

DAVID JONES

International Investor Roadshow



Presenters:
Paul Zahra – Chief Executive
Stephen Goddard – Finance Director

David Jones International Investor Roadshow – Today's Agenda



- 1. An overview of David Jones**
2. Track record of performance
3. Attractive Australian department store market
4. Distinctive competitive positioning
5. FY09 and FY10 financial and strategic results in first 2 years of 09-12 plan
6. Key strategies on track to deliver FY11 and FY12 profit growth in next 2 years of 09-12 plan
7. Foundation for growth in FY13 and beyond
8. Outlook & conclusion



World-class department store in Australia

- Over 170 years of history
- An iconic Australian brand
- Contemporary branded department store in Australia – similar brand portfolio to Bloomingdales or Selfridges
- Favourable industry structure with only two non-discount department stores in Australia – we are the only department store with a distinctive, branded offering
- 36 stores in major cities across Australia



World-class department store in Australia



World-class department store in Australia



Top 100 Australian company



- David Jones is an ASX-listed top 100 Australian company
- Market cap ~A\$2.5 billion
- FY2010 Profit after Tax of A\$170.8 million – 9.1% growth over last year
- Sales of A\$2.053 billion in FY2010
- EBIT at 12.1% of sales in FY2010
- Net gearing at ~10.4%
- Total shareholder returns of 29.5% p.a. from 3 February 2003 to 1 September 2010

Note: Market cap from 1-Sep-2010 at share price \$4.98

Overview of recent FY2010 results announcement



- Record FY profit result and dividend since 1995 listing:
 - FY10 total company PAT \$170.8m, up 9.1% on LY
 - FY10 total company 'PAT to sales ratio' up 40bp to 8.3% in FY10 (7.9% in FY09)
 - FY10 EBIT to sales ratio of 12.1%, up 70bp on LY
 - FY10 dividend increased to 30cps, 2H10 dividend increased to 18cps
 - Continued track record of returning cash to shareholders despite difficult trading conditions
- Strong department store business improvement:
 - Gross profit margin up 10bp to 39.7% in FY10
 - CODB reduced by 50bp to 29.8% in FY10 (30.3% in FY09)
 - Continued track record of strong inventory management
- Financial Services EBIT up 7.5% with new sign-ups of DJs Amex cards ahead of expectations
- FY11 PAT guidance 5%-10% growth reaffirmed

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2. Track record of performance

PAT in FY10 of \$170.8m continues track record of profit growth



Profit after tax
\$ millions



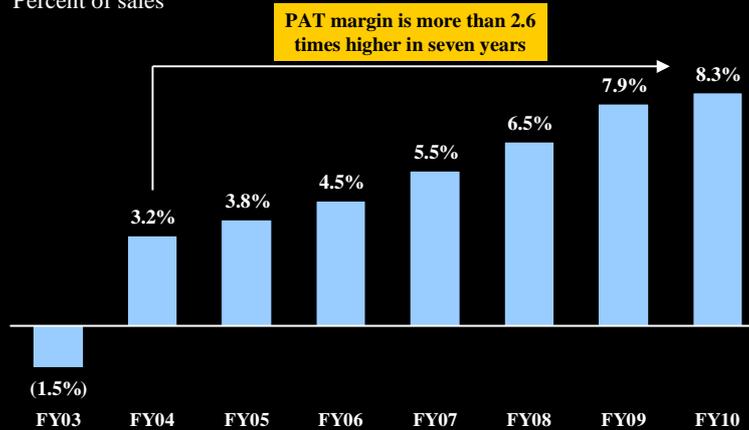
Note: AIFRS basis except FY2003 which is AGAAP. FY03 is after significant items, FY07 excludes one-off impacts of the unwinding of the Sale & Leaseback Transaction, FY08 excludes profit from sale of Melbourne Homewares store.

2. Track record of performance

PAT margin growth to 8.3% in FY10



PAT margin
Percent of sales

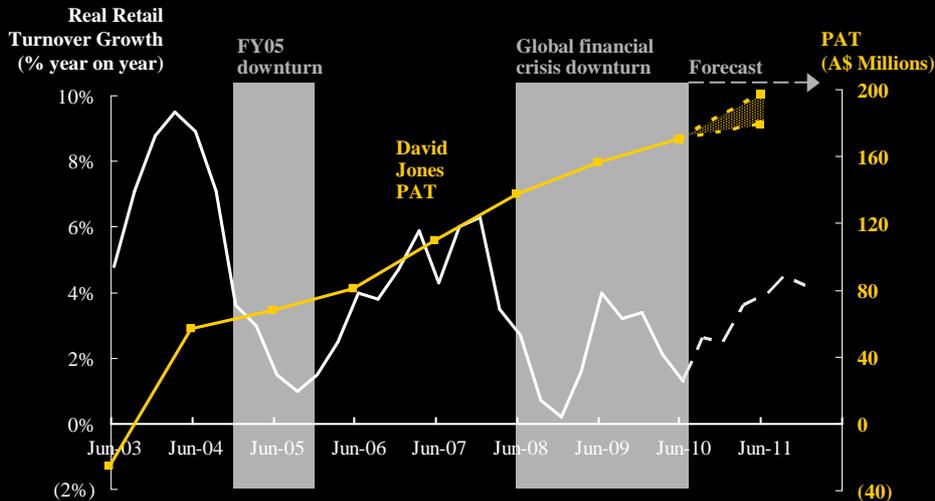


Note: AIFRS basis except FY2003 which is AGAAP. FY03 is after significant items, FY07 excludes one-off impacts of the unwinding of the Sale & Leaseback Transaction, FY08 excludes profit from sale of Melbourne Homewares store.

2. Track record of performance



Track record of profit growth through the cycle



Note: AIFRS basis except FY2003 which is AGAAP. FY03 is after significant items, FY07 excludes one-off impacts of the unwinding of the Sale & Leaseback Transaction, FY08 excludes profit from sale of Melbourne Homewares store.
 David Jones PAT Forecast based of 5-10% growth guidance as outlined in 09-12 strategic plan
 Source: Access Economics; Company announcements

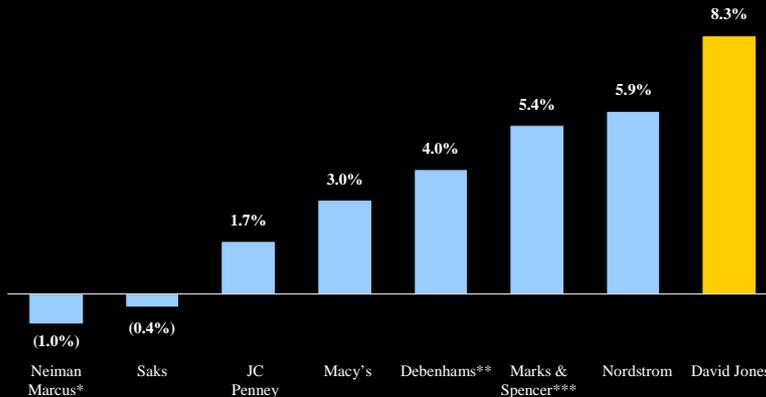
2. Track record of performance



Industry-leading PAT margins

International department store PAT margins (before significant items)

