For Immediate Distribution **17 March 2010**

RECORD 1H10 PROFIT AFTER TAX (UP 10.2%) RECORD HIGH INTERIM DIVIDEND

- **1H10 PAT up 10.2%** ($100.5 million 1H10 vs. $91.2 million 1H09). This is the highest 1H PAT delivered by the Company since listing in 1995
- **EBIT Margins up 90 bp** to 13.5% (from 12.6%)
- **GP Margins up 50 bp** to 40.0% (a record high for the business)
- **CODB % down 30 bp** to 28.4% in 1H10 (vs. 28.7% in 1H09)
- **Record Interim Dividend up 9.1% to 12 cps (fully franked)**

David Jones Limited (DJS) today reported a record high first half **Profit after Tax (PAT) of $100.5 million** for the six months ended 23 January 2010 (1H10). This represents an **increase of 10.2%** on 1H09 ($91.2 million).

The Company's Department Store business reported a **9.8% increase in Earnings Before Interest & Tax (EBIT)** from $114.4 million in 1H09 to $125.6 million in 1H10.

The Company's **'EBIT to Sales Ratio'** for 1H10 **increased by 90 basis points** (bp) to 13.5%.

Gross Profit (GP) Margin for the first half of FY10 was **40.0%** (up from 39.5% in 1H09). This represents a 50 bp improvement and is an excellent result given the heavy promotional activity and discounting by retailers throughout 2Q10. The GP Margin reflects the work undertaken by management throughout 2007 in renegotiating its 2,700 supplier contracts, the reallocation of space to high margin categories and the increase in department store exclusive brands, which protects the Company's competitive positioning.

The **Total Cost of Doing Business (CODB)** percentage for 1H10 was 28.4%, an **improvement of 30 bp** on the CODB percentage in 1H09 (28.7%).

David Jones continued its track record of tight **Stock management**, with inventory levels broadly in line with Sales, up 3.3% on last year.

Capital Expenditure (Capex) for 1H10 was $37.6 million compared to $39.4 million in 1H09 and includes investment in the completion of Stage 1 of the Bourke Street redevelopment.

The Company's key new store and refurbishment projects for FY11 are all on track:

- The Bourke Street store is on track to be completed in the first quarter of FY11 (noting that the EBIT benefit from the material increase in sales in FY11 will be partially offset by increased depreciation and cycling the disruption payment);

- Kotara is expected to be completed in November 2010; and
- Claremont is due to open in March 2011.

The Company's **Financial Services business** also performed in line with expectations. The David Jones American Express Card has obtained a material share of the new credit card account openings in the total market, since its launch in October 2008 and is well positioned for further growth, given the continuing improvement in the overall credit environment.

STRONG BUSINESS MODEL

David Jones CEO Mark McInnes said, "Despite a very competitive environment in 1H10, with heavy promotional activity by retailers, we are pleased to report that our GP Margin hit an all-time high of 40.0% and our EBIT Margin was 13.5%, up 90 bp when compared to 1H09.

"Our ability to deliver these strong results including a record high PAT of $100.5 million (up 10.2% on 1H09) is testament to the strength of our Business Model and its ability to generate shareholder growth throughout the peaks and troughs of the economic cycle.

"Our Company has continued its stringent management of costs, making good progress in implementing the 58 Cost Efficiency Initiatives we announced in September 2009. These initiatives include putting the Company's advertising agency, energy, lift and escalator maintenance, media buying and catalogue printing and delivery contracts out to tender.

"We have net debt of less than $100 million and all of our existing assets are of the highest quality and are supported by strong Cashflows reflecting the strong focus the Company has placed since 2003 on return on capital," Mr McInnes said.

David Jones today has:

- a loyal customer base covering three generations of women (daughter, mother and grandmother);
- a strong service heritage and ethic;
- the best national and international brands portfolio;
- ownership and control of the key David Jones CBD flagship stores in Sydney and Melbourne;
- an alliance with American Express for the David Jones American Express Card and the existing David Jones Store Card;
- low debt levels;
- a proven track record of cost management;
- outstanding GP and EBIT margins;
- strong cashflows;
- best practice performance amongst its international peers, having the highest EBIT margins and lowest debt levels; and
- best positioned itself to take advantage of the upturn when it comes.

This provides a strong foundation from which to trade through the current challenging macro economic environment.

