For Immediate Distribution **20 March 2013**

DAVID JONES 1H13 RESULTS & FUTURE STRATEGIC DIRECTION PLAN UPDATE

- Excellent progress made in implementing **Future Strategic Direction Plan**, key initiatives delivered in line with communicated timetable.
- **1H13 PAT** of $73.5 million, down 13.5% on 1H12, reflecting investment in implementing the Company's Future Strategic Direction Plan and challenging trading conditions.
- **Sales** declined 0.7% as the Company focussed on improving Gross Profit Margins.
- **Gross Profit Margin** improved by 110bp to 39.0**%**.
- **CODB ratio** increased due to continued investment in the business, increased labour, utilities and property costs coupled with the impact of lower sales volumes.
- **Operating Cashflows** whilst down on 1H12 were strong at $114.3m.
- **Balance Sheet** is very strong with gearing at 7.3%, down from 9.0% in 1H12.
- **Interim Dividend** of 10.0cps fully franked.

David Jones Limited (DJS) today reported Profit After Tax (PAT) of $73.5 million for the half year ended 26 January 2013 (1H12: $85.0 million).

The Company's 1H13 PAT reflects continued investment in its Future Strategic Direction Plan and the ongoing challenging trading conditions.

A summary of the Company's financial performance for the half year ended 26 January 2013 (1H13) is shown below:

KEY ITEMS	1H13	1H12
Sales ($m)	1,003.8	1,011.2
EBIT ($m)	109.1	125.8
PAT ($m)	73.5	85.0
Basic EPS (cps)	13.9	16.4
Operating cashflows ($m)	114.3	150.8
Interim dividend per ordinary share (cps) (fully franked)	10.0	10.5

Sales Revenue for 1H13 was $1,003.8 million, down 0.7% on 1H12 reflecting the ongoing challenging trading environment and the Company's strategy to improve the profitability of sales by reducing the duration, quantum and depth of its discounting events.

Fashion and Beauty delivered sales growth in 1H13, however, this was offset by a significant decline in Home categories, in particular Electronics which continued to be challenging and subject to ongoing deflationary pressure.

Gross Profit percentage for 1H13 was up 110 bp to 39.0% (1H12: 37.9%). This is, as noted above, primarily due to a reduction in discounting in the period.

The **Cost of Doing Business (CODB)** percentage for 1H13 was 30.5% (1H12: 27.8%). This reflects continued investment in the Company's Future Strategic Direction Plan, increased labour costs (including provisions for incentive payments), higher utility and property costs as well as the impact of lower sales volumes.

The Company's **Financial Services** business reported EBIT of $24.5 million (1H12: $24.5 million). This is in line with guidance provided in March 2012 and reflects the Company's decision to invest in growing the card base, customer spend and balances.

The half year end **Inventory** position, which included the fully ranged webstore for the first time, was 0.3% lower than 1H12. Aged Inventory remained in line with the Company's benchmark of 5%.

The Company's **Operating Cashflow** was $114.3 million (1H12: $150.8 million). The Company continued to invest with capital expenditure of $34.4 million in the half year (1H12: $45.3 million). Capital Expenditure for the full year is expected to be approximately $80 million.

DEBT POSITION

The Company's Balance Sheet remains strong. Net debt as at 26 January 2013 was $64.3 million (1H12: $79.5 million). The Company's gearing ratio (net debt to net debt plus equity) was 7.3% (1H12: 9.0%).

DIVIDENDS

The Board has declared a fully franked interim dividend of 10.0 cents per share (cps). The record date for the interim dividend will be 11 April 2013 and the dividend payment date will be 6 May 2013.

FUTURE STRATEGIC DIRECTION PLAN UPDATE

The Company is now one year into its Future Strategic Direction Plan and has made significant progress in implementing its transformation in line with the timetable communicated to the market last year.

Omni Channel Retailing (OCR)

In 1H13 the Company launched its new webstore with ~90,000 SKUs, a mobile store, an iPad App with the ability to purchase online, digital gift cards and a store booking tool (for in-store services) which can be used across all channels and devices.