Percent of sales, 12 months to July 2010



* Neiman Marcus is for 12 months ending April 2010
 ** Debenhams result is for 12 months to February 2010
 *** Marks & Spencer result includes International and UK (food and general merchandise) and is for year ending April 2010
 Source: Company results announcements; Port Jackson Partners analysis

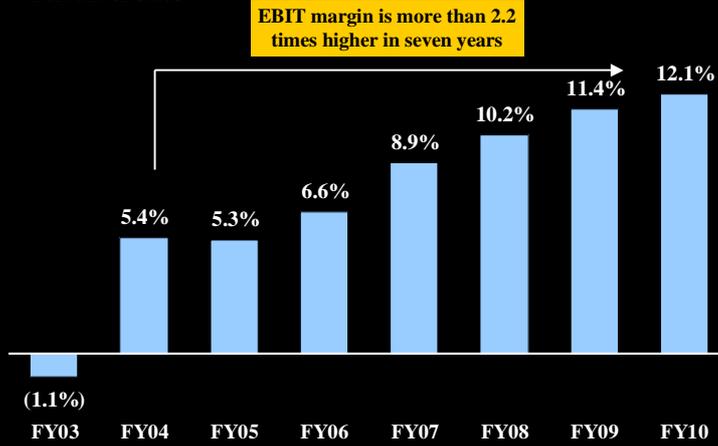
2. Track record of performance



EBIT margin growth to 12.1% in FY10

EBIT margin

Percent of sales



Note: AIFRS basis except FY2003 & FY2004 which is AGAAP.

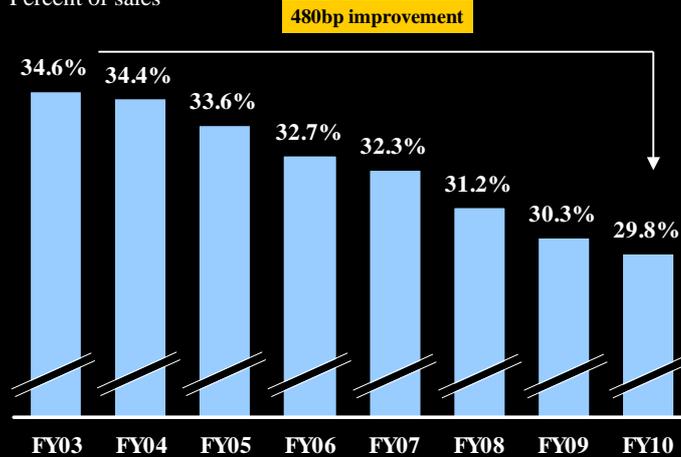
2. Track record of performance



Sustainable cost-efficiency culture

Cost of doing business

Percent of sales



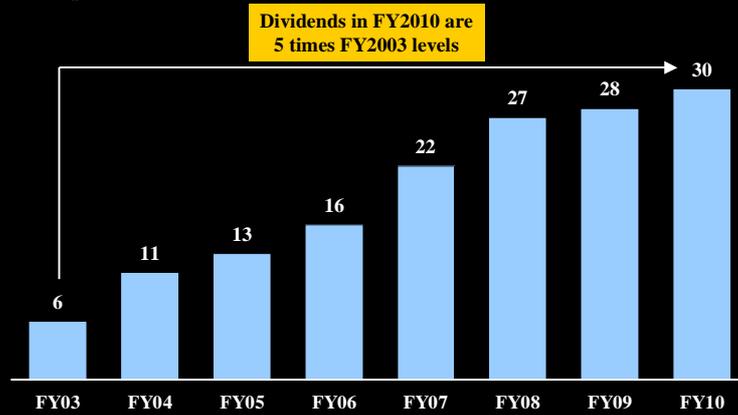
Note: Adjusted for AIFRS and Sale & Leaseback impacts



Dividend growth to 30 cps in FY10

Dividends

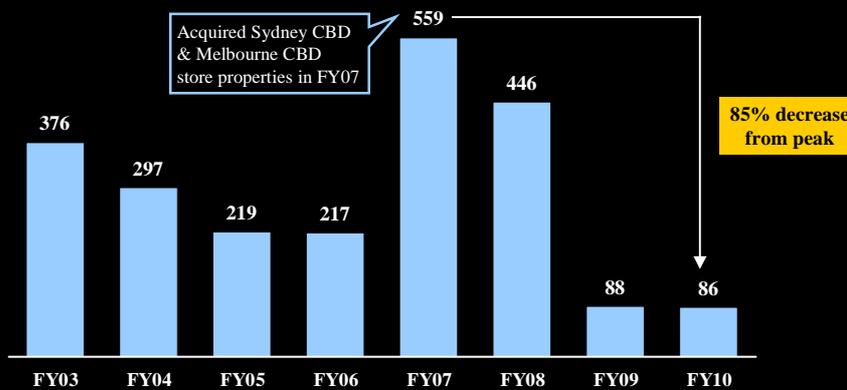
Cents per share



Low net debt of \$86m in FY10

Net debt

\$ Millions



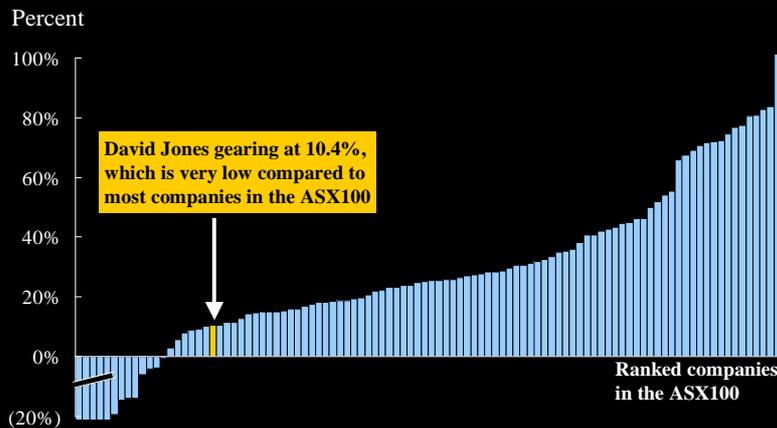
Note: Purchase of flagship Sydney & Melbourne CBD store properties in FY07; Store Card receivables transferred to Amex on 1 August 08 (after end of FY08)

2. Track record of performance

Strong competitive position: Low risk balance sheet



Gearing* of companies in the ASX100



* Net debt over net debt plus book value of equity for latest reported figures as at 1 September 2010
Source: Bloomberg as at 1 September 2010; Port Jackson Partners analysis

