

# ANNUAL GENERAL MEETING

23 NOVEMBER 2012

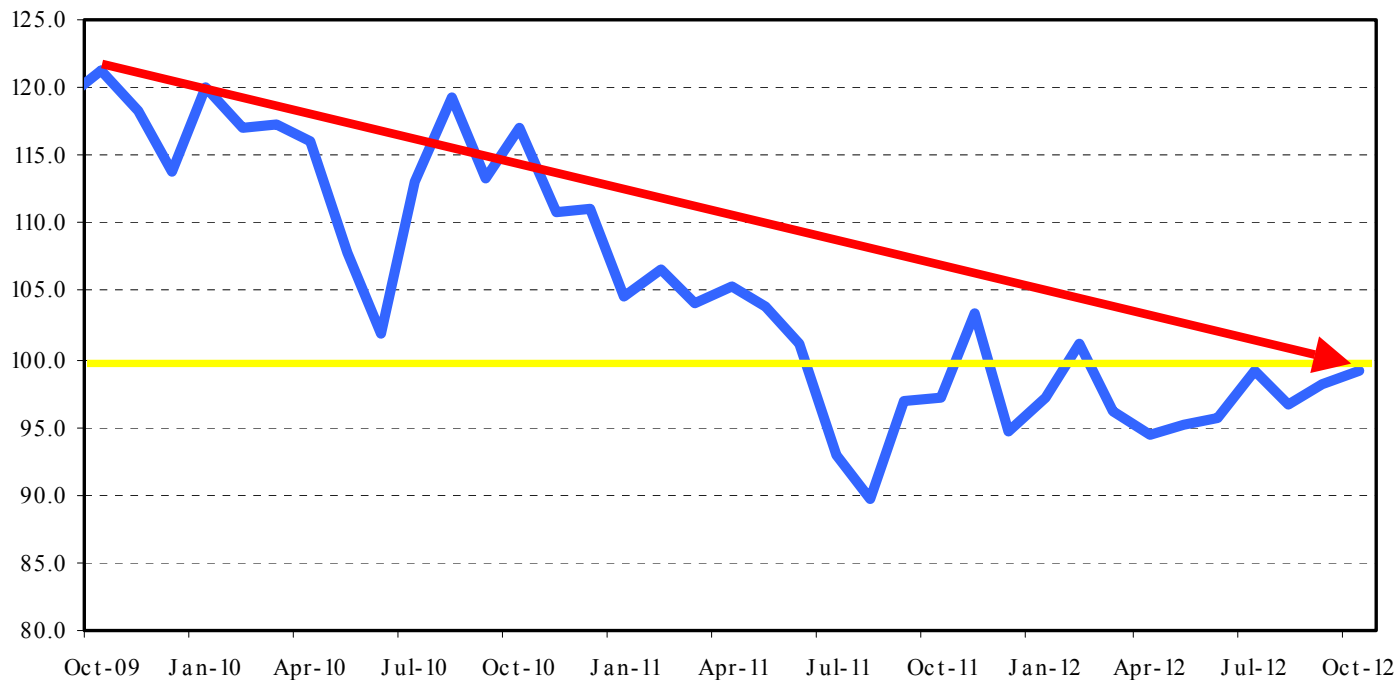
WAS.IS.ALWAYS  
**DAVID  
JONES**



# Chairman – Robert Savage



# Consumer Sentiment Index



Source: RBA (Indicators of Spending and Confidence, Westpac Consumer Sentiment Index), Oct 2012



## David Jones Future Strategic Direction Plan

21 March 2012



# Property Portfolio



David Jones owns four premium freehold retail properties located in the heart of the Sydney and Melbourne CBD retailing precincts



Elizabeth Street,  
Sydney



310 Bourke Street,  
(Women's Store)  
Melbourne



Market Street,  
Sydney



299 Bourke Street,  
(Men's Store)  
Melbourne



- FY12 PAT \$101.1 million
- Fully franked dividend of 7.0 cents per share for 2H12
- Total dividend of 17.5 cents per share, fully franked
- Payout ratio of 91%



