

18 September 2001

The Manager Companies
Australian Stock Exchange
11th Floor
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Dear Sir

REINSTATEMENT OF DIVIDEND REINVESTMENT PLAN

We refer to the announcement made to the Australian Stock Exchange on Friday 14 September 2001 and enclose a copy of the letter sent to Shareholders regarding the reinstatement of Dividend Reinvestment Plan.

Yours faithfully
DAVID JONES LIMITED

JOHN A. SIMMONDS
COMPANY SECRETARY

(02) 9266 5130 (PHONE)
(02) 9261 5717 (FAX)
jsimmond@davidjones.com.au (e-mail)

DAVID JONES

David Jones Limited A.C.N. 000 074 573
A.B.N. 75 000 074 573

Elizabeth Street Store 86-108 Castlereagh Street Sydney NSW 2000 Australia Telephone 02 9266 5544



Dear Shareholder

REINSTATEMENT OF DIVIDEND REINVESTMENT PLAN

I am pleased to inform you that the Directors of David Jones Limited ('David Jones') have resolved to reinstate the Company's Dividend Reinvestment Plan ('DRP').

The DRP was introduced at the time of our float in 1995 and suspended in early 1997. Over the intervening period a large number of our retail shareholders have indicated support for the reinstatement of the DRP. The Board has decided to once again provide the opportunity for our shareholders to reinvest their dividends in new ordinary shares in David Jones.

OPERATION OF THE DRP

A number of minor or technical modifications have been made to the Rules of the DRP to assist in its smooth administration. A copy of the amended Rules is attached to this letter. In addition, the Directors have resolved under the Rules that for the time being issues of shares under the DRP will be at a 5% discount to the market price calculated under the Rules.

WHAT DO YOU NEED TO DO TO PARTICIPATE?

The reinstated DRP took effect on 14 September 2001 and will apply to all future dividends unless otherwise notified.

You may now elect to participate in the DRP in relation to the Company's final dividend for the year ended July 2001. To do so please ensure that the enclosed election form is completed and returned to the David Jones Share Registry. The form must be received by 17 October 2001 which is the record date for this dividend.

PREVIOUS PARTICIPANTS IN THE DRP PLEASE NOTE

If you were a previous participant in the David Jones DRP your most recent election has been retained and will simply be reactivated in accordance with the Rules. **Should you wish to amend or cancel that election you will need to complete the enclosed election form.**

PARTICULARS OF YOUR CURRENT PARTICIPATION LEVEL

A	B	C
NO. PARTICIPATING IN DRP	NO. PARTICIPATING IN CASH DIVIDEND	TOTAL SHAREHOLDING

Unless you advise otherwise, those shares participating in the DRP (Column A) will participate for this forthcoming dividend and future dividends.

IF YOU REQUIRE FURTHER INFORMATION

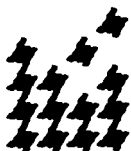
Further information on your shareholding is available by calling the David Jones Share Registry on 1800 652 207. Shareholders can also access information and services relevant to their holding including dividend payment history details, via the David Jones website at www.davidjones.com.au. Please click on For Investors (bottom of the home page), then on share information. You will need to have your Holder Identification Number or Securityholder Reference Number to access your information.

Yours faithfully

R.F.E Warburton
Chairman

DAVID JONES
David Jones Limited
ABN 75 000 074 573

86 - 108 Castlereagh Street SYDNEY NSW 2000



David Jones Limited

ABN 75 000 074 573

Computershare

Computershare Investor Services Pty Limited
ABN48078279277
Level Three 60 Carrington Street Sydney
New South Wales 2000 Australia
GPO BOX 7045 Sydney
New South Wales 1115 Australia
Investor enquiries 1300 855 080
Facsimile 61 2 8234 5050
www.computershare.com

Dividend Reinvestment Plan

Use a black pen. Print in CAPITAL letters inside the grey areas.

Grid for letters A, B, C

Grid for numbers 1, 2, 3

Where a choice is required, mark the box with an 'X'

Box with an X

If you make a mistake, shade out the box. Do NOT use liquid paper.



Section A: Notice of Election/Notice of Variation. Includes options for ALL, PART, and TERMINATION participation, and choices for cash balance residual (RETAINED or DONATED).

Section B: Sign Here - This section must be signed for your instructions to be executed. Includes signature lines for Individual or Securityholder 1, Securityholder 2, and Securityholder 3, and a date field.



How to complete this form

A Dividend Reinvestment Plan

Complete this section if you wish to have your dividends on all your shares reinvested in the form of more Company shares.

If you wish only part of your shareholding to participate in the DRP, please show the number in figures that you wish to participate.

If you no longer wish to participate in the DRP, please complete.

Please note that an election to participate fully in the DRP will take precedence over any instruction on the Registry record regarding direct payment of cash dividends into a nominated account.

B Authorised Signatures

If you have chosen to have your cash dividends fully or partially reinvested into shares and you have completed Sections A or B, you must sign the front of this form as follows in the spaces provided:-

Joint Holding: Where the holding is in more than one name, all of the shareholders must sign.

Power of Attorney: To sign as Attorney, you must have already lodged the Power of Attorney with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Director, Director/Company Secretary, Sole Director and Sole Company Secretary can sign. Please indicate the office held by signing in the appropriate space.

Please return completed form in the envelope provided to:

Computershare Investor Services Pty Limited
GPO Box 7045
Sydney New South Wales 1115
Australia