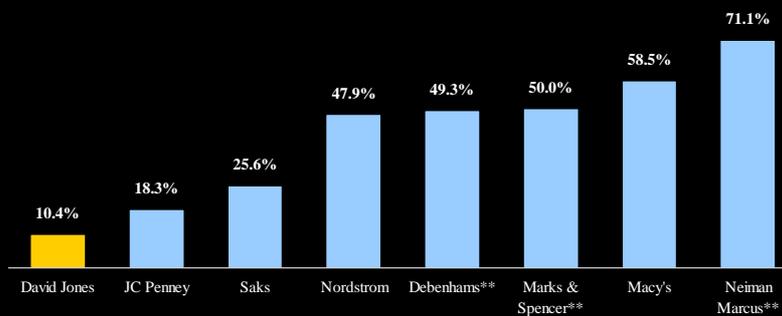
2. Track record of performance

Significantly lower gearing than international peers



International department store gearing*

Percent, July 2010



* Net debt over net debt plus book value of equity

** Marks & Spencer and Neiman Marcus results are for April 2010. Debenhams result is for February 2010.

Source: Company results announcements; Port Jackson Partners analysis

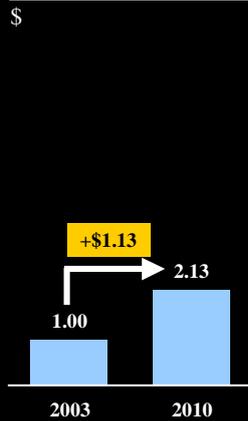
2. Track record of performance

David Jones has outperformed the ASX100

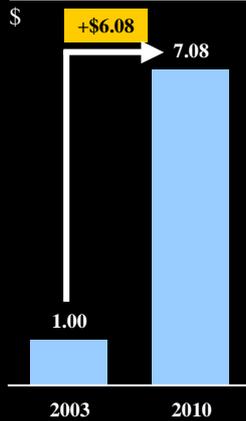


Value of \$1 invested including re-invested dividends, 3 February 2003—1 September 2010

Invested in ASX100



Invested in David Jones



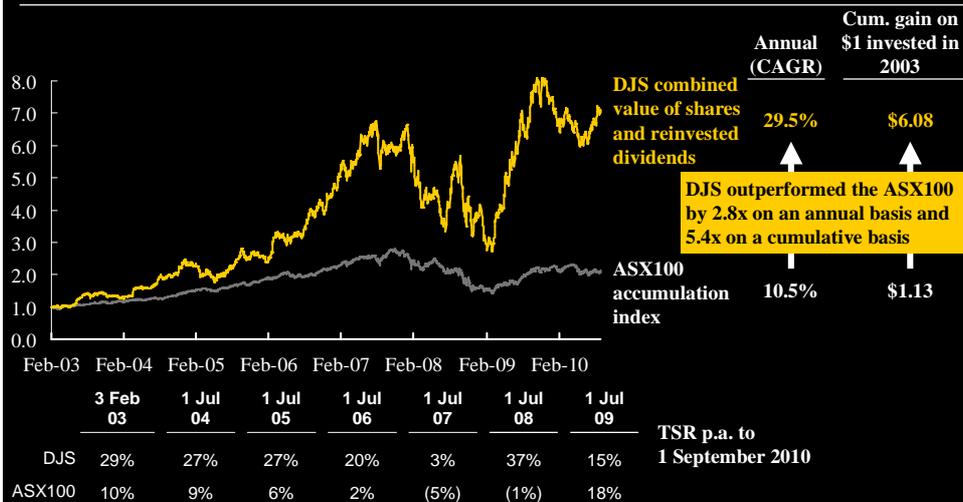
DJS outperformed the ASX100 by 5.4x on a cumulative basis

Source: Bloomberg; Port Jackson Partners analysis

David Jones has outperformed the ASX100 over the last seven and a half years



Value of \$1 invested on 3 Feb 2003 to 1 September 2010



Source: Bloomberg; Port Jackson Partners analysis

2. Track record of performance

David Jones' performance is amongst the best in the ASX100



David Jones' performance relative to the ASX100

Metric		David Jones' performance		Position in ASX100	
Dividends per share growth	CAGR from FY05-FY10	21% p.a.	▶	Top 15%	✓
Total shareholder returns	TSR over 5 years to 1 September 2010	23% p.a.	▶	Top 10%	✓
Earnings per share growth	CAGR from FY05-FY10	17% p.a.	▶	Top 25%	✓

Source: Bloomberg as at 1 September 2010; Port Jackson Partners analysis

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3. Attractive Australian department store market



David Jones operates in the attractive Australian department store market

- The Australian department store sector is growing and vibrant with an attractive industry structure
- Australian department stores did not experience the sales declines seen in the USA or the UK
- The Australian economy has been one of the most resilient in the global downturn (RBA Statement on Monetary Policy, August 2010):
 - “.it became evident in the latter part of last year that the Australian economy had weathered the global downturn in better shape than many other countries”
 - “The Australian economy continued to expand at a solid pace over the first half of 2010. The economy is benefiting from elevated commodity prices and high levels of public investment. Employment growth has been strong and confidence remains generally positive.”

Source: RBA Statement on Monetary Policy (August 2010)

3. Attractive Australian department store market

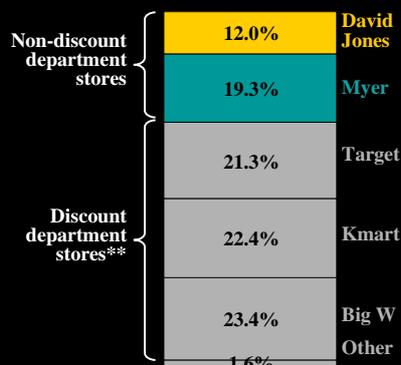


Attractive industry structure with few players and high barriers to entry

Australian Department Store market

Percent share*, FY10

\$18.7b



Share of Department Store market

* Includes GST

** Estimates

Source: ABS 8501.0 Retail Turnover; Company Reports

Attractive Australian Department Store industry structure

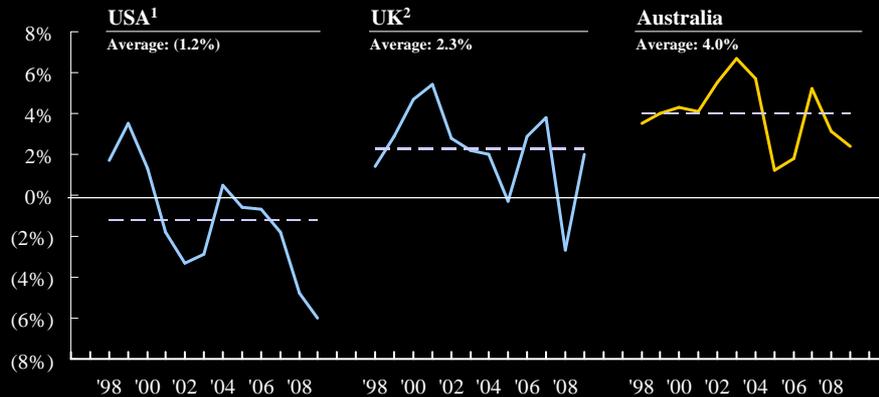
- **Only two full-line non-discount department stores in Australia:**
 - Each is differentiated in the market with their own distinct value proposition
- **High barriers to entry:**
 - Difficult to obtain sites in top shopping centres due to presence of incumbents
 - Existing stores have exclusive relationships with key desired brands
 - David Jones has over 170 years of history within the Australian market and is a cultural icon