In 2Q13 the Company's new webstore achieved a 288% increase in sales on the prior corresponding period. Sales in this period were double the entire online sales achieved in FY12. Visitor numbers more than doubled to 5.4 million visits and average order size was approximately three times the value of the average in-store transaction size. Importantly over the all important Christmas and Clearance trading period David Jones' site performance was robust.

Over the next 12 months the Company will be focussed on introducing new functionality to its site, including 'click & collect', incremental delivery options and social commerce.

Cost Price Harmonisation

The Company continues to progress its discussions with suppliers with the aim of delivering retail price reductions to customers. It has a detailed Cost Price Harmonisation work program to address this issue and approximately 250 international brands in the business have been identified that require price harmonisation. The Company is in discussions with the majority of these brands, being those that are the largest in terms of sales. Of these brands, 50% have commenced harmonising prices.

The Company has maintained its Gross Profit Margin percentage in these negotiations and sales volume growth has offset the deflationary impact of price harmonisation.

Customer Service & Engagement

The Company has continued its investment in service and in-store events to promote customer engagement. Floor staff hours relative to sales have increased resulting in customer service complaints reducing by 17%, service compliments increasing by 12% and the Company's "Mystery Shopper" survey (undertaken by an independent market research firm – The Realise Group) delivered the Company's best ever customer service results.

The Company's introduction of Style Advisors has been very successful with Style Advisors achieving 72% higher sales per hour compared to existing floor staff. The Company is focussed on improving the productivity of its floor staff and has introduced an enhanced reporting system which tracks floor staff performance by the hour, enabling better management on an individual basis and increased accountability. The Company's new Point of Sale (POS) system has been rolled out across all stores in NSW, Victoria and Queensland and is on track to be fully rolled out to the remainder of the store portfolio by July 2013. The new POS system has delivered many customer service benefits including reduced transaction times, gift receipts and faster returns.

The Company opened its first 'Next Generation Store' at Highpoint (Vic) on 14 March 2013. This concept offers enhanced customer service including customer WiFi, customer charging stations, customer seating and traffic analytics.

The 'Next Generation Store' concept will continue to be rolled out as part of the Company's new store and refurbishment programs.

Brand Portfolio

Over the past six months the Company has introduced 86 new national and international brands to its portfolio including; Rachel Gilbert, Shoes of Prey, Alexander McQueen and Rag & Bone. This takes the total number of new brands to over 300 in the past 26 months which is consistent with the Company's strategy of offering customers the best national and international brands and ensuring that its offer remains fresh and reflects the brands customers want.

Gross Profit (GP) Margins

The Company has had a strong focus on GP Margins over the past 6 months. In 1H13 GP margin improved by 110 bp as a result of the Company's reduced discounting and improved supplier trading terms. Further margin improvement is expected over time as the Company exits DVDs, music and electronic games and improves its category mix by increasing space allocations for higher margin categories through its refurbishment and new store programs. The Company is focussed on increasing private label sales (which currently are ~3.5% of sales) to be more in line with its international peers at approximately 10% of sales.

Technology & CODB Efficiencies

Significant investment has been made by the Company over the past 12 months in technology to drive efficiencies and improve service. As noted above, the Company has successfully rolled out its new POS system to 70% of its store portfolio. New projects currently underway include a rebate management tool, merchandise planning tool, traffic analytics system, work force management tool and an enhanced customer data analytics system.

The Company continues to drive CODB efficiencies. Over the past six months initiatives have included waste management, energy efficiencies, Support Centre labour cost reductions as well as ongoing savings generated from the introduction of a centralised Gift Registry with scanners and stock take consolidation.

Store Network

The Company successfully opened its new Highpoint (Vic) store on 14 March 2013 and customer feedback has been excellent. The new village format Malvern Central (Vic) store is on track to open in the first half of FY14 and the new Indooroopilly (Qld) and Macquarie Centre (NSW) stores are on track to open in FY14 and FY15 respectively.

Over the next five years the Company has six store lease expiries in less robust demographic locations. These lease expiries give David Jones the opportunity to review its store portfolio in light of its broader OCR strategy.