- High Corporate Governance standards
- Role in the community
  - Recipient of “Leadership in Corporate Giving”
  - Rollout of Rose Clinics in each state
- High standards of Occupational Health & Safety



Opening of David Jones Rose Clinic (Perth)



# Environment



David Jones is committed to operating in an environmentally sustainable manner:

- Reduced electricity consumption by 6.9% in FY12
- Reduced amount of waste by 54% since FY07
- Reduced greenhouse gas emissions from refrigerators
- Launched new sustainable tote bag



**reduce  
reuse  
recycle  
rethink**





# Chief Executive Officer and Managing Director – Paul Zahra



# Omni Channel Retailing



## Foundation in place

- Scalable physical infrastructure
- Scalable system infrastructure
- New processes
- New skill set

The screenshot shows the David Jones website homepage. At the top, there is a navigation bar with the David Jones logo, a search bar, and links for 'Wish List', 'Contact Us', 'Sign In or Create an account', and 'Shopping bag'. Below the navigation bar, a banner advertises 'love new ways to shop' with a woman sitting on a chair. The banner includes text: 'Over 450 New Brands you know and love from Women's & Men's Fashion, Beauty and Home now online' and 'Free Delivery on all items until the 14th December 2012'. Below the banner, there are several promotional tiles: 'GET TRACK READY' featuring a woman in a red hat, 'CLARINS' featuring skincare products, and five product categories: 'WOMEN'S FASHION', 'MEN'S FASHION', 'BEAUTY', 'WOMEN'S SHOES', and 'HOME'. At the bottom, there are three more promotional tiles: 'OCTOBER instant rewards', 'blackwhite INTRODUCING QUART CRYSTALS', and 'BIG WEEK OF'.



## Stage 1 of OCR launched

- New online site
- New mobile store
- New iPad App (David Jones Magazine)
- New blog 'black and white'
- New store booking tool

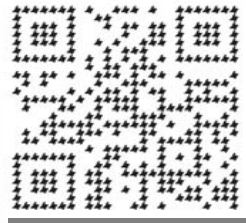


# Omni Channel Retailing

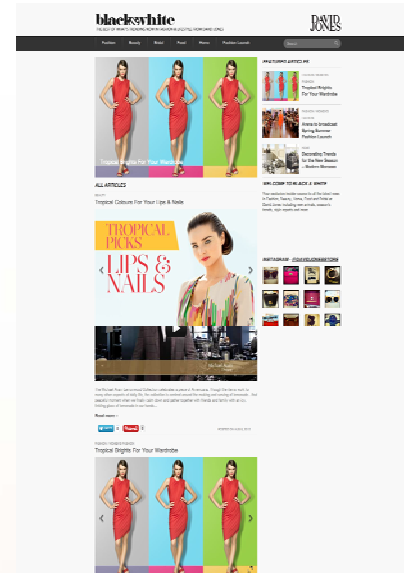


## Marketing integration continues

- Social communities
- Use of QR codes



- SEM & digital display ads



**New blog  
'Black & White'**



**David Jones  
Facebook page**

DAVID JONES



## Next stage of OCR strategy implemented by end FY13

- Click & collect
- Delivery options
- Purchase from gift registry
- Social commerce



# Cost Price Harmonisation



- Good progress being made
- Retail price reductions achieved across hundreds of SKU's in categories such as Fashion, Beauty, Accessories, Shoes, Homewares and Electronics

**LOWER EVERYDAY PRICES ON BRANDS YOU LOVE.**

ESTÉE LAUDER  
Kiehl's  
CLARINS  
LANCÔME  
BOSE  
LACOSTE  
RIDEAU  
Hudis Jeans co  
GANT.  
Canon

**OUR PROMISE**

**OUR promise is to work with our brand partners to reduce everyday prices.**

At David Jones, we know our valued customers love the best brands. And making them as accessible as possible is our priority. That's why we've been working and will continue to work with our brand partners to reduce prices across the store.

Right now, the prices on hundreds of products from international brands have been reduced by up to 50 per cent. Not temporary savings, but lower everyday prices.

