

For Immediate Distribution

21 March 2012

1H12 PROFIT AFTER TAX IN LINE WITH GUIDANCE

- **1H12 PAT down 19.6%** (\$85.0 million 1H12 vs. \$105.7 million 1H11).
- **EBIT Margin** down 180 bp to 12.4% (from 14.2% 1H11)
- **GP Margin** down 180 bp (37.9% 1H12 vs 39.7% 1H11)
- **CODB %** up 20 bp (27.8% 1H12 vs 27.6% 1H11)
- **Interim Dividend** down 19.2% to **10.5 cps (fully franked)**

David Jones Limited (DJS) today reported first half **Profit after Tax (PAT)** of **\$85.0 million** for the six months ended 28 January 2012 (1H12). This represents a **decrease of 19.6%** on 1H11 (\$105.7 million).

The Company reported an **18.1% decrease in Earnings Before Interest & Tax (EBIT)** to \$125.8 million in 1H12 from \$153.7 million in 1H11.

The Company's '**EBIT to Sales Ratio**' for 1H12 **decreased by 180 basis points (bp)** to 12.4%.

Gross Profit (GP) Margin for the first half of FY12 was **37.9%**. This represents a 180 bp decrease on 1H11 and reflects the difficult trading environment the Company has experienced and the action taken to clear excess Inventory.

The **Total Cost of Doing Business (CODB)** percentage for 1H12 was 27.8%, an increase of 20 bp on the CODB in 1H11. This is a credible result given the Sales decline of 6.7% in 1H12. The Company has continued to invest in additional floor staff hours (as a relative proportion to sales) to improve its service levels whilst also making progress in implementing and completing the 27 CODB projects announced in September 2010 and being rolled out over the FY11 and FY12 periods.

The Company has made significant inroads in clearing excess inventory based on a focused and effective merchandise management program. By the end of 1H12 Inventory levels were down 3.4% compared to 1H11.

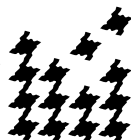
Overall the Company is well placed to end the financial year with appropriate levels of Inventory and with Aged Stock below the internal benchmark of 5%.

Capital Expenditure (Capex) for 1H12 was \$45.3 million compared to \$47.0 million in 1H11 and includes the refurbishment of the Chadstone (Vic), Warringah Mall (NSW) and Marion (SA) stores, as well as investment in brand installations, IT and the Company's new omni channel retail end-to-end platform solution.

The Company's **Cash Flow was solid** with operating cash flow of \$150.8 million for 1H12 compared to \$133.4 million in 1H11, as the Company improved its Inventory position in the half which in turn benefited Working Capital.

DAVID JONES

David Jones Limited A.C.N. 000 074 573
A.B.N. 75 000 074 573



The Company's **Balance Sheet** also remains healthy. Net debt continued to be less than \$100 million at the end of 1H12 with half year end Gearing of 9.0% versus 8.9% as at 1H11.

The Company's **Financial Services** business performed in line with expectations delivering EBIT growth of 7.5% for 1H12.

SUMMARY OF 1H12 KEY FINANCIALS

KEY ITEMS	1H12	1H11	% CHANGE
Sales (\$m)	1,011.2	1,083.4	-6.7
Total EBIT (\$m)	125.8	153.7	-18.1
PAT (\$m)	85.0	105.7	-19.6
Basic EPS (cps)	16.4	20.8	-21.2
Full Year Dividend per ordinary share (cps) (Fully Franked)	10.5	13	-19.2

REFURBISHMENTS

David Jones CEO Paul Zahra said, "We are pleased with the performance of our recently refurbished Warringah Mall (NSW), Chadstone (VIC) and Marion (SA) stores. We have commenced refurbishment of our Toowong Village (Qld) store and are making good progress in the roll-out of our brand installations."

NEW BANK FACILITY

The amount owing under the unsecured syndicated bank loan facility of \$350 million, established in July 2007, was repaid and the facility was cancelled in December 2011.

On 16 December 2011 a new unsecured bank loan facility of \$400 million was established with tranches covering 1 year, 3 years and 5 years – to provide a sound long-term position to support the Company's growth.

INTERIM DIVIDEND

The Board of Directors has declared an **Interim Dividend of 10.5 cents per ordinary share (cps) fully franked** for the six months ended 28 January 2012.

