



23 February 2011

**DAVID JONES ANNOUNCES:**

- **1H11 SALES OF -0.1%**
- **1H11 PAT GROWTH GUIDANCE OF ~ +5%**

- **1H11 PAT Guidance of approximately +5%** despite challenging environment.
- **1H11 Total & LFL Sales of -0.2%** on a **statutory weeks** basis (\$1,084.2 mil in 1H11 vs. \$1,086.8 mil in 1H10).
- **1H11 Total & LFL Sales of -0.1%** on an **adjusted calendar weeks** basis.
- **2Q11 Total & LFL Sales -1.1%** (on an adjusted calendar weeks basis) and -2.7% (on a statutory weeks basis).
- Challenging trading throughout 2Q11 with cooler weather, the Queensland floods and a decline in consumer sentiment.
- The Company reaffirms its **2H11 PAT Growth Guidance of 5% - 10%** (noting that it will most likely be at the lower end of the range unless there is a significant improvement in consumer sentiment).

David Jones Limited (DJS) today reported **Total and Like-for-Like (LFL) Sales revenue of \$617.6 million** for the second quarter of the 2011 year (**2Q11**) (being the period 31 October 2010 to 29 January 2011). This represents a Total and LFL Sales decline of 2.7% on 2Q10 using the statutory reporting periods for both 2Q11 and 2Q10.

The FY11 reporting period started one week later than FY10 due to FY10 being a 53-week year. Comparing the **sales for 2Q11 to the same calendar weeks in 2Q10** (i.e. 1 November 2009 to 30 January 2010), Total and LFL Sales **decreased by 1.1%** (on an adjusted calendar weeks basis).

David Jones CEO, Paul Zahra said, "Whilst Sales this quarter were -1.1% our PAT Growth Guidance for 1H11 is approximately +5% and for 2H11 remains unchanged at 5% to 10%, although we expect it will be at the lower end of this range.

"We experienced a challenging second quarter with wetter and cooler weather, a decline in consumer sentiment, significant discounting in the sector in the lead up to Christmas and the impact of the Queensland floods on six of our stores.

"Consumer shopping behaviour continued to be patchy throughout 2Q11 and we have seen no material signs that this is changing. Sales on a state-by-state basis (excluding Queensland) were consistent, with no discernable trend emerging.

"Despite a very competitive retail environment in 2Q11 with heavy promotional activity by retailers, we have managed our cost position well and I am pleased to report that we have also effectively managed our Gross Profit Margin and Inventory," Mr Zahra said.

**DAVID JONES**

David Jones Limited A.C.N. 000 074 573  
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## TOTAL &amp; LFL SALES

PERIOD	FY11 \$m	FY10 \$m	% Change Statutory Weeks	% Change Adjusted weeks
First Quarter (1Q) of Financial Year	466.6	452.1	3.2%	1.2%
Second Quarter (2Q) of Financial Year	617.6	634.7	- 2.7%	- 1.1%
<b>First Half (1H) of Financial Year</b>	<b>1,084.2</b>	<b>1,086.8</b>	<b>- 0.2%</b>	<b>- 0.1%</b>

**OUTLOOK**

Mr Zahra said, "I am pleased to report that on 17 February 2011 we launched our new, redeveloped Claremont Quarter (WA) store, with 85% more selling space. David Jones is the only department store in the Claremont Quarter centre, one of Australia's most affluent catchments and to date customer reaction to the store has been outstanding.

"In addition our newly redeveloped Bourke Street Mall Melbourne CBD stores have continued to perform strongly and we have experienced an increase in foot traffic in our Sydney CBD stores as a result of the opening of the new Westfield Sydney centre.

"Earlier today we announced that we have signed an Agreement for Lease with GPT to open a new store at their Highpoint (Vic) shopping centre. The new store will be part of a bigger development that GPT is undertaking and involves adding a new fashion wing to the centre. Work on the development is due to commence in March 2011 and the new David Jones store is expected to open for trade in the first quarter of 2013.

"We continue to grow and evolve our Brand Portfolio having announced on 13 January 2011 the addition of 30 new department store exclusive Australian and international brands to our portfolio. In addition, our Refurbishment program is progressing well. Our Wollongong (NSW) and Kotara (NSW) stores have been successfully refurbished and are now trading uninterrupted. We have commenced work on the major upgrades of our Chadstone (Vic) store and our Warringah Mall (NSW) store, both of which will deliver more selling space and are on track to be completed well in time for Christmas trading in 2011.

"We closed our Toombul (Qld) and Newcastle (NSW) stores on 29 January 2011 and are on track to transfer the EBIT Contribution of those stores to our nearby Chermiside (Qld) and newly refurbished Kotara (NSW) stores, respectively.

"All of these initiatives in conjunction with our tight management of GP Margins, Inventory and Costs have led us to reaffirm our 2H11 PAT Growth Guidance of 5% to 10% keeping in mind that if consumer shopping behaviour continues as per 1H11 we expect our PAT growth will be at the lower end of our guidance. We also reaffirm our FY12 PAT Growth Guidance of 5% to 10% (although based on the current environment we expect it to be at the lower end) subject to there being no further deterioration in consumer sentiment and no adverse change in the macro economic environment," Mr Zahra 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 Accounting Standards and will be reflected in the half year-end Sales figures in the Company's Income Statement. Any change is expected to be immaterial.*

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