

DEBENHAMS

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04 June 2009

Debenhams plc

Firm Placing and Placing and Open Offer of 404.0 million new ordinary shares to raise gross proceeds of approximately £323 million

The Board of Debenhams plc ("Debenhams" or the "Company") today announces the pricing of the Firm Placing and Placing and Open Offer (the "Capital Raising") of New Ordinary Shares announced earlier today. A total of 404.0 million New Ordinary Shares have been placed at the Issue Price of 80 pence per New Ordinary Share, raising gross proceeds of £323 million (approximately £306 million net proceeds).

The Issue Price represents a 13.3 per cent. discount to the closing price as at 3 June 2009. The proceeds of the Capital Raising will reduce net indebtedness, increase the Company's available cash, improve financial ratios and increase financial flexibility.

The Placees have agreed to acquire 161.6 million Firm Placed Shares and to acquire 242.4 million Open Offer Shares, both at the Issue Price of 80 pence. The Open Offer Shares are subject to clawback in respect of valid applications by Qualifying Shareholders at the Issue Price under the Open Offer. The Firm Placed Shares are not subject to clawback and are not part of the Open Offer.

In addition, the Company has been informed that the CVC Shareholder Group has sold 51.0 million shares at the Issue Price, which will reduce its holding to 33.5 million shares. CVC and TPG have entered into customary lock-up arrangements for the duration of the Open Offer.

The New Ordinary Shares to be issued will represent 45.8 per cent. of the Company's existing issued share capital and 31.4 per cent. of the Company's enlarged issued share capital following the Capital Raising.

Citi and Merrill Lynch International are acting as joint sponsors and joint bookrunners, Lazard is acting as financial adviser and joint sponsor to the Company.

Admission is expected to occur and dealings in the New Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 26 June 2009. The New Ordinary Shares will, when issued and fully paid, rank pari passu in all respects with the Existing Ordinary Shares, including the right to receive all future dividends or other distributions declared, made or paid after the date of their issue.

The Capital Raising is conditional upon, among other things, the approval of Shareholders at the General Meeting and upon the Placing Agreement becoming unconditional in all respects. The General Meeting will be held at 11.00 a.m. on 23 June 2009.

The Capital Raising will be on the terms and subject to the conditions to be set out in the Prospectus and Existing Shareholders will be able to acquire Open Offer Shares up until 11.00 a.m. on 22 June 2009. The Circular is expected to be posted to shareholders shortly and the Prospectus will shortly be available on the Company's website, www.debenhamsplc.com

Further Information on the Open Offer

The Placées in the conditional Placing have agreed to acquire the Open Offer Shares at the Issue Price subject to Admission and subject to clawback in respect of valid applications by Qualifying Shareholders at the Issue Price under the Open Offer.

Under the Open Offer, Qualifying Shareholders will be given the opportunity to apply for the Open Offer Shares at the Issue Price of 80 pence per New Ordinary Share on the following basis:

2.745604 Open Offer Shares for every 10 Existing Shares

registered in their name on the Record Date and otherwise on the terms and conditions set out in the Prospectus. Fractional entitlements to New Ordinary Shares will not be allotted to Qualifying Shareholders and entitlements will instead be rounded down to the nearest whole number of New Ordinary Shares.

For further information, please contact:

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A copy of the Prospectus, if and when published, will be available from the registered office of Debenhams plc at 1 Welbeck Street, London W1G 0AA and on the Debenhams website at www.debenhamsplc.com. The Prospectus (if published) will also be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Freshfields Bruckhaus Deringer LLP at 65 Fleet Street, London EC4Y 1HS up to and including the date of Admission.

This Announcement is not a prospectus but an advertisement and Qualifying Shareholders should not acquire any Firm Placed Shares or Open Offer Shares referred to in this Announcement except on the basis of the information contained in the Prospectus and the Circular.