INTERIM DIVIDEND

The Board of Directors has declared an **interim dividend of 12 cents per ordinary share (cps) fully franked** for the six months ended 23 January 2010.

The increase in David Jones' 1H10 interim dividend reflects the strength of the Company's Balance Sheet, its strong Cashflows, low debt levels, as well as its ability to fully fund its future Capex program. It is these factors that give the Board the confidence to declare an **all time high 1H10 dividend**.

The Record Date for the interim dividend will be 6 April 2010 and the Payment Date will be 3 May 2010.

OUTLOOK

Mr McInnes concluded, "We reaffirm our 5% - 10% PAT growth guidance for 2H10 and FY10, although we remain very cautious about cycling the Government Stimulus in 4Q10.

"In addition, we reaffirm our PAT guidance for FY11 of 5% - 10% PAT growth. We note that to achieve the top end of this guidance the retail recovery will have to be in full swing, something Access Economics does not forecast until 2012," he said.

ENDS

FOR FURTHER INFORMATION CONTACT:
Helen Karlis
General Manager Corporate Affairs and Investor Relations
David Jones Limited
02 9266 5960
0404 045 325

APPENDIX 1

PROFIT SUMMARY	1H10 ACTUAL $m	1H09 ACTUAL $m	Change %
Sales	**1,086.1**	1,061.2	+ 2.3%
Gross Profit	**434.5**	418.9	+ 3.7%
% to Sales	**40.0%**	39.5%	+50bp
Cost of Doing Business	**(308.9)**	(304.5)	+ 1.4%
% to Sales	**28.4%**	28.7%	-30bp
EBIT - Department Stores	**125.6**	114.4	+ 9.8%
% to Sales	**11.6%**	10.8%	+80bp
Financial Services	**21.2**	19.7	+ 7.5%
EBIT - Total	**146.8**	134.1	+ 9.5%
% to Sales	**13.5%**	12.6%	+90bp
Net Interest Expense	**(3.3)**	(4.1)	- 20.1%
Profit Before Tax	**143.5**	130.0	+ 10.4%
Income Tax Expense	**(43.0)**	(38.8)	+ 10.9%
Profit After Tax	**100.5**	91.2	+ 10.2%

ASX Listing Rule 4.2A.3

APPENDIX 4D

INTERIM FINANCIAL REPORT

DAVID JONES LIMITED INTERIM FINANCIAL REPORT

ABN 75 000 074 573	Current Reporting Period:	26 Weeks ended 23 January 2010
	Previous Corresponding Period:	26 Weeks ended 24 January 2009

Results For Announcement to the Market

				$A'000
Revenues from ordinary activities	Up	2.3%	to	1,086,136
Profit from ordinary activities after tax attributable to members	Up	10.2%	to	100,459

Dividends – Ordinary Shares	Amount per security	Franked amount per security
2010 Interim dividend declared 17 March 2010 (payable 3 May 2010)	12 ¢	12 ¢
2009 Final dividend (paid 2 November 2009)	17¢	17¢
Previous corresponding period		
2009 Interim dividend (paid 4 May 2009)	11¢	11 ¢
2008 Final dividend (paid 5 November 2008)	16¢	16¢

Record date for determining entitlements to the interim dividend	6 April 2010

David Jones Limited operates a Dividend Reinvestment Plan (DRP) that enables shareholders to reinvest dividends paid on ordinary shares in David Jones Limited. An election notice for participation in the DRP in respect of the 2010 interim dividend must be lodged by 6 April 2010.

Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

Refer to attached ASX and Media Release, and Notes to this Interim Financial Report.

Net Tangible Asset Backing	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary security	$ 1.22	$1.13

The attached 23 January 2010 Half Year Financial Report of David Jones Limited and its Controlled Entities has been subject to review.

DAVID JONES LIMITED

ABN 75 000 074 573

AND CONTROLLED ENTITIES

FINANCIAL REPORT FOR THE HALF YEAR ENDED 23 JANUARY 2010

CONTENTS

The half year financial report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.2A.3 and should be read in conjunction with the 2009 annual financial report and any announcements made to the market during the period.

DIRECTORS' REPORT

Your directors present their report on the Consolidated Entity consisting of David Jones Limited and the entities it controlled at the end of, or during, the half year ended 23 January 2010.