Capital Expenditure allows for the ongoing refurbishment of stores, in particular, as greater focus is placed on category mix. The Company's Canberra Centre (ACT) and Bondi Junction (NSW) stores will be refurbished over the next 12 months, taking the total store refurbishments since September 2011 to seven.

The Company is focussed on improving the productivity of its stores. Currently the average proportion of selling space compared to Gross Lettable Area (GLA) is 76% across the store portfolio. The Company has reset this target to 85% and this will be implemented through the New Store and Refurbishment programs. The new Highpoint (Vic) store is a case in point, with a selling space ratio of 85%. It also reflects our optimum category mix with 75% of selling space allocated to high margin Fashion & Beauty categories.

Financial Services

In FY14 the Company's arrangement with American Express converts to a sharing of underlying profits. As stated by the Company on 21 March 2012, EBIT from this business in FY13 is expected to be in line with FY12 (FY12: $49.4m) and EBIT in FY14 is expected to be broadly half that achieved in FY13. Over the past 12 months the Company has invested in growing its card base by launching the new David Jones American Express Platinum card and Qantas Frequent Flyer (QFF) points as a reward option for both its Gold and Platinum American Express cards.

The Company currently has ~380,000 active cards on issue (Store cards, David Jones American Express Gold and Platinum cards). Receivables as at 26 January 2013 were $374 million.

Whilst credit card conditions remain challenging the Company is focussed on growing its card base and revitalising its store card by introducing a new rewards program for David Jones store card holders.

Currently one in five transactions in David Jones stores is undertaken on a David Jones card. This provides the Company with valuable customer data as well as a source of revenue from the annual fees paid on the David Jones American Express Cards, interest on revolving balances and merchant service fees.

Property Update

In 2012 independent property consultant Cushman & Wakefield concluded that the potential worth of the Company's Sydney and Melbourne flagship CBD store properties (on an existing use basis) was $612 million. The Company is continuing to explore options to unlock the development value of these assets, whilst retaining ownership of its retail trading space. Priority has been given to the two Sydney sites as it is felt these have the greatest potential. CB Richard Ellis has been appointed to advise the Company on maximising the value of these assets. This remains a significant opportunity for the Company however it is complex and will take time.

CONCLUSION

Mr Zahra concluded, "Our 1H13 Profit after Tax has been impacted by ongoing investment in implementing our Future Strategic Direction Plan as well as by challenging retail conditions.

"We have continued to make good progress in implementing our Future Strategic Direction Plan and delivered the initiatives outlined in the Plan within the timeframes communicated to the market. Our focus going forward is on improving our sales, margin and labour productivity per square metre.

"We are confident the investment we are making will provide us with a strong sustainable business capable of addressing the retail structural changes currently taking place and positioning us for long term success, " Mr Zahra said.

ENDS

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DAVID JONES LIMITED

ABN 75 000 074 573

APPENDIX 4D

HALF YEAR FINANCIAL REPORT

Current Reporting Period:	26 Weeks ended 26 January 2013
Previous Corresponding Period:	26 Weeks ended 28 January 2012

Results For Announcement to the Market				
Revenues from ordinary activities	Down	0.7%	to	$1,003.797 million
Profit from ordinary activities after tax attributable to members	Down	13.5%	to	$73.525 million

Dividends – Ordinary Shares	Amount per security	Franked amount per security
2013 Interim dividend declared 20 March 2013 (payable 6 May 2013)	10.0¢	10.0¢
2012 Final dividend (paid 5 November 2012)	7.0¢	7.0¢
Previous corresponding period		
2012 Interim dividend (paid 7 May 2012)	10.5¢	10.5 ¢
2011 Final dividend (paid 7 November 2011)	15.0¢	15.0¢

Record date for determining entitlements to the interim dividend	11 April 2013

David Jones Limited (the Company) operates a Dividend Reinvestment Plan (DRP) through which shareholders can reinvest dividends paid on ordinary shares in the Company. The last date of receipt of election notices for participation in the DRP is 11 April 2013. Shares allocated under the DRP will be allocated at the weighted average market price for the Company's shares sold on the Australian Securities Exchange (ASX) during the period of 10 trading days commencing on the second trading day after the record date. Shares issued to participating shareholders under the DRP will rank equally with existing fully paid ordinary shares.