Neither the content of Debenhams' website nor any website accessible by hyperlinks to Debenhams' website is incorporated in, or forms part of, this Announcement. The distribution of this Announcement, the Prospectus and any other documentation associated with the Firm Placing and Open Offer and/or the transfer of the Firm Placed Shares and the Open Offer Shares into jurisdictions other than the United Kingdom may be restricted by law. Persons into whose possession these documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, such documents should not be distributed, forwarded to or transmitted, directly or indirectly, in whole or in part, in or into the Restricted Jurisdictions or the United States. No action has been taken by Debenhams that would permit an offer of the Firm Placed Shares or the Open Offer Shares or possession or distribution of this Announcement, the Prospectus or any other Capital Raising or publicity material or the Application Forms in any jurisdiction where action for that purpose is required, other than in the United Kingdom.

The Firm Placed Shares, and the Open Offer Shares (collectively, the "New Ordinary Shares") have not been, and will not be, registered under the Securities Act or under any relevant securities laws of any state or other jurisdiction of the United States and, accordingly, and may not be offered, sold, taken up, exercised, resold, or delivered, directly or indirectly, in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and in compliance with the state securities. The New Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Capital Raising or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States. This Announcement may not be released, published or distributed, directly or indirectly, in whole or in part, in or into the United States.

The New Ordinary Shares also have not been and will not be registered under the securities laws of Restricted Jurisdictions or any state, province or territory thereof and may not be offered, sold, taken up, exercised, resold, or delivered, directly or indirectly, within such jurisdictions except pursuant to an applicable exemption from and in compliance with any applicable securities laws. There will be no public offer in any of the Restricted Jurisdictions.

This Announcement is for information purposes only and does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in any jurisdiction and should not be relied upon in connection with any decision to subscribe for or acquire any of the New Ordinary Shares.

In particular, this Announcement does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States or the Restricted Jurisdictions.

The Banks, which are authorised and regulated in the UK by the Financial Services Authority, are acting for Debenhams and no one else in connection with the Capital Raising and will not regard any other person (whether or not a recipient of this Announcement) as a client in relation to the Capital Raising and will not be responsible to anyone other than Debenhams for providing the protections afforded to their respective clients or for providing advice in relation to the Capital Raising or any matters referred to in this Announcement.

Apart from the responsibilities and liabilities, if any, which may be imposed on the Banks by the Financial Services and Markets Act 2000, none of the Banks accepts any responsibility whatsoever for the contents of this Announcement, and makes no representation or warranty, express or implied, for the contents of this Announcement, including its accuracy, completeness or verification, or for any other statement made or purported to be made by it, or on its behalf, in connection with Debenhams or the New Ordinary Shares or the Capital Raising, and nothing in this Announcement is or shall be relied upon as, a promise or representation in this respect whether as to the past or future. Each of the Banks accordingly disclaims to the fullest extent permitted by law all and any liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of this Announcement or any such statement.

No statement in this Announcement is intended to be a profit forecast and no statement in this Announcement should be interpreted to mean that earnings per share of Debenhams for the current or future financial years would necessarily match or exceed the historical published earnings per share of Debenhams.

This Announcement includes statements that are, or may be deemed to be, “forward looking statements”. These forward looking statements can be identified by the use of forward looking terminology, including the terms “believes”, “projects”, “estimates”, “anticipates”, “expects”, “intends”, “plans”, “goal”, “target”, “aim”, “may”, “will”, “would”, “could”, “should” or “continue” or, in each case, their negative or other variations or comparable terminology. These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this Announcement and include statements regarding the intentions, beliefs or current expectations of the Directors, the Company or the Group concerning, among other things, the results of operations, prospects, growth, strategies and dividend policy of the Group and the industry in which it operates.

