



ASX AND MEDIA RELEASE

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DAVID JONES FLAGSHIP STORES – TRANSACTION UPDATE

David Jones Limited (DJS) today provided an update on the status of the transaction it entered into with Deutsche Bank AG as announced on 13 December 2005 (the 'Transaction'), which involves the unwinding of the Sale & Leaseback of David Jones' Sydney and Melbourne CBD store properties, which occurred in 2000.

David Jones CEO Mr Mark McInnes said, "We are working co-operatively and productively with Deutsche Bank and the Australian Taxation Office to progress the Transaction.

"We have agreed a 4-week extension with Deutsche Bank, over which time we anticipate making considerable progress in addressing the condition precedent relating to the Australian Tax Office," Mr McInnes said.

The Company will continue to update the market as progress is made in completing the Transaction, and expects the next update to be provided on or around 30 June 2006.

ENDS

FOR FURTHER INFORMATION CONTACT:

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