3. Attractive Australian department store market

Long term growth of Australian department stores much higher than the USA and UK

Department store sales growth, 1998-2009

Percent growth, year-on-year; calendar years



¹ Discount and non-discount department stores, including leased departments
² Non-food, non-specialised stores
 Source: ABS; USA Census Bureau; UK National Statistics

3. Attractive Australian department store market

The Australian market has been resilient in the global downturn and is set to recover

Key indicator	Quotes from the RBA
GDP growth	“The central forecast is for GDP growth of around 3¼ per cent over 2010 and 3¾–4 per cent over 2011 and 2012. This forecast is underpinned by the positive prospects for investment, particularly in the resources sector.”
Unemployment rates	“The strong employment growth has seen the unemployment rate continue to edge lower, reaching 5.1 per cent in June, around ¾ percentage point below the peak in the recent downturn” “The various forward-looking indicators continue to suggest solid growth in employment over the period ahead.”
Interest rates	“Reflecting [the strong economy], the cash rate was increased by a cumulative 1½ percentage points between October 2009 and May this year to 4.5 per cent. As a result of these increases, most lending rates in the economy have returned to around average levels.”
Banking sector health	“The Australian financial system remains in sound shape and loan losses appear to have peaked.”
Public sector debt	“Net Australian Government debt will remain lower than in the major advanced economies, peaking at 6.1 per cent in 2011-12. This is substantially below the peaks in the major advanced economies, which range from 33 to 154 per cent of GDP.” (<i>Treasury 2010-11 Commonwealth Budget, Statement 2</i>)
Consumer confidence	“Measures of consumer sentiment also remain above average and household wealth has risen by around 20 per cent over the past year..”

Source: RBA Statement on Monetary Policy (August 2010); Treasury 2010-11 Commonwealth Budget, Statement 2 (July 2010)

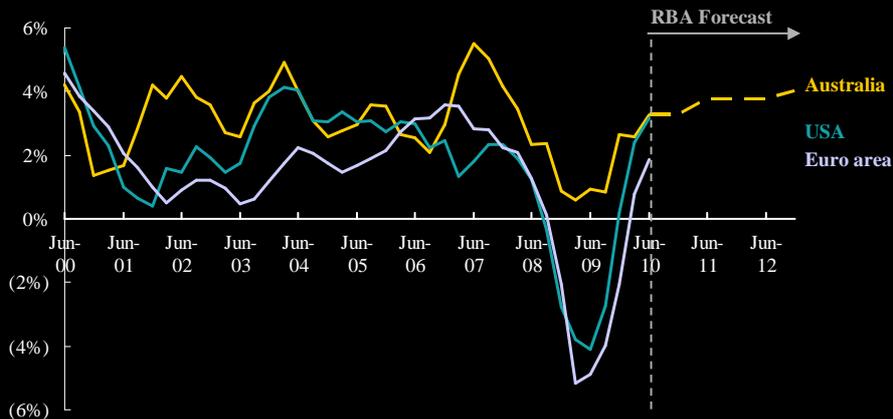
3. Attractive Australian department store market

Australia avoided a recession during the financial crisis, unlike the USA and Europe



Real GDP growth, 1Q2000-1Q2010

Percent growth year-on-year, seasonally adjusted



Source: ABS; USA Bureau of Economic Analysis (BEA); European Central Bank; RBA Statement on Monetary Policy (August 2010)

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Distinctive competitive positioning

	Comparison vs competitor*			
	Superior	Competitive	Inferior	
1 Best range of national and international brands	✓			<ul style="list-style-type: none"> • Superior overall shopping experience • Greater overall customer satisfaction • High customer loyalty
2 Superior customer service	✓			
3 Distinctive store ambience	✓			
4 Stores well-located to target customer	✓			
5 Strong brand	✓			
6 Prices			✓	

* Assessed by survey of over 9,000 customers over three years. Results are as of 2009.
Source: The Leading Edge

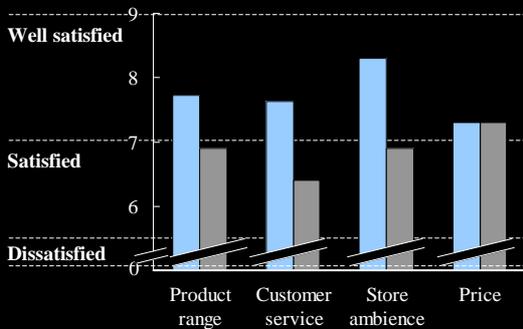


David Jones rated as superior by customers

Ratings of key elements of the value proposition by over 9,000 customers surveyed over three years

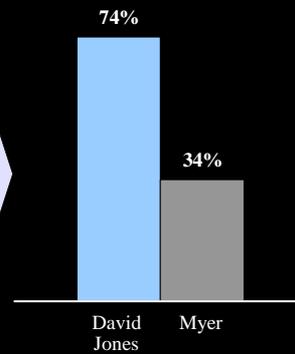
Average customer* rating out of 10

■ David Jones
■ Myer



Customers who rate their overall satisfaction at 8 out of 10 or more

Percent of customers surveyed*



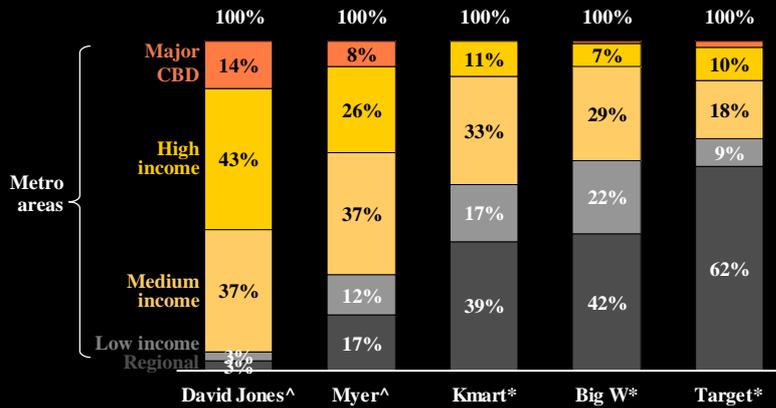
* Assessed by survey of over 9,000 customers over three years. Results are as of 2009.
Source: The Leading Edge

4. Distinctive competitive positioning



Stores well-located to our customer base

Australian department stores – Portfolio demographics



[^] David Jones and Myer as at 1H09

^{*} Kmart, Big W and Target stores as at early 2008

Source: Pitney Bowes MapInfo (2006 Census data); Port Jackson Partners analysis

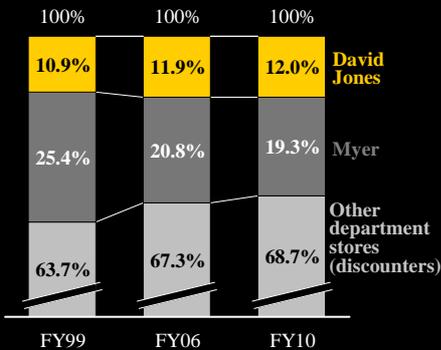
4. Distinctive competitive positioning



Enduring and resilient market share over the long-term

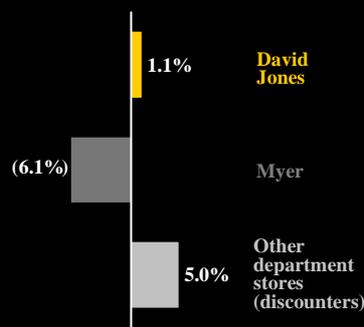
Market share within the department store sector