The Record Date for the interim dividend will be 12 April 2012 and the Payment Date will be 7 May 2012.

OUTLOOK

Sales tracking for the first 7 weeks of 2H12 has been broadly in line with 2Q12's performance.

The Company's outlook and 2H12 PAT Guidance is set out in the David Jones Future Strategic Direction announcement issued today.

ENDS

FOR FURTHER INFORMATION CONTACT:

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APPENDIX 1

PROFIT SUMMARY	1H12 ACTUAL \$m	1H11 ACTUAL \$m	Change %
Sales	1,011.2	1,083.4	- 6.7%
Gross Profit	382.8	429.9	- 11.0%
% to Sales	37.9%	39.7%	-180bp
Cost of Doing Business	(281.5)	(299.0)	- 5.9%
% to Sales	27.8%	27.6%	20bp
- Department Stores EBIT	101.3	130.9	- 22.6%
- Financial Services EBIT	24.5	22.8	+ 7.5%
EBIT - Total	125.8	153.7	- 18.1%
% to Sales	12.4%	14.2%	-180bp
Net Interest Expense	(5.0)	(3.5)	+ 41.9%
Profit Before Tax	120.8	150.1	- 19.5%
Income Tax Expense	(35.8)	(44.4)	- 19.5%
Profit After Tax	85.0	105.7	- 19.6%

Note: The Company's auditor Ernst & Young has provided a review statement in relation to specific matters pertaining to certain non-IFRS financial measures (such as 'Cost of Doing Business (CODB)' and 'Aged Inventory') for management's purposes.

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APPENDIX 4D
INTERIM FINANCIAL REPORT

DAVID JONES LIMITED INTERIM FINANCIAL REPORT

ABN 75 000 074 573

Current Reporting Period: 26 Weeks ended 28 January 2012

Previous Corresponding Period: 26 Weeks ended 29 January 2011

Results For Announcement to the Market

				\$A'000
Revenues from ordinary activities	Down	6.7%	to	1,011,165
Profit from ordinary activities after tax attributable to members	Down	19.6%	to	85,027

Dividends – Ordinary Shares	Amount per security	Franked amount per security
2012 Interim dividend declared 21 March 2012 (payable 7 May 2012)	10.5¢	10.5¢
2011 Final dividend (paid 7 November 2011)	15¢	15¢
Previous corresponding period		
2011 Interim dividend (paid 9 May 2011)	13¢	13 ¢
2010 Final dividend (paid 8 November 2010)	18¢	18¢

Record date for determining entitlements to the interim dividend

12 April 2012

David Jones Limited operates a Dividend Reinvestment Plan (DRP) that enables shareholders to reinvest dividends paid on ordinary shares in David Jones Limited. An election notice for participation in the DRP in respect of the 2012 interim dividend must be lodged by 12 April 2012.

Brief explanation of any of the figures reported above and short details of any bonus or cash issue or other item(s) of importance not previously released to the market:

Refer to attached ASX and Media Release, and Notes to this Interim Financial Report.

Net Tangible Asset Backing	Current Period	Previous Corresponding Period
Net tangible asset backing per ordinary security	\$1.37	\$ 1.32

The attached 28 January 2012 Half Year Financial Report of David Jones Limited and its Controlled Entities has been subject to review.

DAVID JONES LIMITED
ABN 75 000 074 573
AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF YEAR ENDED 28 JANUARY 2012

CONTENTS

	Page
DIRECTORS' REPORT	6
STATEMENT OF FINANCIAL POSITION	8
STATEMENT OF COMPREHENSIVE INCOME	9
STATEMENT OF CHANGES IN EQUITY	10
CASH FLOW STATEMENT	12
NOTES TO THE HALF YEAR FINANCIAL STATEMENTS	13
DIRECTORS' DECLARATION	20

The half year financial report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.2A.3 and should be read in conjunction with the 2011 annual financial report and any announcements made to the market during the period.

DIRECTORS' REPORT

Your Directors present their report on the Consolidated Entity consisting of David Jones Limited and the entities it controlled at the end of, or during, the half year ended 28 January 2012.

