



For Immediate Distribution

18 June 2010

## DAVID JONES ANNOUNCES DEPARTURE OF MARK McINNES

The David Jones Limited (DJS) Board today announced that Mark McInnes offered his resignation today and the Board has agreed to a mutual termination of his employment with the Company and his resignation as a member of the Board of Directors. Both are effective immediately.

In a separate statement released today, Mr McInnes has admitted to behaving "in a manner unbecoming of a chief executive to a female staff member" at two recent Company functions. On this basis the Board has formed the view that a breach of the Company's Code of Ethics and Conduct has taken place. Mr McInnes and the Board have agreed that in the circumstances it is in the best interests of shareholders and the Company for his employment to be mutually terminated.

The Board has appointed Paul Zahra as the new Chief Executive Officer of the Company effective immediately. Paul has 28 years retail experience and has been part of the successful David Jones management team for 12 years. All other members of the executive management team remain in place and are committed to their roles.

David Jones Chairman, Mr Robert Savage, said: "The circumstances of Mr McInnes' departure are deeply regrettable. The Board has acted promptly to address a complaint made by the female staff member concerned, the issues arising from it and to appoint a new CEO.

"We have offered all appropriate support to the affected employee whose solicitors have made a complaint to the Board about Mr McInnes' conduct. The Board takes her allegations extremely seriously.

"The Board has taken and will continue to take steps to ensure that this complaint is appropriately addressed," Mr Savage said.

As a result of the mutual termination and after discussions between Mr McInnes and the Board, it has been agreed that Mr McInnes' settlement will be less than his contractual entitlement after 13 years working for the Company. Mr McInnes will not be entitled to any of his contractual rights relating to Short Term Incentives for the current or future years or to any currently operating Long Term Incentive Plan and Retention Plan. He will receive his statutory entitlements of \$445,421 and a settlement payment of \$1.5 million.

ENDS

### FOR FURTHER INFORMATION CONTACT:

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## DAVID JONES

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