Directors

The Directors of the Company in office at any time during, or since, the end of the half year are as follows:

Robert Savage AM	Chairman and independent Non-Executive Director
John Coates AC	Deputy Chairman and independent Non-Executive Director
Mark McInnes	Chief Executive Officer and Executive Director
Stephen Goddard	Finance Director and Executive Director
Reginald Clairs AO	Independent Non-Executive Director
John Harvey	Independent Non-Executive Director
Katie Lahey	Independent Non-Executive Director
Peter Mason AM	Independent Non-Executive Director
Philippa Stone	Independent Non-Executive Director (appointed 9 March 2010)

Review of Operations

Comments on the operations and the results of those operations are shown on pages 1 to 4 of this financial report.

Auditor's Independence Declaration

The auditor's independence declaration to the Directors of the Company in relation to the auditor's compliance with the independence requirements of the Corporations Act and the professional code of conduct for external auditors, forms part of the Directors' Report, and is set out on page 21.

Indemnification of Directors

The Company has indemnified each Director referred to on page 7 of this report, the Company Secretary and previous Directors and Secretaries (Officers) against all liabilities or loss (other than to the Company or a related body corporate) that may arise from their position as Officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith or indemnification is otherwise not permitted under the Corporations Act. The indemnity stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses, and covers a period of seven years after ceasing to be an Officer of the Company. The indemnity is contained in a Deed of Access, Insurance and Indemnity, which also gives each Officer access to the Company's books and records.

The Company has also indemnified the current and previous Directors of its controlled entities and certain members of the Company's senior management for all liabilities and loss (other than to the Company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith or indemnification is otherwise not permitted under the Corporations Act.

DIRECTORS' REPORT (CONTINUED)

Indemnification of Auditors

The Constitution of the Company provides that it must indemnify its auditors, Ernst & Young, against any liability incurred in their capacity as auditor in defending any proceedings, whether civil or criminal, in which judgement is given in their favour or in which they are acquitted or in connection with any application in relation to any such proceedings in which relief is granted under the Corporations Act.

As part of the Company's terms of engagement with Ernst & Young, the Company has agreed to indemnify Ernst & Young against certain liabilities to third parties arising from their engagement as auditor. The indemnity does not extend to any liability resulting from a negligent, wrongful or wilful act or omission by Ernst & Young.

Rounding of Amounts

The Company is of a kind referred to in Class Order 98/100 issued by the Australian Securities and Investment Commission and in accordance with that Class Order as in force as at 23 January 2010 amounts in this Report and the accompanying financial statements have been rounded to the nearest thousand dollars unless otherwise stated.

This report is made in accordance with a resolution of the directors.

Robert Savage

Chairman

Mark McInnes

Chief Executive Officer

17 March 2010

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 23 JANUARY 2010 AND 25 JULY 2009

	Note	23 January 2010 $000	25 July 2009 $000
CURRENT ASSETS			
Cash and cash equivalents		**14,560**	13,615
Receivables		**30,890**	22,309
Inventories		**248,738**	244,843
Financial assets		**1**	774
Other assets		**7,696**	8,805
Total current assets		**301,885**	290,346
NON-CURRENT ASSETS			
Financial assets		**12**	12
Property, plant and equipment		**741,126**	724,080
Intangible assets		**37,567**	38,192
Deferred tax assets		**69,719**	70,680
Other assets		**829**	1,364
Total non-current assets		**849,253**	834,328
Total assets		**1,151,138**	1,124,674
CURRENT LIABILITIES			
Payables		**235,946**	244,102
Interest bearing liabilities		**7,966**	1,870
Current tax liabilities		**27,179**	3,349
Provisions		**39,756**	52,049
Financial liabilities		**1,465**	2,309
Other liabilities		**632**	555
Total current liabilities		**312,944**	304,234
NON-CURRENT LIABILITIES			
Interest bearing liabilities		**77,000**	100,000
Provisions		**8,288**	6,856
Other liabilities		**28,968**	28,742
Total non-current liabilities		**114,256**	135,598
Total liabilities		**427,200**	439,832
Net assets		**723,938**	684,842
EQUITY			
Contributed equity	3	**495,649**	479,117
Reserves		**62,965**	55,748
Retained earnings		**165,324**	149,977
Total equity		**723,938**	684,842