Directors

The Directors of the Company in office at any time during, or since, the end of the half year are as follows:

Robert Savage AM	Chairman and independent Non-Executive Director
John Coates AC	Deputy Chairman and independent Non-Executive Director
Paul Zahra	Chief Executive Officer and Executive Director
Stephen Goddard	Finance Director and Executive Director
Reginald Clairs AO	Independent Non-Executive Director (resigned 29 th February 2012)
John Harvey	Independent Non-Executive Director
Katie Lahey	Independent Non-Executive Director
Peter Mason AM	Independent Non-Executive Director
Philippa Stone	Independent Non-Executive Director

Review of Operations

Comments on the operations and the results of those operations are shown on pages 1 to 3 of this financial report.

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.

Indemnification of Directors

The Company has indemnified each Director referred to on page 6 of this report, the Company Secretary and previous Directors and Secretaries (Officers) against all liabilities or loss (other than to the Company or a related body corporate) that may arise from their position as Officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith or indemnification is otherwise not permitted under the Corporations Act. The indemnity stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses, and covers a period of seven years after ceasing to be an Officer of the Company. The indemnity is contained in a Deed of Access, Insurance and Indemnity, which also gives each Officer access to the Company's books and records.

The Company has also indemnified the current and previous Directors of its controlled entities and certain members of the Company's senior management for all liabilities and loss (other than to the Company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith or indemnification is otherwise not permitted under the Corporations Act.

DIRECTORS' REPORT (CONTINUED)

Indemnification of Auditors

The Constitution of the Company provides that it must indemnify its auditors, Ernst & Young, against any liability incurred in their capacity as auditor in defending any proceedings, whether civil or criminal, in which judgement is given in their favour or in which they are acquitted or in connection with any application in relation to any such proceedings in which relief is granted under the Corporations Act.

As part of the Company's terms of engagement with Ernst & Young, the Company has agreed to indemnify Ernst & Young against certain liabilities to third parties arising from their engagement as auditor. The indemnity does not extend to any liability resulting from a negligent, wrongful or wilful act or omission by Ernst & Young.

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 28 January 2012 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.



Robert Savage
Chairman



Paul Zahra
Executive Director and Chief Executive Officer

21st March 2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 28 JANUARY 2012 AND 30 JULY 2011

	Note	28 January 2012 \$000	30 July 2011 \$000
CURRENT ASSETS			
Cash and cash equivalents		18,533	11,703
Receivables		25,628	19,637
Inventories		254,744	288,850
Other assets		7,657	6,911
Total current assets		306,562	327,101
NON-CURRENT ASSETS			
Financial assets		12	12
Property, plant and equipment		819,157	798,416
Intangible assets		34,310	34,422
Deferred tax assets		53,842	54,410
Other assets		301	189
Total non-current assets		907,622	887,449
Total assets		1,214,184	1,214,550
CURRENT LIABILITIES			
Payables		230,644	216,429
Interest bearing liabilities	6	11,000	2,943
Current tax liabilities		21,496	18,654
Provisions		24,807	26,418
Financial liabilities		1,547	1,409
Other liabilities		283	280
Total current liabilities		289,777	266,133
NON-CURRENT LIABILITIES			
Interest bearing liabilities	6	87,000	129,000
Provisions		6,785	6,492
Other liabilities		27,579	27,445
Total non-current liabilities		121,364	162,937
Total liabilities		411,141	429,070
Net assets		803,043	785,480
EQUITY			
Contributed equity	3	538,028	525,105
Reserves		71,955	74,647
Retained earnings		193,060	185,728
Total equity		803,043	785,480

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 26 WEEKS ENDED 28 JANUARY 2012 AND 29 JANUARY 2011

	28 January 2012 \$000	29 January 2011 \$000
Revenue from sale of goods	1,011,165	1,083,436
Cost of sales	(628,360)	(653,545)
Gross profit	382,805	429,891
Other revenues	28,335	27,004
Employee benefits expenses	(134,215)	(153,342)
Lease and occupancy expenses	(93,363)	(88,399)
Depreciation and amortisation expense	(24,090)	(25,810)
Advertising, merchandising and visual expenses	(17,683)	(18,518)
Administration expenses	(8,753)	(8,807)
Financing expenses	(5,237)	(3,877)
Other expenses	(6,978)	(8,001)
Profit from continuing operations before income tax expense	120,821	150,141
Income tax expense	(35,794)	(44,439)
Net profit for the period	85,027	105,702
Other comprehensive income		
Gains/(losses) on cash flow hedges	875	729
Transfer of realised gains to profit and loss	(998)	(721)
Income tax on items of other comprehensive income	37	(2)
Other comprehensive income for the period, net of tax	(86)	6
Total comprehensive income for the period	84,941	105,708
Basic earnings per share (cents per share)	16.4	20.8
Diluted earnings per share (cents per share)	16.4	20.5

