

(BN) David Jones Gets A\$1.65 Billion Bid, Knows Nothing of Suitor (2)

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(Updates with stock trading details in eighth paragraph.)

By Angus Whitley

June 29 (Bloomberg) -- David Jones Ltd., Australia's second-largest department store owner, said it received a A\$1.65 billion (\$1.68 billion) offer from EB Private Equity, as analysts expressed doubt about the credibility of the offer.

"We don't know anything about the company or have been able to find out anything of substance," David Jones executive director Stephen Goddard said in a phone interview.

David Jones shares rose the most in almost 17 years after disclosing the approach, which values the company 38 percent higher than its market value yesterday. The retailer has become the subject of takeover speculation after a 47 percent share slump last year and slowing consumer spending prompted it to forecast its smallest annual profit in six years.

"It's very difficult to believe," Nick Berry, an analyst at Nomura Holdings Inc. in Sydney, said in a phone interview today. "I'm really dubious. None of the shareholders know anything about it."

EB Private Equity didn't reply to an e-mail sent to the contact address on its website, which doesn't include the names of any executives, phone numbers, or previous deals that involved the company. The firm describes itself as a Luxembourg and U.K. real estate and real estate related investor, developer and private equity partner.

No company by that name is registered on Companies House, the registrar of privately owned firms based in England and Wales.

#### Contact Details

The website for EB Private Equity, ebpe.net, was created on July 27, 2010, and is valid for two years, according to the Whois database of domain names. The contact details of the Newcastle-based registrant lists a Yahoo e-mail address and a U.K. phone number, according to the database. A message left at the number wasn't immediately returned.

David Jones jumped 15 percent to A\$2.59 in Sydney today, adding A\$175 million of market value in the steepest advance since November 1995 and swelling the company's stock-market capitalization to A\$1.37 billion. More than 24 million shares changed hands, about six times the daily average in the past six months, according to data compiled by Bloomberg.

There's not enough information available about EB Private Equity for David Jones to evaluate its approach, the retailer said today.

According to David Jones' statement, EB Private Equity said it would lead a group providing \$850 million in equity. The offer will also include \$450 million of debt from a syndicate of banks and investors, and \$450 million in residual equity for existing David Jones shareholders.

#### 'Shot in Dark'

"I'm cautious," said Peter Esho, the Sydney-based chief market analyst at City Index Ltd., a London-based provider of trading services in bonds, stocks and commodities. "It's a shot in the dark."

David Jones' market value is so depressed, its real estate holdings alone in the business districts of Sydney and Melbourne would be worth as much as A\$1 billion if sold and leased back, Bank of America Corp. analysts said in April.

In the interview, Goddard said the company received a two-page proposal from the chairman of EB Private Equity. Goddard declined to name the chairman, or say whether the letter named the advisers acting for the suitor.

"We don't know their partners nor others in any possible syndicates," he said. David Jones plans to respond to the approach, Goddard said.

### Blog Post

David Jones released the name of the bidder after a blog that calls itself [newcastleetcfinanceblog](#) posted yesterday that EB Private Equity bid 1.1 billion pounds, the equivalent of about A\$1.69 billion, for the retailer.

The blog, which says it covers "all finance and related issues in the North East of England," said EB Private Equity was leading a group that includes some of Australia's largest real estate funds. Advisers on the proposal included Jones Lang LaSalle and Chalkhill Partners, according to the post. The site has 15 entries since June 17. The texts of those posts match articles published by other U.K. media sites.

Stewart Booth, the chief executive officer and co-founder of Chalkhill Partners LLP, said by phone early today that he wasn't aware of any proposal involving EB Private Equity and David Jones. Mark Smallhorn, the head of valuations and advisory in New South Wales for Jones Lang LaSalle, said he had no knowledge of such a proposal.

The website for EB Private Equity displayed a link to its designer, Laura Panton. A message left on her mobile phone and e-mail weren't immediately returned. She is based in Halifax, England, according to a resume on her website.

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