Percent of total sales*



Market share change FY99-FY10

Percentage point change*



* Includes GST (FY06 and FY10) and wholesale sales tax (FY99); Myer's sales adjusted to remove the impact of Megamart and e.colesmyer in FY99 (estimated at \$169m worth of sales inclusive of wholesale sales tax)

Source: Company financial reports and results presentations; ABS; Port Jackson Partners analysis

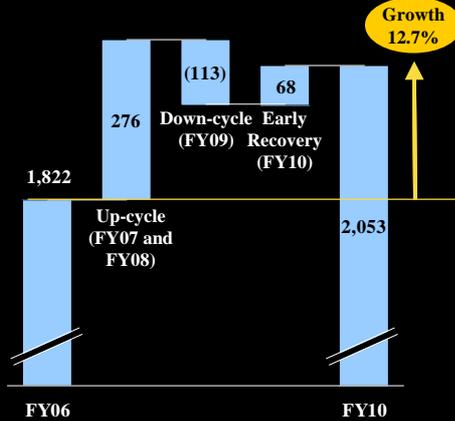
4. Distinctive competitive positioning

Strong sales growth through the cycle



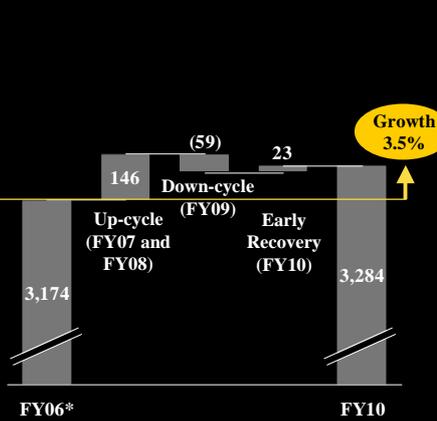
David Jones sales build-up FY06 to FY10

\$ Millions



Myer sales build-up FY06 to FY10

\$ Millions



* FY06 excludes impact of Myer's "History Making Clearance"

Source: Company Annual Reports, Results Presentations and Sales Announcements; Port Jackson Partners analysis

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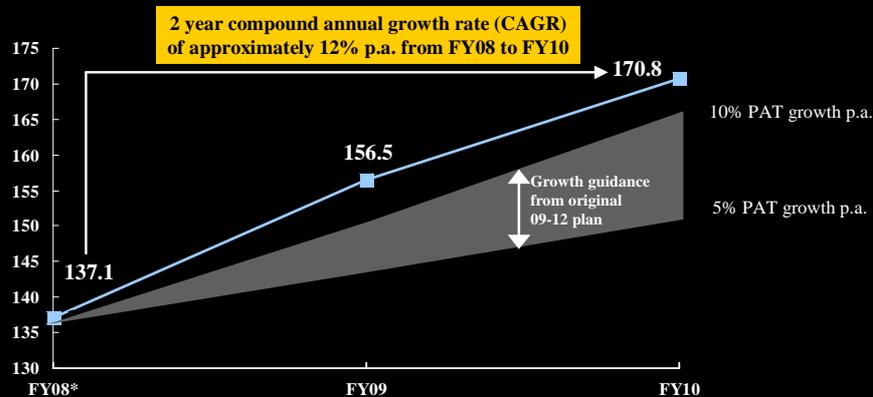
Commitment to 09-12 strategic plan

- In 2008 we announced an FY09-FY12 strategic plan
- David Jones remains committed to its differentiated “home of brands” positioning in the market place
- We remain committed to the seven elements of the previously announced FY09-FY12 strategic plan:
 - Strategic refurbishments
 - High value new stores
 - GP initiatives
 - CODB initiatives
 - David Jones American Express card launch
 - Capital efficiency
 - Cycle management
- Given we are halfway through the FY09-FY12 plan it is timely to take stock of:
 - Achievements in the first 2 years of the strategic plan (FY09 & FY10)
 - Outlook for the second half of the plan (FY11 & FY12)



Profit results have been delivered in the first two years of 09-12 plan

Actual PAT growth versus PAT growth guidance in original 09-12 plan
\$ Millions



*FY2008 PAT result reflects underlying PAT after removing the profit from the sale of the Bourke Street Home Store in 2H08

FY09 and FY10 Financial outcomes versus plan



- PAT compound annual growth rate of 12% p.a. from FY08-FY10 is ahead of 5-10% p.a guidance
- Gross profit margin improved to 39.7% which is in the planned range of 39.5%-40.0% through the cycle
- CODB reduced 140bps over two years versus 09-12 plan target of 50-80 bps over four years
- Low net debt levels maintained at \$86m despite substantial investment in refurbishments including the Bourke Street rebuild
- Dividend growth continued through the cycle to a record 30 cents per share in FY10

FY09 and FY10 Strategic results delivered



- Refurbishments of some of our most important, high value stores completed and trading well:
 - Elizabeth Street (Sydney CBD)
 - Market Street (Sydney CBD)
 - Bondi Junction (Sydney)
 - Robina Town Centre (Queensland)
 - Castle Towers (Sydney)
 - Bourke Street Mall (Melbourne)
- Successfully opened Doncaster, and trading strongly
- Signed up four new high value stores: Whitford (Western Australia), Sunshine Plaza (Queensland), Pacific Fair (Queensland), Macquarie (New South Wales)
- Successfully launched David Jones American Express card with signups ahead of budget. Achieved 7.5% p.a. growth in EBIT in FY09 & FY10
- Continued effective capital management with stakeholder co-funding of capex

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6. Key strategies on target to deliver FY11-FY12

Key strategies on track to deliver FY11 and FY12 profit growth



- Investment in four strategic refurbishments to deliver profit growth in FY11 (with full year benefits flowing into FY12)
- Investment in two major upgrades to deliver profit growth in FY12. These upgrades have EBIT impact equivalent to opening two new stores.
- Investment in approximately 1,000 new branded installations equivalent to EBIT delivered from 3-4 refurbishments
- GP potential heading into up-cycle
- Continued cost efficiency opportunities
- Credit card business guidance reaffirmed
- Leverage sales up-cycle
- Commitment to return excess cash to shareholders
- We are on track to deliver profit growth consistent with the 09-12 plan despite the delay of new store openings due to the impact of the GFC on our landlords' development schedules

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Pipeline of strategic refurbishments and new brand installations

4 strategic refurbishments to deliver profit growth in FY11

- FY11 profit growth from:
 - Bourke Street (Melbourne, Victoria)
 - Kotara (New South Wales)
 - Wollongong (New South Wales)
 - Claremont (Perth, Western Australia)
- Reallocation of space to high margin categories
- Increase of selling space in all 4 stores
- Full year benefit from refurbishments will deliver incremental growth in FY11 & FY12