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 26 WEEKS ENDED: 28 JANUARY 2012 AND 29 JANUARY 2011

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 the beginning of the period		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 Dividend Reinvestment Plan		12,923	—	—	—	12,923
Dividends paid	2	—	—	—	(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 the end of the period		538,028	(1,072)	73,027	193,060	803,043

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE 26 WEEKS ENDED: 28 JANUARY 2012 AND 29 JANUARY 2011

For the period ended 29 January 2011:	Note	Share Capital \$000	Cash Flow Hedge Reserve \$000	Share Based Payments Reserve \$000	Retained Earnings \$000	Total \$000
Total equity at the beginning of the period		502,199	(1,337)	68,071	175,305	744,238
Profit for the period		—	—	—	105,702	105,702
Other comprehensive income, net of tax		—	6	—	—	6
Total comprehensive income for the period		—	6	—	105,702	105,708
Transactions with owners, recorded directly in equity:						
Issue of ordinary shares through Dividend Reinvestment Plan		14,779	—	—	—	14,779
Dividends paid	2	—	—	—	(91,344)	(91,344)
Employee share plan		137	—	—	—	137
Share based payment transactions		—	—	5,110	—	5,110
Income tax		—	—	1,541	—	1,541
Total contributions by and distributions to owners		14,916	—	6,651	(91,344)	(69,777)
Total equity at the end of the period		517,115	(1,331)	74,722	189,663	780,169

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

CONSOLIDATED CASH FLOW STATEMENT

FOR THE 26 WEEKS ENDED 28 JANUARY 2012 AND 29 JANUARY 2011

	28 January 2012 \$000	29 January 2011 \$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of GST)	1,112,404	1,195,280
Payments to suppliers and employees (inclusive of GST)	(950,460)	(1,051,902)
Commissions received	26,703	24,887
Interest received	190	263
Borrowing costs paid	(5,188)	(3,795)
Income tax paid	(32,810)	(31,351)
Net cash from operating activities	150,839	133,382
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(44,418)	(46,812)
Payments for software	(876)	(138)
Net cash from investing activities	(45,294)	(46,950)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid on ordinary shares	(64,772)	(76,565)
Net repayment of long term borrowings	(31,000)	(8,000)
Proceeds from issue of ordinary shares/ repayments under Employee share plan	—	137
Net cash from financing activities	(95,772)	(84,428)
Net increase/(decrease) in cash and cash equivalents	9,773	2,004
Cash and cash equivalents at beginning of the period	8,760	14,649
Cash and cash equivalents at end of the period	18,533	16,653
Note:		
(i) Reconciliation to the statement of financial position		
Cash and cash equivalents is comprised of the following:		
Cash and cash equivalents	18,533	17,460
Bank overdraft (interest bearing liabilities)	—	(807)
	18,533	16,653

(ii) Non-cash financing and investing activities

During the period 4,188,930 shares (2011: 3,088,935) were issued under the Dividend Reinvestment Plan. Dividends settled in shares rather than cash during the period amounted to \$12.923 million (2011: \$14.779 million).

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

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 28 JANUARY 2012 AND 29 JANUARY 2011

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 consolidated Interim Financial Report for the 26 weeks ended 28 January 2012 comprises the Company and its subsidiaries (together referred to as the Consolidated Entity).

Statement of Compliance

This consolidated Interim Financial Report is a general purpose financial report and has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The Interim 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 year ended 30 July 2011 and any public announcements made by David Jones Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Basis of Preparation

The Interim 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 Interim Financial Report have been rounded to the nearest thousand dollars, unless otherwise stated.

Apart from those noted below, the accounting policies applied are consistent with those adopted and disclosed in the Annual Financial Report for the year ended 30 July 2011.

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 Interim Financial Report.