By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may be beyond the Company’s ability to control or predict. Forward looking statements are not guarantees of future performance. The Company’s or the Group’s actual results of operations, dividend policy and the development of the industry in which it operates may differ materially from the impression created by the forward looking statements contained in this Announcement. In addition, even if the results of operations and dividend policy of the Company or the Group (as the case may be), and the development of the industry in which it operates, are consistent with the forward looking statements contained in this Announcement, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that could cause these differences include, but are not limited to: the effect of the Capital Raising on the Group; the

Group's ability to generate growth or profitable growth; the Group's ability to generate sufficient cash over the longer term to service its debt; the Group's ability to control its capital expenditure and other costs; changes in the competitive framework in which the Group operates and its ability to retain market share; industry trends; general local and global economic, political, business and market conditions; significant changes in exchange rates, interest rates and tax rates; significant technological and market changes; future business combinations or dispositions; changes in government and other regulation, including in relation to the environment, health and safety and taxation; labour relations and work stoppages; changes in business strategy or development plans.

The forward looking statements contained in this document speak only as of the date of this Announcement. Other than in accordance with their legal or regulatory obligations (including under the Listing Rules and/or the Prospectus Rules and/or the Disclosure and Transparency Rules) and as required by the FSA, the London Stock Exchange or the City Code, neither of the Company or the Banks undertakes any obligation to update or revise publicly any forward looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward looking statements attributable to the Group or individuals acting on behalf of the Group are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

APPENDIX 1

DEFINITIONS

In this Announcement the following expressions have the following meaning unless the context otherwise requires:

“Admission”	the admission of the New Ordinary Shares to the Official List becoming effective in accordance with the Listing Rules (LR 3.2.7G) and of such shares to trading on the market for listed securities of the London Stock Exchange becoming effective in accordance with the requirements contained in paragraph 2.1 of the publication “Admission and Disclosure Standards” dated November 2007, published by the London Stock Exchange and as amended from time to time containing among other things the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange’s market for listed securities.
“Application Form(s)”	the personalised application form on which Qualifying Non-CREST Shareholders (other than Qualifying Non-CREST Shareholders with, subject to certain exceptions, a registered address in the United States or, the Restricted Jurisdictions) who are registered on the register of members of the Company may apply for Open Offer Shares under the Open Offer.
“Banks”	Merrill Lynch, Citi, Citi UK, Lazard, Barclays Capital, LloydsTSB Corporate Markets and RBS Hoare Govett.
“Business Day”	a day (other than a Saturday or Sunday and public holidays) on which banks generally are open for normal banking business in the City of London.
“Capital Raising”	the Firm Placing and the Placing and Open Offer.
“Circular”	the circular to be issued by the Company in connection with the General Meeting on 5 June 2009.
“Citi”	Citigroup Global Markets Limited of Citigroup Centre, 33 Canada Square, Canary Wharf, London E14 5LB
“Citi UK”	Citigroup Global Markets U.K. Equity Limited of Citigroup Centre, 33 Canada Square, Canary Wharf, London E14 5LB
“Closing Date”	26 June 2009, being the date for settlement of subscriptions, as the case may be, under the Capital Raising, or such other date as the Company and the Placing Agents may agree.
“Company”	Debenhams plc, a public limited company incorporated in England and Wales with registered number 05448421, having its registered office at 1 Welbeck Street, London W1G 0AA.
“CREST”	the relevant system (as defined in the CREST Regulations) for paperless settlement of sale and purchases of securities and the holding of shares in uncertificated form in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the CREST Regulations).
“CVC”	CVC Capital Partners SICAV–FIS S.A. and its subsidiaries and affiliates.
“Existing Ordinary Shares”	the Ordinary Shares in issue immediately prior to the Capital Raising.
“Firm Placed Shares”	the New Ordinary Shares which the Placing Agents have made arrangements to place firm conditionally on a non- pre-emptive basis with the Placees, the number of which will be set out in the Pricing Supplement.
“Firm Placing”	the conditional placing to the Firm Placees of the Firm Placed Shares.
“FSA”	the Financial Services Authority of the United Kingdom.
“FSMA”	the Financial Services and Markets Act 2000, as amended.

