares would be acquired by Myer in exchange for Myer shares at a zero premium exchange ratio (1.06 shares in Myer for each David Jones share, based on the respective last 12 month VWAPs at that time).

The invitation included a request from Myer that David Jones provide due diligence access and information to Myer.

The David Jones Directors considered Myer's invitation with the company's advisers and formed the view that the invitation should be rejected shortly after it was received. The Board formed the view that the potential transaction did not have sufficient merit for David Jones shareholders to warrant engaging in discussions and providing the access and information requested by Myer.

The potential transaction to be discussed did not include any premium for David Jones shareholders. It involved Myer stock only as consideration.

The execution and implementation of any such transaction would have substantial commercial, market, business and regulatory risks (including the ACCC review process). It would involve the diversion of company resources over a lengthy period with great uncertainty as to the final outcome and the potential to result in diminution of value of the David Jones business.

The David Jones Board believed that the potential transaction did not represent sufficient value for David Jones shareholders. Accordingly, the Board declined Myer's invitation.

ENDS

FOR FURTHER INFORMATION CONTACT:

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For Immediate Distribution**30 January 2014****Mob: 0404 045 325****Email: hkarlis@davidjones.com.au**

David Jones Limited (ASX:DJ) is pleased to announce that it has received a conditional offer from the David Jones Group (DJG) to acquire all the shares in David Jones Limited (DJL) that are not owned by DJG. The offer is subject to the approval of the ASX and the Australian Securities and Investments Commission (ASIC). The offer is expected to be completed by the end of February 2014.

The offer is a conditional offer, meaning that it is only valid if certain conditions are met. These conditions include the approval of the ASX and ASIC, and the completion of certain legal and regulatory requirements.

David Jones Limited is a listed company on the ASX, and the offer is subject to the approval of the ASX and ASIC.

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