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 28 JANUARY 2012 AND 29 JANUARY 2011

2. DIVIDENDS

Dividends recognised at the reporting date are:

	AMOUNT PER SHARE	TOTAL AMOUNT \$000	DATE OF PAYMENT
28 January 2012:			
Final 2011 ordinary	15.000¢	77,695	7 November 2011
Total amount		77,695	
29 January 2011:			
Final 2010 ordinary	18.000¢	91,344	8 November 2010
Total amount		91,344	

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

Subsequent event

Subsequent to 28 January 2012, the Directors have declared the following dividend franked on ordinary shares at the tax rate of 30%:

	AMOUNT PER SHARE	TOTAL AMOUNT \$000	DATE PAYABLE
Interim 2012 ordinary	10 .500¢	55,119	7 May 2012

The financial effect of the interim ordinary dividend for 2012 has not been recognised in the Interim Financial Statements for the half year ended 28 January 2012 and will be recognised in subsequent financial statements.

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 28 JANUARY 2012 AND 29 JANUARY 2011

	HALF YEAR ENDED 28 January 2012 \$000	YEAR ENDED 30 July 2011 \$000
3. CONTRIBUTED EQUITY		
Ordinary shares, fully paid	538,028	525,105
Movements in ordinary contributed equity		
Balance at the beginning of the period	525,105	502,199
Dividend Reinvestment Plan	12,923	27,512
Employee share plan	—	137
On-market purchase of shares by Trust	—	(4,743)
Balance at the end of the period	538,028	525,105
Movements in the number of ordinary shares		
	NUMBER OF SHARES	NUMBER OF SHARES
Balance at the beginning of the period	520,751,395	510,945,759
Dividend Reinvestment Plan	4,188,930	5,805,636
Shares issued to and held by Trust	—	4,000,000
Balance at the end of the period	524,940,325	520,751,395
Less: ordinary shares held by Trust	(2,805,717)	(8,478,674)
Balance for Consolidated Entity at the end of the period	522,134,608	512,272,721

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 28 JANUARY 2012 AND 29 JANUARY 2011

4. SEGMENT REPORTING**Business and geographical segments**

Operating Segments are defined with reference to information regularly reviewed by the Consolidated Entity's Chief Executive Officer (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, rack stores and corporate head office; and
- Financial Services comprising the alliance between David Jones and American Express.

Unallocated items

Interest revenue and some interest expenses are not allocated to operating segments, as they are not considered part of the core operations of either segment.

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.

Operating segments for the 26 weeks ended 28 January 2012 were:

Operating segments:	Department Stores \$000	Financial Services \$000	Unallocated \$000	Consolidated \$000
External revenue	1,011,165	—	—	1,011,165
Other income:				
Commissions earned	—	26,824	—	26,824
Other revenues from external customers	1,321	—	—	1,321
Total segment revenue and other income	1,012,486	26,824	—	1,039,310
Gross profit	382,805	—	—	382,805
Depreciation and amortisation	(24,087)	(3)	—	(24,090)
Share based payments	2,143	—	—	2,143
All other expenses	(260,872)	(2,297)	—	(263,169)
Total expenses	(282,816)	(2,300)	—	(285,116)
Segment earnings before interest and tax	101,310	24,524	—	125,834
Interest revenue	—	—	190	190
Interest expense	(4,530)	—	(673)	(5,203)
Net interest expense	(4,530)	—	(483)	(5,013)
Profit before tax	96,780	24,524	(483)	120,821

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 28 JANUARY 2012 AND 29 JANUARY 2011

4. SEGMENT REPORTING (CONTINUED)

Operating segments for the 26 weeks ended 29 January 2011 were:

Operating segments:	Department Stores \$000	Financial Services \$000	Unallocated \$000	Consolidated \$000
External revenue	1,083,436	—	—	1,083,436
Other income:				
Commissions earned	—	25,344	—	25,344
Other revenues from external customers	1,660	—	—	1,660
Total segment revenue and other income	1,085,096	25,344	—	1,110,440
Gross profit	429,891	—	—	429,891
Depreciation and amortisation	(25,806)	(4)	—	(25,810)
Share based payments	(5,110)	—	—	(5,110)
All other expenses	(269,773)	(2,528)	—	(272,301)
Total expenses	(300,689)	(2,532)	—	(303,221)
Segment earnings before interest and tax	130,862	22,812	—	153,674
Interest revenue	—	—	262	262
Interest expense	(3,406)	—	(389)	(3,795)
Net interest (expense)/revenue	(3,406)	—	(127)	(3,533)
Profit before tax	127,456	22,812	(127)	150,141

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 28 JANUARY 2012 AND 29 JANUARY 2011

5. CONTINGENT LIABILITIES

The nature and amount of contingent liabilities are disclosed in Note 24 to the Consolidated Entity's 30 July 2011 Financial Statements.