“General Meeting”	the general meeting of the Company convened for 23 June 2009 (including any adjournment thereof), notice of which is set out in the Circular.
“Issue Price”	the price determined by the Placing Agents and the Company for each Open Offer Share and for each Firm Placed Share.
“Joint Book Runners”	Citi and Merrill Lynch
“Joint Sponsors”	Citi, Lazard, Merrill Lynch
“Lazard”	Lazard & Co., Limited.
“LIBOR”	London Interbank Offered Rate.
“Listing Rules”	the rules and regulations made by the Financial Services Authority in its capacity as the UK Listing Authority under the Financial Services Markets Act 2000, and contained in the UK Listing Authority’s publication of the same name.
“London Stock Exchange”	London Stock Exchange plc.
“Merrill Lynch”	Merrill Lynch International of the Merrill Lynch Financial Centre, 2 King Edward Street, London EC1A 1HQ.
“New Ordinary Shares”	the Firm Placed Shares, and/or the Open Offer Shares, as the context requires
“Notice of General Meeting”	the notice of the General Meeting set out in the Circular.
“Official List”	the Official List maintained by the UK Listing Authority of the FSA pursuant to Part VI of FSMA.
“Open Offer”	the invitation by the Company to Qualifying Shareholders to apply for Open Offer Shares on the term and conditions set out in the Prospectus and in the case of Qualifying non-CREST shareholders, in the Application Form.
“Open Offer Entitlement”	the entitlement of a Qualifying Shareholder to apply for an Open Offer Share for every specified number of Existing Ordinary Shares held by him on the Record Date.
“Open Offer Placed Shares”	the Open Offer Shares to be offered to the Placees in the Placing and for which valid applications are not received in the Open Offer.
“Open Offer Shares”	the New Ordinary Shares which will be offered to Qualifying Shareholders in pursuant to the Open Offer.
“Ordinary Shares or Shares”	the ordinary shares of 0.01p each in the share capital of the Company.
“Placee or Placees”	investors to which Firm Placed Shares are to be placed.
“Placing”	the conditional placing of the Open Offer Shares to Placees at the Issue Price which will be subject to clawback in respect of valid applications by Qualifying Shareholders for such New Ordinary Shares.
“Placing Agents”	Merrill Lynch and Citi UK.
“Placing Agreement”	the placing agreement entered into between the Company and the Banks, in connection with the Capital Raising.
“Placing Letter”	the letter which will be provided to each Placee by the Placing Agents by which Placees make required representations, warranties, indemnities, acknowledgements and undertakings, which the Placee is obliged to complete and sign as formal acceptance of its allocation in the Placings.
“Placing Shares”	the Firm Placed Shares and the Open Offer Placed Shares.

“Placings”	the Firm Placing and the Placing.
“Pricing Supplement”	the pricing supplement proposed to be issued by the Company confirming the Issue Price and the number of New Ordinary Shares.
“Prospectus”	the Prospectus proposed to be published on 5 June 2009 by the Company containing full details of the Capital Raising, which will be made available to Qualifying Shareholders eligible to participate in the Open Offer free of charge, at the Company's registered office and on the Company's website at www.debenhamsplc.com .
“Qualifying Shareholders”	Shareholders on the register of members of the Company at 5.00 p.m. on the Record Date.
“Record Date”	5.00 p.m. (London time) on 2 June 2009.
“Regulation S”	Regulation S under the Securities Act.
“Restricted Jurisdictions”	the Commonwealth of Australia, its territories and possessions, Japan, the Republic of South Africa, and Canada, and “Restricted Jurisdiction” means any one of them.
“Securities Act”	the United States Securities Act of 1933, as amended.
“Shareholder”	holder of Ordinary Shares.
“TPG”	TPG Capital LLP
“UK Listing Authority”	the FSA acting in its capacity as the competent authority under Part VI of the Act.
“United Kingdom or UK”	the United Kingdom of Great Britain and Northern Ireland, its territories and dependencies
“United States”	the United States of America, its territories and possessions and any state of the United States and the District of Columbia.