So when you come into our store, we're sure you'll be delighted by the new lower everyday prices on brands such as Kiehl's, Scansen, Gant, Riehl, Bose® and many more. And there are more to come.

Our promise is to offer competitive prices and match those of Australian brand stores and their online sites. Should you find a lower price for the same product elsewhere prior to your purchase, we'll happily match it.\*

For our price policy and a list of brands and regular updates on their new everyday prices visit [davidjones.com.au/ourpromise](http://davidjones.com.au/ourpromise)

\*This matching only also applies when the product is identical and only applies to David Jones in respect of the product or brand. It does not apply to other brands or competitors. Prices are subject to stock availability and may vary by store. Only applicable to retail and e-commerce. Excludes services, travel and other special offers.

**WAS IS ALWAYS  
DAVID JONES**

# Customer Service



- Increase of floor staff
- 100 new floor staff supervisors
- 200 new style advisors & sales specialists
- Continued investment in training, performance reporting and incentives



# Customer Engagement



- 45 additional new instore events and promotions



**Napoleon Perdis in store**



**Nicole Richie**



**Wine Masterclass**





- Point Of Sale system has been piloted at our stores at Birkenhead Point (NSW), Hornsby (NSW) & Bondi Junction (NSW)
- Preferred provider appointed for new Workforce Management System
- Undertaking tender for new Traffic Analytics System



**New Point Of Sale (POS) system**

# Management Skill Base



- Support Centre restructure undertaken in May 2012
- New external appointments Donna Player & Brad Soller



**Donna Player**  
**(Group Executive – Merchandise)**



**Brad Soller**  
**(Chief Financial Officer)**

# New Full Line Department Stores



- Agreements for lease in place for 6 new stores
- Highpoint, Vic (to open in early 2013)
- Indooroopilly, Qld (to open in 2014)



**Artist's impression of new Highpoint store**

# Village Format Stores



- New village format stores announced – based on success of Claremont store (WA)
- 7,000 sqm in size with a focus on Fashion, Beauty & Homewares
- Located in appropriate demographics which do not have a major shopping centre
- In August 2012 new Malvern village format store (Vic) announced



Claremont store (WA)

# Refurbishments



- A number of refurbishments are planned over the next few years
- Toowong Village Store (Qld) refurbishment completed September 2012
- Elizabeth St & Market St Store (NSW) refurbishments completed October 2012
- Recently refurbished Warringah Mall (NSW), Chadstone (Vic) & Marion (SA) stores trading well



**Refurbished Toowong Village Store (Qld)**



**Refurbished Elizabeth Street Store (NSW)**

# Best Brands



- 85 new brands announced in August 2012
- Over 220 new brands introduced over past 20 months



VALENTINO



Gary Bigeni



NICHOLAS KIRKWOOD



HANDSOME WE ARE

JAMES PERSE



PAUL & JOE® SISTER

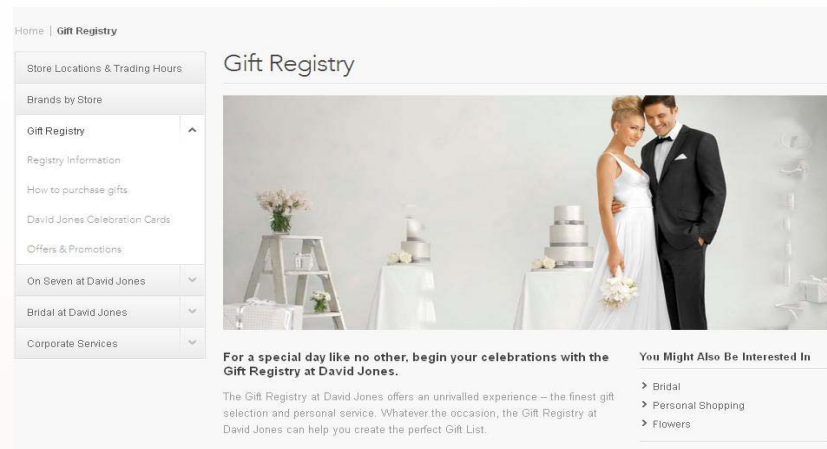


Vivienne Westwood

JONES



- Eliminated administrative tasks through the consolidation of stocktaking activities
- Introduced product scanner within the Gift Registry business
- Support Centre restructure
- Energy efficiencies