For an explanation of the figures referred to above refer to the attached ASX and media release, and notes to the half year financial report.

Net Tangible Asset Backing	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary security	$1.35	$ 1.37

The attached half year financial report has been reviewed by the Company's independent auditors Ernst & Young.

DAVID JONES LIMITED

AND ITS CONTROLLED ENTITIES

HALF YEAR FINANCIAL REPORT FOR THE 26 WEEKS ENDED 26 JANUARY 2013

CONTENTS

This half year financial report should be read in conjunction with the annual report of David Jones Limited as at 28 July 2012 together with any public announcements made by David Jones Limited and its controlled entities during the 26 weeks ended 26 January 2013 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

ABN 75 000 074 573

DIRECTORS' REPORT

Your Directors present their report on David Jones Limited (the Company) and its controlled entities for the half year ended 26 January 2013.

Directors

The Directors of the Company in office during the half year and until the date of this report are shown below:

Peter Mason AM	Chairman and Independent Non-Executive Director (appointed Chairman 1 January 2013)
Paul Zahra	Chief Executive Officer and Managing Director
John Harvey	Independent Non-Executive Director
Philippa Stone	Independent Non-Executive Director
Steven Vamos	Independent Non-Executive Director
Jane Harvey	Independent Non-Executive Director (appointed 3 October 2012)
Leigh Clapham	Independent Non-Executive Director (appointed 11 December 2012)
Stephen Goddard	Executive Director (resigned 31 October 2012)
Robert Savage AM	Chairman and Independent Non-Executive Director (resigned 31 December 2012)

Directors were in office for the entire period unless otherwise stated.

Review and Results of Operations

Comments on the operations and the results of those operations for the Company and its controlled entities are set out in the attached announcement by the Company.

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.

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 at 26 January 2013 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.

Peter Mason	Paul Zahra
Chairman	Chief Executive Officer and Managing Director

20th March 2013

STATEMENT OF COMPREHENSIVE INCOME

FOR THE 26 WEEKS ENDED 26 JANUARY 2013 AND 28 JANUARY 2012

	26 January 2013 $000	28 January 2012 $000
Revenue from sale of goods	**1,003,797**	1,011,165
Cost of sales	**(612,721)**	(628,360)
Gross profit	**391,076**	382,805
Other revenues	**30,976**	28,144
Employee benefits expenses	**(153,833)**	(134,215)
Lease and occupancy expenses	**(95,606)**	(93,363)
Depreciation and amortisation	**(25,573)**	(24,090)
Advertising, merchandising and visual expenses	**(18,886)**	(17,683)
Administration expenses	**(11,407)**	(8,753)
Financing expenses	**(4,817)**	(5,046)
Other expenses	**(7,639)**	(6,978)
Profit before income tax expense	**104,291**	120,821
Income tax expense	**(30,766)**	(35,794)
Profit after income tax expense attributable to equity holders of the parent entity	**73,525**	85,027
Other comprehensive income		
Items that will be reclassified to profit or loss in future periods:		
Gains on cash flow hedges	**1,824**	875
Transfer of realised gains on hedges to profit and loss	**(740)**	(998)
Income tax on items of other comprehensive income	**(325)**	37
Total other comprehensive income for the period, net of tax	**759**	(86)
Total comprehensive income attributable to equity holders of the parent entity for the period	**74,284**	84,941
Basic earnings per share (cents per share)	**13.9**	16.4
Diluted earnings per share (cents per share)	**13.9**	16.4

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes to the Financial Statements.