In December 2011, David Jones Finance Pty Limited, a controlled entity within the Group repaid the amount owing and cancelled the unsecured syndicated bank loan facility of \$350 million. The borrowings of David Jones Finance Pty Limited under this facility were guaranteed by the Company and certain controlled entities.

On 16 December 2011, David Jones Finance Pty Limited established unsecured loan facilities of \$400 million. The borrowings of David Jones Finance Pty Limited under these new bank loan facilities are guaranteed by the Company and certain controlled entities.

Otherwise, there have been no other changes to the contingent liabilities since the previous reporting period.

The Directors are not aware of any other circumstance or information which would lead them to believe that liabilities in relation to any matters disclosed herein, or in the Company's 30 July 2011 Financial Statements have crystallised, and consequently no provisions are included in the financial statements in respect of these matters.

	HALF YEAR ENDED 28 January 2012 \$000	YEAR ENDED 30 July 2011 \$000
6. INTEREST BEARING LIABILITIES		
CURRENT		
Bank overdraft	—	2,943
Unsecured bank loans	11,000	—
	11,000	2,943
NON-CURRENT		
Unsecured bank loans	87,000	—
Unsecured syndicated bank loan	—	129,000
	87,000	129,000

The amount owing under the unsecured syndicated bank loan facility of \$350 million, established in July 2007, was repaid and the facility cancelled in December 2011.

On 16 December 2011, unsecured bank loan facilities of \$400 million were established. The unsecured bank loan facilities are comprised of the following tranches:

- \$100 million short term tranche, expiring 15 December 2012;
- \$100 million core term tranche, expiring 15 December 2014;
- \$200 million core term tranche, expiring 15 December 2016; and

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

NOTES TO THE HALF YEAR FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 28 JANUARY 2012 AND 29 JANUARY 2011

		HALF YEAR ENDED 28 January 2012 \$000	YEAR ENDED 30 July 2011 \$000
6. INTEREST BEARING LIABILITIES			
Financing Facilities	Note		
Access to the following lines of credit was available at balance date:			
Total facilities	(i)		
Unsecured bank loans		400,000	—
Unsecured syndicated bank loan		—	350,000
Overdraft and trade finance facility	(ii)	29,361	29,600
Bank guarantee		910	1,024
		430,271	380,624
Used at balance date			
Unsecured bank loans		98,000	—
Unsecured syndicated bank loan		—	129,000
Overdraft and trade finance facility		—	2,943
Bank guarantee		910	1,024
		98,910	132,967
Unused at balance date			
Unsecured bank loans		302,000	—
Unsecured syndicated bank loan		—	221,000
Overdraft and trade finance facility		29,361	26,657
Bank guarantee		—	—
		331,361	247,657

Notes:

- (i) All facilities are denominated in Australian dollars, unsecured and subject to borrowing covenants, which have been met.
- (ii) The overdraft and trade finance facilities are subject to annual review in February each year.

7. EVENTS OCCURRING AFTER THE REPORTING DATE**Dividends**

Dividends declared after 28 January 2012 are disclosed in note 2.

DIRECTORS' DECLARATION

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

- (a) the Interim Financial Report, as set out on pages 8 to 19, 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 28 January 2012 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:



Robert Savage
Chairman

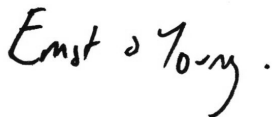


Paul Zahra
Executive Director and Chief Executive Officer

Sydney, 21st March 2012

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 28 January 2012, 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.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to be 'G. McKenzie'.

Graeme McKenzie
Partner
21 March 2012

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 28 January 2012, 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 28 January 2012 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.

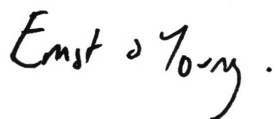
Independence

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.

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 28 January 2012 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*.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to be 'G. McKenzie'.

Graeme McKenzie
Partner
21 March 2012