The consolidated statement of financial position is to be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 26 WEEKS ENDED 23 JANUARY 2010 AND 26 WEEKS ENDED 24 JANUARY 2009

	Note	**23 January 2010 $000**	24 January 2009 $000
Revenue from sale of goods		**1,086,136**	1,061,238
Cost of sales		**(651,682)**	(642,374)
Gross profit		**434,454**	418,864
Other revenues		**24,777**	38,340
Employee benefits expenses		**(164,007)**	(172,768)
Lease and occupancy expenses		**(88,279)**	(77,383)
Depreciation and amortisation expense		**(21,160)**	(22,916)
Advertising, merchandising and visual expenses		**(24,615)**	(27,263)
Administration expenses		**(5,806)**	(12,923)
Financing expenses		**(3,413)**	(5,252)
Other expenses		**(8,454)**	(8,731)
Profit from continuing operations before income tax expense		**143,497**	129,968
Income tax expense		**(43,038)**	(38,808)
Net profit for the period		**100,459**	91,160

Other comprehensive income		
Gains/(losses) on cash flow hedges	**534**	6,025
Transfer of realised gains to Income Statement	**(463)**	(605)
Income tax on items of other comprehensive income	**(21)**	(1,716)
Other comprehensive income for the period, net of tax	**50**	3,704
Total comprehensive income for the period	**100,509**	94,864
Basic earnings per share (cents per share)	**20.0**	18.5
Diluted earnings per share (cents per share)	**19.4**	17.7

The consolidated statement of comprehensive income is to be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 26 WEEKS ENDED 23 JANUARY 2010 AND 26 WEEKS ENDED 24 JANUARY 2009

For the period ending 23 January 2010:	Note	Share Capital $000	Cash Flow Hedge Reserve $000	Share Based Payments Reserve $000	Retained Earnings $000	Total $000
Total equity at the beginning of the period		**479,117**	**(1,075)**	**56,823**	**149,977**	**684,842**
Profit for the period		**—**	**—**	**—**	**100,459**	**100,459**
Other comprehensive income, net of tax		**—**	**50**	**—**	**—**	**50**
Total comprehensive income for the period		**—**	**50**	**—**	**100,459**	**100,509**
Transactions with owners, recorded directly in equity:						
Issue of ordinary shares through Dividend Reinvestment Plan		**16,483**	**—**	**—**	**—**	**16,483**
Dividends paid	**2**	**—**	**—**	**—**	**(85,112)**	**(85,112)**
Employee share plan		**49**	**—**	**—**	**—**	**49**
Share based payment transactions		**—**	**—**	**5,982**	**—**	**5,982**
Income tax		**—**	**—**	**1,185**	**—**	**1,185**
Total contributions by and distributions to owners		**16,532**	**—**	**7,167**	**(85,112)**	**(61,413)**
Total equity at the end of the period		**495,649**	**(1,025)**	**63,990**	**165,324**	**723,938**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 26 WEEKS ENDED 23 JANUARY 2010 AND 26 WEEKS ENDED 24 JANUARY 2009

For the period ending 24 January 2009:	Note	Share Capital $000	Cash Flow Hedge Reserve $000	Share Based Payments Reserve $000	Retained Earnings $000	Total $000
Total equity at the beginning of the period		455,341	150	35,310	128,989	619,790
Restatement in respect of amendment to AASB 138		—	—	—	(2,543)	(2,543)
Profit for the period		—	—	—	91,160	91,160
Other comprehensive income, net of tax		—	3,704	—	—	3,704
Total comprehensive income for the period		—	3,704	—	91,160	94,864
Transactions with owners, recorded directly in equity:						
Issue of ordinary shares through Dividend Reinvestment Plan		15,845	—	—	—	15,845
Dividends paid	**2**	—	—	—	(78,549)	(78,549)
Employee share plan		48	—	—	—	48
Share based payment transactions		—	—	5,319	—	5,319
Income tax		—	—	4,486	—	4,486
Total contributions by and distributions to owners		15,893	—	9,805	(78,549)	(52,851)
Total equity at the end of the period		471,234	3,854	45,115	139,057	659,260