STATEMENT OF FINANCIAL POSITION

AS AT 26 JANUARY 2013 AND 28 JULY 2012

	Note	26 January 2013 $000	28 July 2012 $000
CURRENT ASSETS			
Cash and cash equivalents		**10,923**	20,536
Receivables		**35,867**	16,389
Inventories		**253,963**	279,099
Financial assets		**194**	24
Other assets		**8,309**	7,201
Total current assets		**309,256**	323,249
NON-CURRENT ASSETS			
Financial assets		**12**	12
Property, plant and equipment		**824,261**	817,432
Intangible assets		**45,497**	43,977
Deferred tax assets		**59,702**	55,833
Other assets		**499**	394
Total non-current assets		**929,971**	917,648
Total assets		**1,239,227**	1,240,897
CURRENT LIABILITIES			
Payables		**249,750**	264,595
Interest bearing liabilities	3	**232**	11,006
Current tax liabilities		**21,729**	3,097
Provisions		**35,601**	25,955
Financial liabilities		**442**	1,357
Other liabilities		**505**	288
Total current liabilities		**308,259**	306,298
NON-CURRENT LIABILITIES			
Interest bearing liabilities	3	**75,000**	125,000
Provisions		**6,012**	6,183
Other liabilities		**27,942**	27,712
Total non-current liabilities		**108,954**	158,895
Total liabilities		**417,213**	465,193
Net assets		**822,014**	775,704
EQUITY			
Contributed equity	4	**555,160**	547,028
Reserves		**75,931**	74,362
Retained earnings		**190,923**	154,314
Total equity		**822,014**	775,704

The Statement of Financial Position should be read in conjunction with the accompanying notes to the Financial Statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE 26 WEEKS ENDED: 26 JANUARY 2013 AND 28 JANUARY 2012

For the period ended 26 January 2013	Note	Share Capital $000	Cash Flow Hedge Reserve $000	Share Based Payments Reserve $000	Retained Earnings $000	Total $000
Total equity at 29 July 2012		**547,028**	**(922)**	**75,284**	**154,314**	**775,704**
Profit for the period		-	-	-	73,525	73,525
Other comprehensive income, net of tax		-	759	-	-	759
Total comprehensive income for the period		-	759	-	73,525	74,284
Transactions with owners, recorded directly in equity:						
Issue of ordinary shares through the Dividend Reinvestment Plan		8,132	-	-	-	8,132
Dividends paid	5	-	-	-	(36,916)	(36,916)
Share based payment transactions		-	-	652	-	652
Income tax		-	-	158	-	158
Total contributions by and distributions to owners		8,132	-	810	(36,916)	(27,974)
Total equity at 26 January 2013		**555,160**	**(163)**	**76,094**	**190,923**	**822,014**

For the period ended 28 January 2012	Note	Share Capital $000	Cash Flow Hedge Reserve $000	Share Based Payments Reserve $000	Retained Earnings $000	Total $000
Total equity at 31 July 2011		**525,105**	**(986)**	**75,633**	**185,728**	**785,480**
Profit for the period		-	-	-	85,027	85,027
Other comprehensive income, net of tax		-	(86)	-	-	(86)
Total comprehensive income for the period		-	(86)	-	85,027	84,941
Transactions with owners, recorded directly in equity:						
Issue of ordinary shares through the Dividend Reinvestment Plan		12,923	-	-	-	12,923
Dividends paid	5	-	-	-	(77,695)	(77,695)
Share based payment transactions		-	-	(2,143)	-	(2,143)
Income tax		-	-	(463)	-	(463)
Total contributions by and distributions to owners		12,923	-	(2,606)	(77,695)	(67,378)
Total equity at 28 January 2012		**538,028**	**(1,072)**	**73,027**	**193,060**	**803,043**

The Statement of Changes in Equity should be read in conjunction with the accompanying notes to the Financial Statements.

CASH FLOW STATEMENT

FOR THE 26 WEEKS ENDED 26 JANUARY 2013 AND 28 JANUARY 2012

	Note	26 January 2013 $000	28 January 2012 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		**1,091,861**	1,112,404
Payments to suppliers and employees (inclusive of GST)		**(987,528)**	(950,460)
Commissions received		**30,976**	26,703
Interest received		**156**	190
Borrowing costs paid		**(4,973)**	(5,188)
Income tax paid		**(16,170)**	(32,810)
Net cash from operating activities		**114,322**	150,839
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		**(31,637)**	(44,418)
Payments for software		**(2,740)**	(876)
Net cash used in investing activities		**(34,377)**	(45,294)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid on ordinary shares		**(28,784)**	(64,772)
Net repayment of borrowings		**(61,000)**	(31,000)
Net cash used in financing activities		**(89,784)**	(95,772)
Net increase/(decrease) in cash and cash equivalents		**(9,839)**	9,773
Cash and cash equivalents at beginning of the period		**20,530**	8,760
Cash and cash equivalents at the end of the period	6	**10,691**	18,533

The Cash Flow Statement should be read in conjunction with the accompanying notes to the Financial Statements.