2 major upgrades to deliver profit growth in FY12

- FY12 profit growth from:
 - Chadstone (Melbourne, Victoria)
 - Warringah Mall (Sydney, New South Wales)
 - Full year benefit from the 4 FY11 refurbishments
- Significant reconfiguration of important stores with material increase in sell space with EBIT equivalent to 2 new stores

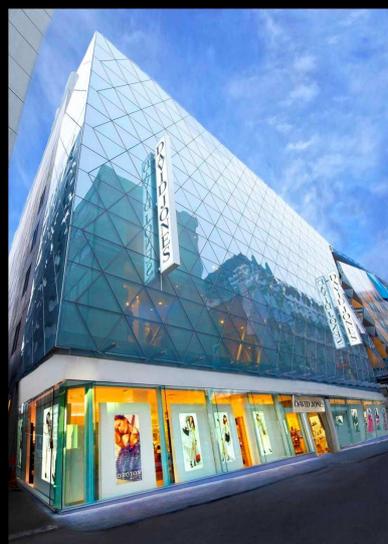
Approximately 1,000 new branded installations

- Approximately 1,000 new branded installations to drive growth in FY11 and FY12
- Delivers the EBIT equivalent to 3-4 standard refurbishments



Bourke Street Mall transformation to deliver growth in FY11

- Open since 13 August 2010, and trading well
- Sales expected to grow in line with 30% increase in selling space
- Refurbishment will add more incremental profit than the opening of large suburban store
- Over 2,500 of the best Australian and international brands with 1,600 department store exclusive
- GP margins expected to increase as more space is allocated to high margin categories
- Operating and cost efficiencies from consolidating 3 stores into 2 larger stores
- Ownership of properties creates a major cost advantage as we do not pay rent on premises



Refurbishments to deliver growth in FY11

Kotara (New South Wales) – October 2010

- Increase in selling space of ~40%
- By providing a bigger and better selection of brands we will capture sales from David Jones in Newcastle CBD on closure in January 2011 (7km away)



Wollongong (New South Wales) – October 2010

- Expect 15% increase in sales
- Reallocation of space to higher margin categories

Claremont (Perth, Western Australia) - February 2011

- Increase in selling space of over 85%
- EBIT of approximately \$5 million in first full year of trading and payback of capital invested within 2 years
- David Jones will be the only department store in a major centre in one of Australia's most lucrative areas. The percentage of high income households is more than twice the national average



Two major upgrades to deliver required growth in FY12

Chadstone (Melbourne, Victoria) 1H12

- One of Australia's premier shopping centres
- Important David Jones store in Victoria in very attractive demographic area

Warringah Mall (Sydney, NSW) 1H12

- The only regional shopping centre in the northern beaches
- Important suburban store with strong demographic profile

- These major upgrades will deliver incremental EBIT in FY12 equivalent to 2 new stores. FY12 profit growth will also be driven by full year benefit from FY11 refurbishments
- They replace the 2 new stores that were in the original 09-12 plan (Macquarie and Pacific Fair openings delayed by GFC impact on property owners)
- These major upgrades deliver significant incremental benefits as they involve:
 - Substantial increases in sell space
 - Reallocation of space to higher margin categories
 - Relocation of key categories to improve customer flow
 - Over 250 new branded installations

Investment in approximately 1,000 new branded installations



- Approximately 1,000 new branded installations to drive growth in FY11 & FY12 delivering EBIT equivalent to 3-4 standard refurbishments
- Examples planned for FY11:
 - Sass and Bide (25 installations)
 - Roxy / Quiksilver (15 installations)
 - Apple (10 installations)
 - Seed Femme (9 installations)
 - Armani Jeans / Armani Collezioni (15 installations)

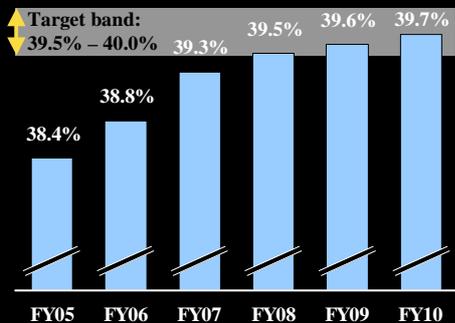


Sustainably improving gross profit margin



Gross profit margin

% sales



- David Jones has undertaken initiatives to ensure gross profit margins are within a target range of 39.5% to 40.0% through the cycle:
 - New stores and refurbishments to increase space allocation to high margin categories
 - Benefits from 2,700 supplier negotiations continue to flow through
- Up-cycles lend themselves to gross margin improvement

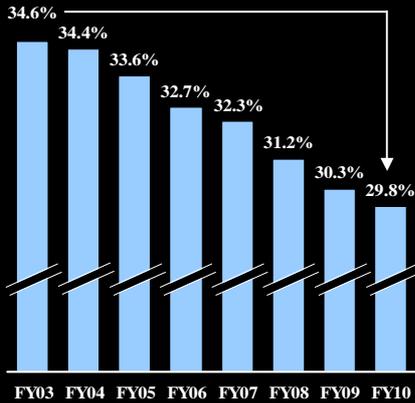
6. Key strategies on target to deliver FY11-FY12

Continued CODB reductions while maintaining customer service levels



Cost of doing business

Percent of sales



Note: Adjusted for AIFRS and Sale & Leaseback impacts

- Over the past six years we have achieved sustainable cost efficiencies, reducing COBD from 34.6% to 29.8% of sales
- Reductions achieved to date are sustainable
- Going forward, we will continue to identify new initiatives and drive reductions in the cost of doing business
- We have 27 initiatives to deliver 10-20 bps p.a. reduction in COBD over FY11 and FY12
- Recent examples include:
 - Centralising the logistics administration office
 - Centralising store switchboards
 - Running competitive tender of our advertising agency - replacing Saatchi & Saatchi with M&C Saatchi

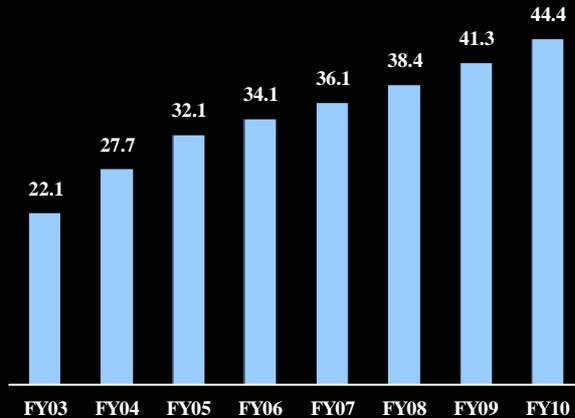
6. Key strategies on target to deliver FY11-FY12

Successful credit card launch in difficult environment



Financial Services EBIT

\$ Millions



- David Jones American Express has launched successfully in a difficult environment:
 - Exceeded account sign up target
 - Achieved almost 75% spend out of store
 - Changed the culture in store with over 75% of sales staff opening one or more new accounts
- Reiterate EBIT guidance of 7.5% p.a. for FY11 & FY12