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE 26 WEEKS ENDED 23 JANUARY 2010 AND 26 WEEKS ENDED 24 JANUARY 2009

	23 January 2010 $000	24 January 2009 $000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of GST)	**1,197,498**	1,185,523
Payments to suppliers and employees (inclusive of GST)	**(1,075,912)**	(1,066,995)
Commissions received	**22,850**	20,018
Interest received	**112**	925
Borrowing costs paid	**(3,457)**	(5,038)
Income tax paid	**(17,082)**	(37,351)
Net cash from operating activities	**124,009**	97,082
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	**(37,121)**	(39,418)
Payments for software	**(1,015)**	—
Proceeds from disposal of property, plant and equipment	**555**	—
Net cash from investing activities	**(37,581)**	(39,418)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid on ordinary shares	**(68,628)**	(62,704)
Repayments of long term borrowings	**(23,000)**	(191,000)
Proceeds from issue of ordinary shares under Employee share plan	**49**	48
Sale of store card and credit reserve receivables	**—**	374,311
Repayment of receivables purchase facility	**—**	(241,000)
Net cash from financing activities	**(91,579)**	(120,345)
Net decrease in cash and cash equivalents	**(5,151)**	(62,681)
Cash and cash equivalents at beginning of the period	**11,745**	65,204
Cash and cash equivalents at end of the period	**6,594**	2,523

Note:

(i) Reconciliation to the statement of financial position

Cash and cash equivalents is comprised of the following:

Cash and cash equivalents	**14,560**	11,490
Bank overdraft (interest bearing liabilities)	**(7,966)**	(8,967)
	6,594	2,523

(ii) Non-cash financing and investing activities

During the period 2,867,789 shares (2009: 5,164,058) were issued under the Dividend Reinvestment Plan. Dividends settled in shares rather than cash during the period amounted to $16.483 million (2009: $15.845 million).

The consolidated cash flow statement is to be read in conjunction with the accompanying notes to the interim financial statements.

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 23 JANUARY 2010

1. SUMMARY OF ACCOUNTING POLICIES

David Jones Limited (Company) is a public company domiciled in Australia and is listed on the Australian Securities Exchange. The consolidated interim financial report for the 26 weeks ended 23 January 2010 comprises the Company and its subsidiaries (together referred to as the Consolidated Entity).

Statement of Compliance

This consolidated interim financial report is a general purpose financial report and has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 25 July 2009 and any public announcements made by David Jones Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Basis of Preparation

The interim financial report is presented in Australian dollars and is prepared on an historical cost basis except for derivative financial instruments, which are stated at their fair value.

The Consolidated Entity is of a kind referred to in ASIC Class Order 98/100. Accordingly, amounts in the interim financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

Apart from those noted below, the accounting policies applied are consistent with those adopted and disclosed in the annual financial report for the year ended 25 July 2009.

New accounting standards and interpretations

The following standards and amendments, which are applicable to the Consolidated Entity, were applied for the first time in the preparation of this interim financial report:

(i) AASB 8 Operating Segments

AASB8 requires the Consolidated Entity to define reportable operating segments based on information used regularly by the chief operating decision maker. An operating segment is a distinguishable component of the Consolidated Entity that is engaged in providing products or services that are subject to risks and rewards that are different from those of other segments. The Consolidated Entity has defined its chief operating decision maker as its Chief Executive Officer. The Consolidated Entity's operating segments and relevant disclosures are outlined in note 4.

(ii) AASB 138 Intangible Assets

In accordance with *AASB 138 Intangible Assets*, the Consolidated Entity has recognised advertising costs for the current reporting period as they are incurred and the relevant advertising is ready for utilisation. This change in accounting policy has resulted in a change in the timing of recognition of advertising costs, whereby advertising costs were previously recognised by the Consolidated Entity as advertising was utilised. The financial statements as at 26 July 2008 have been restated to decrease retained earnings by $2.543 million, increase deferred tax assets $1.090 million and decrease receivables $3.633 million in accordance with *AASB 101 Presentation of Financial Statements*. No adjustment has been made to the income statement for the 26 weeks ended 24 January 2009 and 52 weeks ended 25 July 2009 due to the timing of expenses, as the impact is not material period on period. There is no effect on past or future cash flows as a result of this adjustment.

(iii) AASB101 (Revised) Presentation of Financial Statements

In accordance with AASB101 (Revised) the Consolidated Entity has made various revisions to the format of its primary financial statements, including the introduction of the Consolidated Statement of Comprehensive Income.

