



For Immediate Distribution

6 May 2009

## 3Q09 SALES BETTER THAN EXPECTED FY09 PROFIT GUIDANCE REAFFIRMED

- **3Q09 sales better than expected** - April trading in line with last year.
- Trading in February & March **in line with expectations**.
- The Company is **investing** in Service, Inventory & Marketing.
- All KPIs are in good shape.
- On track to deliver **0% - 5% PAT growth in 2H09 & FY09**.

David Jones Limited (DJS) CEO Mr Mark McInnes said, "Our Company has today reported its 3Q09 Sales result. Our performance is interesting in that we experienced significant improvement in sales in April despite February and March trading in line with our guidance.

"We recorded better than expected sales in April 2009 and in fact our trading was in line with April 2008. As a result of our stronger trading performance in April we are sensibly investing in Service, Inventory and Marketing for 4Q09. This is the quarter when we will be cycling the start of the downturn that was experienced in 4Q08," Mr McInnes said.

David Jones reported **Sales Revenue of \$411.6 million** for the third quarter of the 2009 financial year (**3Q09**) being the period 25 January 2009 to 25 April 2009. This represents **Total Sales** of **-9.2%** on 3Q08 (\$453.3 million) trading off a base of +3.8% in 3Q08.

Mr McInnes said, "All our core KPIs are in good shape. Our Inventory has been tightly managed, our Cost Efficiency programs are all on track to deliver the savings we had planned, our Gross Profit is well managed and our Financial Services business is performing well, all of which means we are on track to deliver 0% - 5% Profit after Tax (PAT) growth in 2H09 and FY09.

"We also reaffirm our FY10 PAT guidance of 0% - 5% growth based on like-for-like (LFL) Sales guidance of -3% to -5% in 1H10 and flat Sales in 2H10.

"In addition, our new Doncaster (VIC) store has been performing strongly. We have achieved Sales of nearly \$30 million in the last two quarters demonstrating that the store is on track to deliver Sales of \$55 million - \$60 million and Store EBIT of \$7 million - \$8 million in its first full financial year of trading, with significant opportunity for Sales and EBIT to ramp-up as the store matures. Our new Doncaster store is a good example of the calibre and quality of new stores that we have announced to date," Mr McInnes said.

## DAVID JONES

David Jones Limited A.C.N. 000 074 573  
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**TOTAL SALES**

<b>PERIOD</b>	<b>FY09 \$m</b>	<b>FY08 \$m</b>	<b>Total % Change</b>	<b>LFL %</b>
First Quarter (1Q) of Financial Year	442.3	471.9	-6.3%	-6.1%
Second Quarter (2Q) of Financial Year	619.9	664.0	-6.6%	-9.2%
First Half (1H) of Financial Year	1,062.2	1,135.9	-6.5%	-7.9%
Third Quarter (3Q) of Financial Year	411.6	453.3	-9.2%	-10.8%
<b>Year to Date</b>	<b>1,473.8</b>	<b>1,589.3</b>	<b>-7.3%</b>	<b>-8.7%</b>

**CONCLUSION**

Mr McInnes said, "We were pleased to see the improvement in trading performance in April and were well prepared in terms of marketing, promotional activity and service levels to fully capitalise on the situation, demonstrating our flexibility and ability to leverage up in all aspects of our business.

"It is impossible to predict if the April trading trend will continue. We do know from experience that department stores are traditionally 'first in and first out' of a downturn and we will continue our sensible investment in service, inventory and marketing in 4Q09 including the promotion of events such as Mothers Day, our May event and Half Year Clearance.

"We have a strong track record of demonstrating that our business model enables us to leverage and capitalise on the first signs of strengthening trends in the macro economic environment.

"We have a proven business model and management team and are well positioned to continue our track record (since 2003) of delivering year-on-year profit growth. We have a strong Balance Sheet, low Debt levels, we own our flagship Sydney and Melbourne CBD store properties, our alliance with American Express is performing strongly and we are diligently and tightly managing our Costs, Inventory and Capital Expenditure. As such, we are well positioned, despite the difficult macro economic environment, to deliver 0% - 5% PAT growth in FY09 and to return excess cash to shareholders in the most efficient manner over time," Mr McInnes said.

ENDS

**FOR FURTHER INFORMATION CONTACT:**

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*Note:*

*The Sales numbers quoted in this ASX Release have not been adjusted to take into account changes to the provisions for returns or lay-bys. These changes are required under AIFRS and will be reflected in the year-end Sales figures in the Company's Income Statement. Any change is expected to be immaterial.*

**DAVID JONES**

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