Capital expenditure outlook FY11& FY12



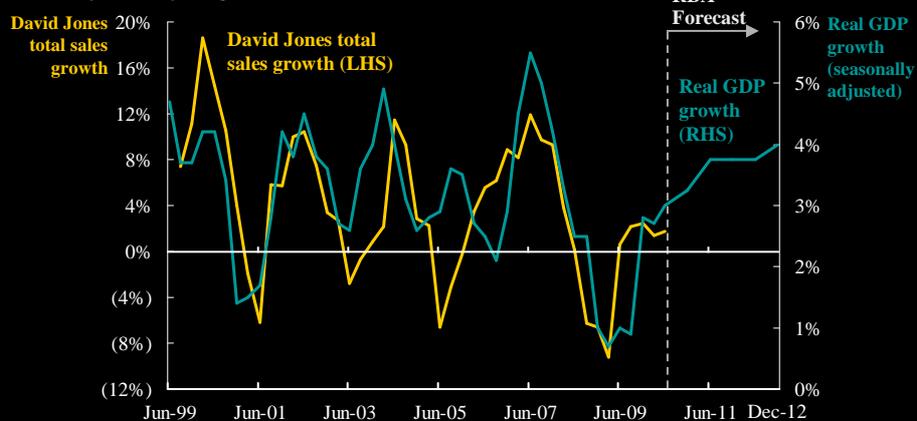
- Capex forecast for FY11& FY12 of \$70m p.a.
- Includes spend on strategic refurbishments and upgrades, approximately 1,000 branded installations and majority of Point of Sale spend

Opportunity for David Jones to leverage up-cycle



David Jones sales growth versus real GDP growth

Percent year-on-year growth



Source: ABS; David Jones results announcements; RBA Statement on Monetary Policy (August 2010)

Outlook for profit growth in FY11 & FY12

- Strategies to deliver profit growth in FY11 & FY12:
 - Investment in two major upgrades and new branded installations
 - GP potential heading into up-cycle
 - Continued cost efficiency opportunities
 - Credit card business guidance reaffirmed
 - Leverage sales up-cycle
- Reaffirm FY11 & FY12 guidance of 5-10% p.a. profit growth with opportunity to leverage the up-cycle
- Commitment to return excess cash to shareholders

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David Jones International Investor Roadshow – Today's Agenda

1. An overview of David Jones
2. Track record of performance
3. Attractive Australian department store market
4. Distinctive competitive positioning
5. FY09 and FY10 financial and strategic results in first 2 years of 09-12 plan
6. Key strategies on track to deliver FY11 and FY12 profit growth in next 2 years of 09-12 plan
- 7. Foundation for growth in FY13 and beyond**
8. Outlook & conclusion

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Foundations for growth

- We will develop a comprehensive strategic plan for FY13-16 in CY11-12 which will build on existing themes and identify new initiatives
- Longer term growth initiatives for FY13 and beyond will include:
 - Opening four high value new stores in FY13 & FY14, each of which will meet our benchmark of EBIT of at least \$5m in year 2. In aggregate, the four stores will deliver more than \$200m in annual sales at maturity
 - Undertaking further strategic refurbishments, such as Karrinyup (announced July 2010)
 - Building on existing themes of GP and CODB
 - Launching new credit card value proposition to improve spend and balance to drive long term profit potential
 - Building etail business



Four high value new stores signed and scheduled for opening across FY13 and FY14

New store	Size (GLA)	Context
Sunshine Plaza (Queensland)	14,000 sqm	• Located in South East Queensland which is one of Australia's fastest growing areas
Macquarie (New South Wales)	14,000 sqm	• Growing number of high earners in the catchment area • Sixteenth largest shopping centre based on sales
Whitford (Western Australia)	13,500 sqm	• Third largest shopping centre in WA • David Jones will be the only department store in the centre
Pacific Fair (Queensland)	14,500 sqm	• Sixth most visited shopping centre in Australia

New credit card value proposition to drive greater spend and balance over time



New Value Proposition to be launched in October 2010



- Growth in accounts has exceeded expectations. We now need to focus on spend and balance to deliver profit growth beyond FY13
- We will re-launch the David Jones American Express Value proposition to refresh product and drive spend engagement:
 - Has tested well in market research
 - Focused on everyday spend
 - Best value card compared to the most popular gold cards used at David Jones
 - Launches October 2010

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Measured approach to etail growth



- Successfully delivered Mother's Day etail site
- We will be extending online offer to full year round gifting site and progressively expand scope and scale as economics allow
- We aim to become a multi-channel retailer over time as we build attractive economics and manage risks



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8. Outlook and conclusion

Outlook FY11



- Trading in first seven weeks of FY11 in line with expectations
- Reaffirm 5%-10% PAT growth in FY11
- To be at upper end of guidance recovery needs to be in full swing
- Bourke Street CBD store fully open and trading well
- Westfield Sydney City (Centrepont) will reopens at end October 2010, benefiting Elizabeth Street and Market Street
- Major expansions in Kotara (October 2010) and Claremont (February 2011) will open in FY11
- First year in over a decade that all CBD flagship stores across Australia are refurbished and uninterrupted

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Conclusion

- Attractive Australian Department Store industry structure
- Higher long term department store sales growth compared to the USA and UK
- Maintain a distinctive competitive positioning
- Low risk business model and strong balance sheet
- Delivered financial and strategic results for FY09 & FY10
- Strategies on track to deliver profit growth in FY11 & FY12
- Foundations in place for continued profit growth in FY13 and beyond
- Will develop comprehensive FY13-16 Strategic Plan in CY11-12
- Opportunity to leverage up cycle in the strong Australian economy

Appendix



The resilience of the
Australian economy



The Australian market has been resilient in the global downturn and is set to recover

