



DAVID JONES ANNOUNCES STRATEGIC ALLIANCE WITH SPORTSCRAFT

David Jones Limited (DJS) today announced that it had entered into a strategic alliance with the Apparel Group Pty Ltd, to expand its distribution of the 'Sportscraft' brand. Under the terms of the alliance the Apparel Group will:

- **distribute its Sportscraft menswear throughout all 34* David Jones' department stores in Australia.** David Jones does not currently stock Sportscraft menswear. The Apparel Group will also launch a new range of **Sportscraft mens suits and business shirts which will be available exclusively through David Jones;**
- **extend its existing distribution of Sportscraft womenswear** into an additional nine David Jones department stores, so that **all 34*** David Jones stores will now stock Sportscraft womenswear; and
- **grant exclusive distribution** to David Jones of its **new Sportscraft branded categories** which will include:
 - **Accessories** (such as *womens handbags, sunglasses, mens and womens small leather goods, mens ties, socks* and *stationery*);
 - **Homewares** (such as *bed linen, towels, bedroom* and *bathroom accessories*); and
 - **Footwear.**

Sportscraft dedicated areas for mens and womens apparel will commence being rolled out within David Jones department stores in January 2004. Prior to entry into the strategic alliance agreement, David Jones' Sportscraft offering was limited to womens apparel in 25 David Jones department stores.

Given its increased distribution of Sportscraft through David Jones, the Apparel Group has agreed not to enter into any new distribution agreements in relation to its non-exclusive Sportscraft categories. The exclusive categories will only be available in David Jones department stores.

David Jones Group General Manager of Apparel, Cosmetics and Marketing Ms Colette Garnsey said, "Our strategic alliance in relation to the Sportscraft brand is a great outcome for both David Jones and the Apparel Group. It emphasizes David Jones' commitment to being a 'home of brands' that can develop strong relationships and partnerships with high volume, valuable brands."

Apparel Group CEO Mr Andrew Michaels said, "Sportscraft has had a long and successful history with David Jones and based on this, we have decided to build a much stronger relationship between our two organisations going forward. Through our exclusive supply arrangement with David Jones we will be expanding the Sportscraft brand into new complementary categories and capitalising on Sportscraft's reputation as a quality brand."

Under the terms of the strategic alliance the Apparel Group will undertake an extensive marketing campaign (which will in part, capitalise on the existing campaign featuring gold medallist and world champion swimmer Matt Welsh) to promote the Sportscraft brand.

DAVID JONES

Ms Garnsey said, "Sportscraft has always been a strong performing brand in David Jones' department stores so we are very excited about the prospect of introducing Sportscraft menswear (including the new range of Sportscraft branded mens suits and business shirts) into all of our stores and extending Sportscraft branded womens wear throughout all of our department stores."

"By teaming up with the Apparel Group and developing Sportscraft concept stores in our mens and womens departments, we will create a strong platform for growth of the Sportscraft brand in David Jones stores. This growth will be enhanced through the introduction of the new Sportscraft branded categories in areas such as Homewares, Footwear and Accessories, which will be available exclusively at David Jones," Ms Garnsey said.

Ends

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REFERENCE NOTES:

** David Jones currently has 36 department stores one of which includes the Rockingham "Aherns" store which will close next year following expiration of the lease at that site. The Market Street store retails menswear and homewares and the Elizabeth Street store retails womenswear and accessories.*