



For Immediate Distribution

18 August 2010

DAVID JONES REPORTS 1.7% INCREASE IN 4Q10 LFL SALES

- 4Q10 Total Sales up 7.3% (14 weeks in 4Q10 versus 13 weeks in 4Q09)
- 4Q10 LFL Sales up 1.7% (13 weeks in 4Q10 versus 13 weeks in 4Q09)
- 2H10 Total Sales up 4.7% (27 weeks in 2H10 versus 26 weeks in 2H09)
- 2H10 LFL Sales up 1.6% (26 weeks in 2H10 versus 26 weeks in 2H09)
- The Company today also reaffirmed its:
 - 2H10 PAT growth guidance of 5% - 10%;
 - FY10 PAT growth guidance of 8% - 10%; and
 - FY11 PAT growth guidance of 5% - 10%.

David Jones Limited (DJS) today announced a **7.3% increase** in Sales revenue for 4Q10 (ending 31 July 2010) from \$512.3 million in 4Q09 to **\$549.6 million** in 4Q10. 4Q10 however was a 14-week quarter compared to a 13-week quarter in 4Q09. On a like-for-like (LFL) basis, utilising a 13-week period for both 4Q10 and 4Q09, Sales growth was 1.7%.

David Jones CEO Paul Zahra said, "We are pleased to have reported positive LFL Sales growth in every quarter of FY10. This trend suggests we have traded through the worst of the Global Financial Crisis. This is particularly encouraging given the unseasonably warm weather in May 2010 and the cycling of the May 2009 Federal Government Stimulus Package.

"The upward trend in sales in June and July more than offset the challenges faced in May, and provides encouraging support for the view that the worst is over and that 1H11 trading is looking more positive.

"Access Economics is forecasting that consumer confidence will continue to improve in the lead up to Christmas. Whilst this is positive news for us we continue to remain cautious about the speed at which consumer confidence returns and as such we have based our internal budgets on conservative sales forecasts.

"Having said that, we are delighted with the customer response to our new Bourke Street Mall flagship stores which we officially unveiled on Friday 13 August 2010.

DAVID JONES

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"We are also pleased to have announced in the past few weeks:

- the renewal of our lease at Toowong Village (south west of Brisbane);
- the renewal of our lease and expansion of our store in Karrinyup (WA);
- that we have reached an acceptable financial position with Westfield in relation to the disruption associated with Westfield's replacement of the two air-bridges linking our Sydney CBD stores to the new Westfield Sydney (Centrepoint) development;
- our successful exit from both the Fountain Gate (Vic) and Toombul (Qld) centres; and
- the appointment of a new advertising agency, M&C Saatchi after a lengthy tender process,"

Mr Zahra said.

Throughout the fourth quarter the Company's trading performance by category was pleasing. Sales growth was evident in Womens and Mens Fashion, Footwear, Accessories and in the key areas of the Homewares category, particularly components of the Electronics offer.

From a geographic perspective, all States traded in line with expectations, with strongest growth experienced in NSW and Victoria.

Details of the Company's 2010 Full Year (FY10) Sales are set out in the table below.

TOTAL SALES

PERIOD	FY10 \$m	FY09 \$m	%Change Total Sales	%Change LFL
First Quarter (1Q) of Financial Year	452.1	442.3	2.2	0.8
Second Quarter (2Q) of Financial Year	634.7	619.9	2.4	3.1
First Half (1H) of Financial Year	1,086.8	1,062.2	2.3	2.2
Third Quarter (3Q) of Financial Year	417.4	411.6	1.4	1.4
Fourth Quarter (4Q) of Financial Year	549.6	512.3	7.3	1.7
Second Half (2H) of Financial Year	967.0	923.9	4.7	1.6
Full Year	2,053.8	1,986.1	3.4	1.9

TRADING ENVIRONMENT AND OUTLOOK

The Company today also reaffirmed its:

- 2H10 Profit after Tax (PAT) growth guidance of 5% - 10%;
- FY10 PAT growth guidance of 8% - 10%; and
- FY11 PAT growth guidance of 5% - 10% (noting that to achieve the top end of this guidance the economic recovery will need to be in full swing, something that Access Economics does not predict until 2012).

Mr Zahra said, "As trading has improved we have sensibly invested in inventory, marketing and service which has enabled us to capitalise on a better than expected trading environment in 4Q10 and this will hold us in good stead in the lead up to Christmas trading in 1H11."

"Whilst the positive turnaround in trading performance in FY10 has been pleasing, there is still some uncertainty in relation to the future outlook. As a result we have adopted conservative budget settings within our business. Nevertheless, as we have demonstrated in the past, we have a strong business model that can capture trading opportunities as they emerge.

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“Our business has a track record of being ‘first in and first out’ of a downturn, we have a strong business model and a clear business strategy, we have the best national and international brand portfolio in Australia, we have a disciplined approach to cost and inventory management and we have good growth prospects,” Mr Zahra said.

ENDS

FOR FURTHER INFORMATION CONTACT:

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Notes: 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.

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