



## **ASX RELEASE**

5 April 2001

### **CLARIFICATION OF ISSUES RELATED TO HARRIS SCARFE**

In 1997 the David Jones' group of companies sold 5 department store businesses to Harris Scarfe. (at Cairns and Townsville in Queensland, Kilkenny and Elizabeth City Centre in South Australia, and Campbelltown in Sydney).

The Cairns, Townsville and Kilkenny stores were the subject of new leases. Accordingly, David Jones Limited has no ongoing liability for these three stores.

Contingent liabilities exist in respect to the Campbelltown store which was assigned by David Jones Limited and the Elizabeth store which was assigned by John Martin Retailers Limited. As part of the assignments, the David Jones Group obtained guarantees from and charges over the assets of Harris Scarfe Holdings Ltd and Harris Scarfe Ltd.

David Jones' current exposure is limited as the Lessee in both cases (Harris Scarfe Limited) has not had an administrator appointed and is currently meeting its obligations under the Leases. If this situation changes, David Jones will work to ensure any losses are minimised. Strategies to minimise losses may include David Jones subletting the store, renegotiating the lease or trading from the store for a time period agreed with the Landlord.

Recent reports have referred to the financial statements for David Jones Limited and its controlled entities that outline a contingent amount of \$27m relating to the leases on Elizabeth and Campbelltown. This contingent liability represents the undiscounted figure for lease payments on both stores until the end of those leases which is April 2017 for Campbelltown and September 2015 for Elizabeth.

**ENDS**

#### **FOR FURTHER INFORMATION CONTACT**

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