(iv) Other changes

The following standards have also been implemented by the Consolidated Entity and have had either minimal or no impact on this interim financial report.

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 23 JANUARY 2010 AND 26 WEEKS ENDED 24 JANUARY 2009

1. SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

New accounting standards and interpretations (continued)

Reference	Title	Summary
AASB 2007 – 3	Amendments to Australian Accounting Standards arising from AASB 8	Various minor amendments to other accounting standards arising from the introduction of AASB 8 Operating Segments. Minimal impact on the Consolidated Entity's interim financial report.
AASB 2008-1	Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations.	Amendments clarify the definition of 'vesting conditions', introducing the term 'non-vesting conditions' and prescribing accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied. Minimal impact on the Consolidated Entity's interim financial report.
AASB 2009-5	Further amendments to Australian Accounting Standards arising from the Annual Improvements Project effective 1 January 2010 in relation to IFRS 8	Clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker. This has been early adopted by the Consolidated Entity. Minimal impact on the Consolidated Entity's interim financial report.

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 23 JANUARY 2010 AND 26 WEEKS ENDED 24 JANUARY 2009

2. DIVIDENDS

Dividends recognised at the reporting date are:

	AMOUNT PER SHARE	TOTAL AMOUNT $000	DATE OF PAYMENT
23 January 2010:			
Final 2009 ordinary	17.000¢	85,112	2 November 2009
Total amount		85,112	
24 January 2009:			
Final 2008 ordinary	16.000¢	78,549	5 November 2008
Total amount		78,549	

All dividends paid in the current and prior period were fully franked at the tax rate of 30%.

Subsequent event

Subsequent to 23 January 2010, the Directors have declared the following dividend franked on ordinary shares at the tax rate of 30%:

	AMOUNT PER SHARE	TOTAL AMOUNT $000	DATE PAYABLE
Interim 2010 ordinary	12 .000¢	60,423	3 May 2010

The financial effect of the interim ordinary dividend for 2010 has not been recognised in the Interim Financial Statements for the half year ended 23 January 2010 and will be recognised in subsequent Financial Statements.

	HALF YEAR ENDED 23 January 2010 $000	YEAR ENDED 25 July 2009 $000

3. CONTRIBUTED EQUITY

	HALF YEAR ENDED 23 January 2010 $000	YEAR ENDED 25 July 2009 $000
Ordinary shares, fully paid	**495,649**	479,117
Movements in ordinary contributed equity		
Balance at the beginning of the period	**479,117**	455,341
Dividend Reinvestment Plan	**16,483**	25,862
Employee share plan	**49**	82
Purchase of shares for the LTI Plan	**—**	(2,168)
Balance at the end of the period	**495,649**	479,117

Movements in the number of ordinary shares	**NUMBER OF SHARES**	NUMBER OF SHARES
Balance at the beginning of the period	**500,656,676**	483,452,861
Dividend Reinvestment Plan	**2,867,789**	8,502,685
Shares issued under the LTI Plan	**—**	7,001,157
Shares issued for the LTI Plan	**—**	1,700,000
Balance at the end of the period	**503,524,465**	500,656,676

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS (CONTINUED)

FOR THE 26 WEEKS ENDED 23 JANUARY 2010 AND 26 WEEKS ENDED 24 JANUARY 2009

4. SEGMENT REPORTING

Business and geographical segments

Operating Segments are defined with reference to information regularly reviewed by the Consolidated Entity's Chief Executive Officer (chief operating decision maker). The Consolidated Entity operates in Australia and was organised into the following operating segments by product and service type for the half year:

- Department Stores comprising David Jones department stores, rack stores and corporate head office; and
- Financial Services comprising the alliance between David Jones and American Express. In prior periods, the Financial Services segment was comprised of the David Jones store card and other related financial services.

Unallocated items

Interest revenue and some interest expenses are not allocated to operating segments as they are not considered part of the core operations of any segment.

Seasonality of operations

The financial performance of the Consolidated Entity is exposed to seasonality in sales volumes, such that the revenue and profit of its Department Stores segment is historically weighted in favour of the first half of the financial year. The seasonality is a reflection of the additional retail sales generated during the Christmas trading period each year.