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 26 JANUARY 2013 AND 28 JANUARY 2012

1. SUMMARY OF ACCOUNTING POLICIES

David Jones Limited (the Company) is a public company domiciled in Australia and is listed on the Australian Securities Exchange. The half year financial report for the 26 weeks ended 26 January 2013 comprises the Company and its controlled entitles (together referred to as the Consolidated Entity).

Statement of compliance

This general purpose half year financial report has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half year 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 52 weeks ended 28 July 2012 and any public announcements made by the Company during the half year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Basis of preparation

The half year 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 half year financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

The accounting policies applied are consistent with those adopted and disclosed in the annual financial report for the 52 weeks ended 28 July 2012.

New accounting standards and interpretations

There have been no new accounting standards or amendments applicable to the Consolidated Entity which have a material impact on the half year financial report.

2. SEGMENT REPORTING

Operating segments

Operating Segments are defined with reference to information regularly reviewed by the Consolidated Entity's Chief Executive Officer and Managing Director (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, online and corporate support office; and
- Financial Services comprising the alliance between the Consolidated Entity and American Express.

Unallocated items

Interest revenue and expenses are not allocated to operating segments, as this type of activity is not managed on a segment specific basis.

Segment accounting policies

Segment accounting policies are the same as the Consolidated Entity's policies described in Note 1. During the half year, there were no changes in segment accounting policies that had a material effect on segment information.

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.

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 26 JANUARY 2013 AND 28 JANUARY 2012

2. SEGMENT REPORTING (CONTINUED)

Operating segments for the half year ended 26 January 2013 were:

Operating segments:	Department Stores $000	Financial Services $000	Unallocated $000	Consolidated $000
Revenue from sale of goods	1,003,797	-	-	1,003,797
Gross profit	391,076	-	-	391,076
Other income:				
Commissions earned	-	29,442	-	29,442
Other revenues from external customers	1,534	-	-	1,534
Total other income	1,534	29,442	-	30,976
Depreciation and amortisation	(25,570)	(3)	-	(25,573)
Share based payments	(652)	-	-	(652)
Other expenses	(281,832)	(4,887)	-	(286,719)
Total expenses	(308,054)	(4,890)	-	(312,944)
Segment earnings result	84,556	24,552	-	109,108
Finance income	-	-	156	156
Finance costs	-	-	(4,973)	(4,973)
Net finance costs	-	-	(4,817)	(4,817)
Profit before tax	84,556	24,552	(4,817)	104,291

Operating segments for the half year ended 28 January 2012 were:

Operating segments:	Department Stores $000	Financial Services $000	Unallocated $000	Consolidated $000
Revenue from sale of goods	1,011,165	-	-	1,011,165
Gross profit	382,805	-	-	382,805
Other income:				
Commissions earned	-	26,824	-	26,824
Other revenues from external customers	1,320	-	-	1,320
Total other income	1,320	26,824	-	28,144
Depreciation and amortisation	(24,087)	(3)	-	(24,090)
Share based payments	2,143	-	-	2,143
All other expenses	(260,838)	(2,297)	-	(263,135)
Total expenses	(282,782)	(2,300)	-	(285,082)
Segment earnings result	101,343	24,524	-	125,867
Finance income	-	-	190	190
Finance costs	-	-	(5,236)	(5,236)
Net finance costs	-	-	(5,046)	(5,046)
Profit before tax	101,343	24,524	(5,046)	120,821

	26 January 2013 $000	28 July 2012 $000
3. INTEREST BEARING LIABILITIES		
CURRENT		
Bank overdraft	**232**	6
Unsecured bank loans	**-**	11,000
	232	11,006
NON-CURRENT		
Unsecured bank loans	**75,000**	125,000
	75,000	125,000

In December 2012, a $100 million tranche of the Consolidated Entity's unsecured bank loan facilities fell due for renewal. Of this tranche:

- $75 million was extended to 14 December 2015
- $25 million was not renewed and expired on 14 December 2012.