# Gross Profit Margin



- Renegotiation of vendor trading terms
- Review of category mix
- Reduced duration of June Half Year Clearance & October event







- New David Jones Platinum American Express card launched
- Qantas Frequent Flyer points available as a reward option under David Jones Platinum & existing David Jones American Express cards
- 21 new cardholder events

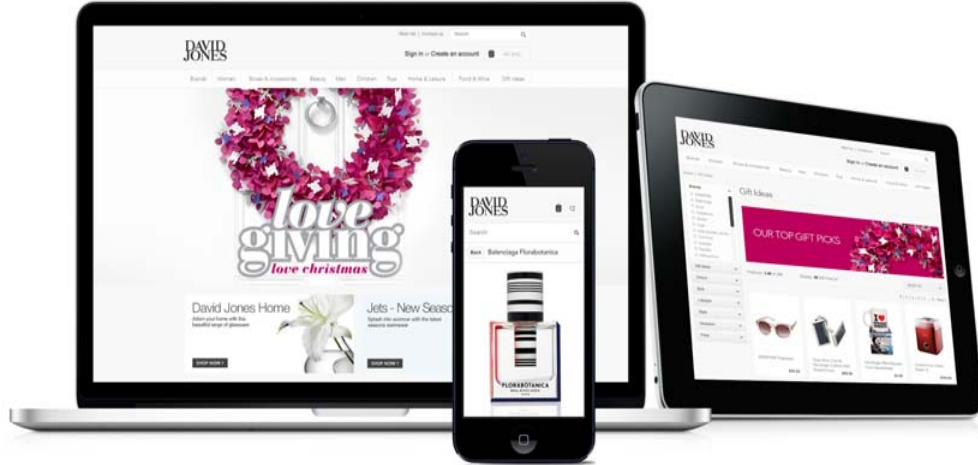


# Financial Performance



	<b>FY12</b>	<b>FY11</b>	<b>Change</b>
	<b>\$m</b>	<b>\$m</b>	<b>%</b>
Sales	1,867.8	1,961.7	- 4.8
Gross Profit	699.8	767.3	- 8.8
Cost of Doing Business	(594.9)	(568.5)	+ 4.6
EBIT Department Stores	104.9	198.8	- 47.2
EBIT Financial Services	49.4	47.7	+ 3.6
EBIT Total	154.3	246.5	- 37.4
Net Interest Expense	(10.5)	(7.2)	+ 47.7
Profit Before Tax	143.8	239.3	- 39.9
Income Tax Expense	(42.7)	(71.2)	- 40.0
Profit After Tax	101.1	168.1	- 39.9
	<b>FY12</b>	<b>FY11</b>	<b>Change</b>
EBIT to Sales	8.3%	12.6%	- 430 bps
PAT to Sales	5.4%	8.6%	- 320 bps

# Christmas at David Jones



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FREE DELIVERY ON ALL ITEMS UNTIL 14 DECEMBER 2012

## love giving love christmas

SHOP NOW > VIEW THE CATALOGUE >

### COOL SUMMER

Get ready for summer with the latest trends in swimwear

SHOP NOW >

### EARN DOUBLE REWARD POINTS

when you use a David Jones American Express Card to make a purchase in-store or online. Hurry ends 11 November 2012

SHOP NOW >

Terms & Conditions apply. See Our Member Online Terms & Conditions

### Double Reward Points

### Our top gift picks

SHOP NOW >

### AUSTRALIAN DESIGNER

SHOP NOW >

### WOMEN'S SHOES

SHOP NOW >

### BEAUTY

SHOP NOW >

### SMALL APPLIANCES

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### TUESDAY 13 NOVEMBER

CARDMEMBER CHRISTMAS SHOPPING EVENT

OVER 100 GREAT OFFERS

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DISCOVER CHRISTMAS CONCEPTS, SINKY PHOTOS AND ONE OF THE MAGIC CAVE AND MORE

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