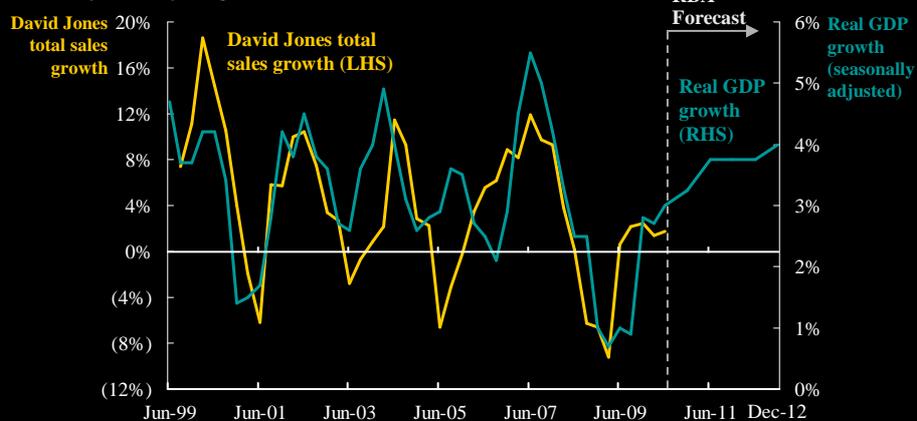
Key indicator	Australian economic performance (various sources)
GDP growth	<ul style="list-style-type: none"> • Australia not in recession unlike most other OECD nations: <ul style="list-style-type: none"> – GDP growing at 2.7% year-on-year versus contraction of (2.6%) in the USA and (4.1%) in the Euro area – High exposure to strong growth in China and India
Unemployment rates	<ul style="list-style-type: none"> • Unemployment amongst the lowest in the OECD: <ul style="list-style-type: none"> – Currently at 5.2% (versus 9.6% in the USA and 10.1% in the Euro area)
Banking sector health	<ul style="list-style-type: none"> • Australia’s four major banks are among the world’s eight AA-rated banks: <ul style="list-style-type: none"> – Australia was ranked 2nd out of 55 of the world’s leading financial systems and capital markets by the World Economic Forum for 2009 – Less exposure to bad debts, for example only 0.6% of housing loans are non-performing versus 8% in the USA and 2.4% in the UK
Public sector debt	<ul style="list-style-type: none"> • Low public sector net debt <ul style="list-style-type: none"> – Australia at ~6% of GDP in 2010 versus USA at 72% of GDP and UK at 78% of GDP
Consumer confidence	<ul style="list-style-type: none"> • Recovered substantially since the Global financial crisis <ul style="list-style-type: none"> – Australian consumer confidence at ~110% of 2006 levels, USA at ~75% of 2006 levels



Opportunity for David Jones to leverage up-cycle

David Jones sales growth versus real GDP growth

Percent year-on-year growth



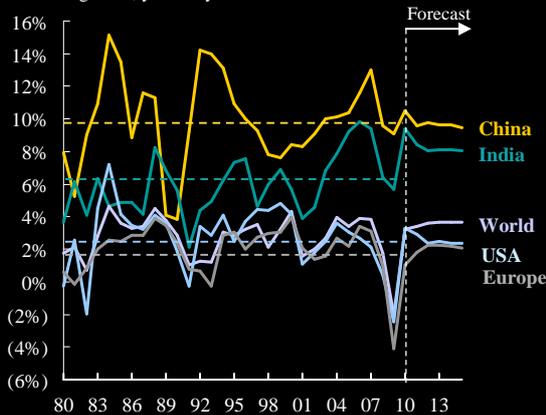
Source: ABS; David Jones results announcements; RBA Statement on Monetary Policy (August 2010)

Australia will continue to benefit from strong growth in China and India



Real GDP growth

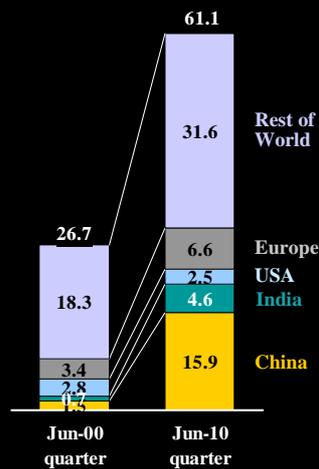
Percent growth, year-on-year



* Dotted lines indicate 1980-2009f average
Source: ABS; IMF World Economic Outlook Database, April 2010

Australian merchandise exports by destination country

\$ Billions FOB, seasonally adjusted

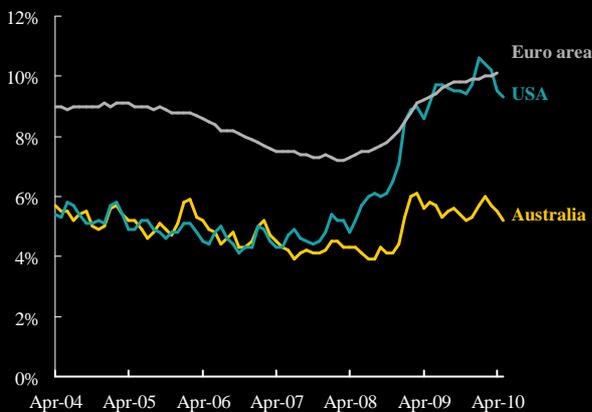


Unemployment rates in Australia are forecast to remain well below other major OECD countries



Unemployment rate

Percent of labour force



- IMF estimates project that Australian unemployment (5.1% in 2011) will remain significantly below the unemployment rate for the United States (8.2% in 2011) and the Euro Area (10.5% in 2011)

Source: IMF International Financial Statistics; IMF World Economic Outlook.



Public debt remains amongst the lowest in the OECD

General government net financial liabilities

Percent of GDP, 2011f



* Australian public sector net debt is for the Federal Government as stated in the 2010-11 Budget
 Source: IMF World Economic Outlook (April 2010); Australian Government Treasury 2010-11 Commonwealth Budget



Housing prices are recovering and mortgage arrears are amongst the lowest in the OECD

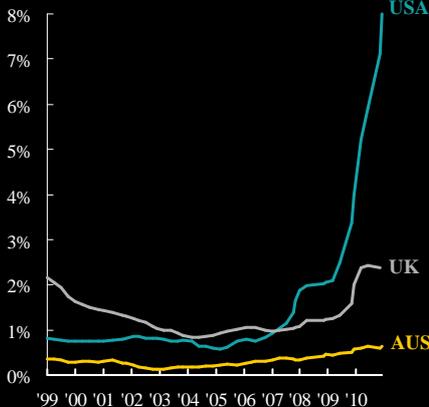
Housing prices in Australian capital cities

Index, March 2002=100



Non-performing housing loans

Percent of loans



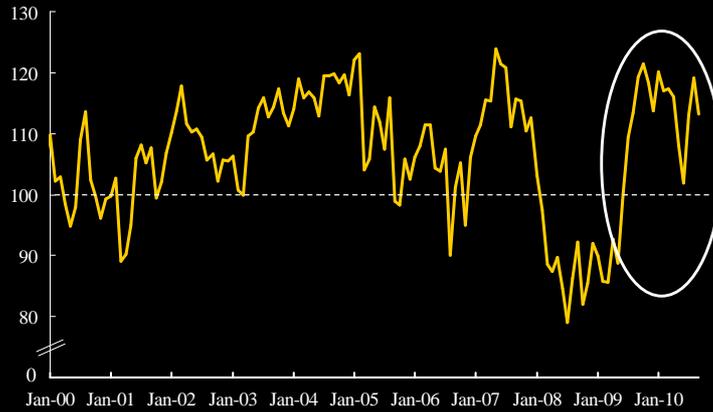
Source: ABS; S&P/Case-Shiller Home Price Index; RBA Speech by Guy Debelle (Mar 2010)

Consumer confidence remains strong, having recovered from the downturn



Westpac-Melbourne Institute consumer sentiment index, Jan 2001-Sep 2010

Monthly index, 100 = neutral sentiment



Source: Bloomberg

Consumer confidence in Australia is higher than in the USA, where confidence remains low



Consumer sentiment index

Monthly index, Jan 2006 = 100



Source: Westpac-Melbourne Institute consumer sentiment index; University of Michigan consumer sentiment index; Bloomberg