As at 26 January 2013, the Consolidated Entity had the following unsecured bank loan facilities:

- $100 million; expiring 15 December 2014
- $75 million; expiring 14 December 2015
- $200 million; expiring 15 December 2016.

These facilities are subject to a negative pledge and borrowing covenants between the Company, certain controlled entities within the Consolidated Entity and the facility lenders.

During the period the Company established a new uncommitted short term trade finance facility of $25 million which expires on 28 November 2013.

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 26 JANUARY 2013 AND 28 JANUARY 2012

	26 January 2013 $000	28 July 2012 $000
4. CONTRIBUTED EQUITY		
Ordinary shares, fully paid	**555,160**	547,028
Movements in contributed equity:		
Balance at the beginning of the period	**547,028**	525,105
Dividend Reinvestment Plan	**8,132**	21,923
Balance at the end of the period	**555,160**	547,028

Movements in the number of ordinary shares:	**Number of Shares**	Number of Shares
Balance at the beginning of the period	**528,655,600**	520,751,395
Dividend Reinvestment Plan	**3,133,175**	7,904,205
Balance at the end of the period	**531,788,775**	528,655,600
Less: Shares held by Trust for Long Term Incentive Plan	**(1,279,037)**	(2,805,717)
Balance at the end of the period	**530,509,738**	525,849,883

5. DIVIDENDS

Dividends recognised at the reporting date are:

	Amount Per Share	Total Amount $000	Date of Payment
26 January 2013:			
2012 Final	7.0¢	36,916	5 November 2012
28 January 2012:			
2011 Final	15.0¢	77,695	7 November 2011

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

Subsequent to 26 January 2013, the Directors declared the following dividend, franked at the tax rate of 30%:

	Amount Per Share	Total Amount $000	Date Payable
Interim 2013	10.0¢	53,179	6 May 2013

The 2013 interim dividend has not been recognised as a liability in the half year financial statements for the 26 weeks ended 26 January 2013.

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 26 JANUARY 2013 AND 28 JANUARY 2012

6. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents are comprised of the following:

	26 January 2013 $000	28 January 2012 $000
Cash and cash equivalents	**10,923**	18,533
Bank overdraft (interest bearing liabilities)	**(232)**	-
Cash and cash equivalents at the end of the period	**10,691**	18,533

7. CONTINGENT LIABILITIES

The nature and amount of contingent liabilities are disclosed in Note 25 to the Consolidated Entity's 28 July 2012 Financial Statements.

There have been no material changes to the contingent liabilities since 28 July 2012.

The Directors are not aware of any other circumstance or information which would lead them to believe that any matters disclosed in the Company's 28 July 2012 Financial Statements have crystallised, and consequently no provisions have been recognised in the half year financial statements in respect of those matters.

8. EVENTS OCCURRING AFTER THE REPORTING DATE

Dividends

Dividends declared after 26 January 2013 are disclosed in note 5.

DIRECTORS' DECLARATION

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

(a) the half year financial report, as set out on pages 7 to 18, is in accordance with the Corporations Act, including:

  (i) giving a true and fair view of the financial position of the Consolidated Entity as at 26 January 2013 and its performance, as represented by the results of its 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:

Peter Mason
Chairman

Paul Zahra
Chief Executive Officer and Managing Director

Sydney, 20th March 2013

ERNST & YOUNG

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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 half-year ended 26 January 2013, 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
20 March 2013

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To the members of David Jones Limited

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 26 January 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the 26 weeks ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, 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 26 weeks.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a Financial Report 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 26 January 2013 and its performance for the 26 weeks 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 period, 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 referenced in the Directors' Report.

Ernst & Young

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:

a) giving a true and fair view of the consolidated entity's financial position as at 26 January 2013 and of its performance for the 26 weeks ended on that date; and

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

Ernst & Young

Ernst & Young

Graeme McKenzie
Partner
20 March 2013