Business segments for the 26 weeks ended 23 January 2010 were:

Operating segments:	Department Stores	Financial Services	Unallocated	Consolidated
	$'000	$'000	$'000	$'000
External revenue	**1,086,136**	—	—	**1,086,136**
Other income:				
Commissions earned	—	**22,984**	—	**22,984**
Other revenues from external customers	**1,473**	—	**152**	**1,625**
Total segment revenue and other income	**1,087,609**	**22,984**	**152**	**1,110,745**
Gross profit	**434,454**	—	—	**434,454**
Depreciation and amortisation	**(21,151)**	**(9)**	—	**(21,160)**
Share based payments	**(5,982)**	—	—	**(5,982)**
All other expenses	**(283,380)**	**(1,755)**	—	**(285,135)**
Total expenses	**(310,513)**	**(1,764)**	—	**(312,277)**
Segment earnings before interest and tax	**125,414**	**21,220**	**152**	**146,786**
Interest revenue	—	—	**168**	**168**
Interest expense	**(3,057)**	—	**(400)**	**(3,457)**
Net interest expense	**(3,057)**	—	**(232)**	**(3,289)**
Segment profit before tax	**122,357**	**21,220**	**(80)**	**143,497**

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS (CONTINUED)

FOR THE 26 WEEKS ENDED 23 JANUARY 2010 AND 26 WEEKS ENDED 24 JANUARY 2009

4. SEGMENT REPORTING (CONTINUED)

Business segments for the 26 weeks ended 24 January 2009 were:

Operating segments:	**Department Stores**	**Financial Services**	**Unallocated**	**Consolidated**
External revenue	1,061,238	—	—	1,061,238
Other income:				
Commissions earned	—	30,279	—	30,279
Other revenues from external customers	6,962	—	176	7,138
Total segment revenue and other income	1,068,200	30,279	176	1,098,655
Gross profit	418,864	—	—	418,864
Depreciation and amortisation	(22,881)	(35)	—	(22,916)
Share based payments	(5,319)	—	—	(5,319)
All other expenses	(283,452)	(10,511)	—	(293,963)
Total expenses	(311,652)	(10,546)	—	(322,198)
Segment earnings before interest and tax	114,174	19,733	176	134,083
Interest revenue	—	—	923	923
Interest expense	(4,498)	—	(540)	(5,038)
Net interest (expense)/revenue	(4,498)	—	383	(4,115)
Segment profit before tax	109,676	19,733	559	129,968

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS (CONTINUED)

FOR THE 26 WEEKS ENDED 23 JANUARY 2010 AND 26 WEEKS ENDED 24 JANUARY 2009

5. CONTINGENT LIABILITIES

The nature and amount of contingent liabilities are disclosed in Note 25 to the Consolidated Entity's 25 July 2009 Financial Statements.

The Directors are not aware of any circumstance or information, which would lead them to believe that these liabilities have crystallised and consequently no provisions are included in the financial statements in respect of these matters. There have been no changes to the contingent liabilities since the previous reporting period.

6. EVENTS OCCURRING AFTER THE REPORTING DATE

Dividends

Dividends declared after 23 January 2010 are disclosed in note 2.

DIRECTORS' DECLARATION

In the opinion of the Directors of David Jones Limited (Company):

(a) the interim financial report set out on pages 10 to 21, are in accordance with the Corporations Act, including:

(i) giving a true and fair view of the financial position of the Consolidated Entity as at 23 January 2010 and it's performance, as represented by the results of it's operations and cash flows, for the half year ended on that date; and

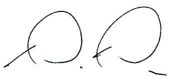
(ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Robert Savage

Chairman



Mark McInnes

Chief Executive Officer

Sydney, 17 March 2010

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Auditor's Independence Declaration to the Directors of David Jones Limited

In relation to our review of the financial report of David Jones Limited for the 26 weeks ended 23 January 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Graeme McKenzie
Partner
17 March 2010

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Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of David Jones Limited, which comprises the statement of financial position as at 23 January 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the 26 weeks ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 23 January 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* . As the auditor of David Jones Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of David Jones Limited is not in accordance with the *Corporations Act 2001*, including:

i) giving a true and fair view of the consolidated entity's financial position as at 23 January 2010 and of its performance for the 26 weeks ended on that date; and

ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Ernst & Young

Graeme McKenzie
Partner
17 March 2010