



For Immediate Distribution

31 May 2012

DAVID JONES REPORTS 3Q12 TOTAL SALES DOWN 2.9%

- **3Q12 Total Sales** of \$399.8 million - **down 2.9%** on 3Q11
- **3Q12 LFL Sales declined by 3.1%** versus 3Q11
- Rate of **sales decline stabilised** and is tracking broadly in line with 2Q12
- The Company has made **good progress in clearing excess inventory**
- Best performing categories were **Womenswear, Accessories, Beauty and Menswear**
- Strongest performing states in terms of underlying sales were **Western Australia and Queensland.**

David Jones Limited (DJS) today reported Total Sales for the third quarter ended 28 April 2012 of \$399.8 million. This represents a decline of 2.9% compared to 3Q11 (Total Sales of \$411.7 million).

On a Like-for-Like (LFL) basis Sales were down 3.1% compared to 3Q11. This performance reflects the absence of two weeks trading from the Claremont Quarter store (WA), which opened on 17 February 2011 (two weeks into 3Q11) and has traded strongly since opening.

On a month by month basis March was the strongest month largely due to the timing of Easter.

The best performing categories in 3Q12 were Womenswear, Accessories, Beauty and Menswear. The Home and Electrical categories continued to be challenging. On a State-by-State basis the best performing states on an underlying sales basis were Western Australia and Queensland. The Company's performance in Queensland was however adversely impacted in the quarter by the Toowong Village store refurbishment.

The Company continues to make good progress in clearing excess inventory and is on track to clear all excess inventory by the 2012 financial year end as well as maintain aged inventory levels below its 5% benchmark.

David Jones CEO Mr Paul Zahra said, "Whilst trading conditions continued to be difficult throughout the quarter we did experience a stabilisation in trading patterns with the rate of sales decline broadly in line with 2Q12.

"We were pleased by the performance of the recently refurbished Chadstone (Vic) and Warringah Mall (NSW) stores as well as the extent to which customers have embraced our new Bridal offering and our Personal Shopping service," Mr Zahra said.

DAVID JONES

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FUTURE STRATEGIC DIRECTION UPDATE

The Company is making good progress in implementing its Three Point Strategy which was announced on 21 March 2012.

Refurbishment of the Company's Toowong Village (Qld) store commenced in March 2012 and is due to be completed in time for the all important Christmas trading period. The Company is also on schedule to commence the refurbishment of the Ground and Lower Ground floors of its flagship Elizabeth Street (NSW) store in 4Q12.

The Company's **new full line department store** in Highpoint (Vic) is on schedule to open in the first quarter of calendar 2013 and will establish David Jones' presence in the high growth corridor of western Melbourne where it is currently not represented.

The Company will commence trialling its new **Point of Sale** system in 1Q13. The launch of the Company's **new webstore** is on track to be launched before Christmas 2012. Mondo Digital has commenced photographing and copywriting the SKUs that the Company will offer online. A purpose built studio for online production management has been established at the Company's Silverwater (NSW) premises and good progress is being made in converting these premises into a fulfilment centre.

The Company continues to grow its **social media presence**. According to "The Online Circle's Facebook Performance Report", David Jones gained 21,077 Facebook fans in March 2012 resulting in an average level of 125,704 fans. This represents growth of approximately 19%. David Jones is now amongst the top ranking Australian retailers in the social media space.

Good progress is also being made by the Company in its **Cost of Doing Business** program which is on track to deliver approximately \$30 million of cost savings over the next three years, which will in turn offset some of the expected cost increases the business faces over this period.

TRADING ENVIRONMENT AND OUTLOOK

Mr Zahra said, "Looking forward to 4Q12 we note that the first few weeks of the quarter have traded broadly in line with 3Q12 trading patterns.

"June and July are the major contributors to sales in 4Q12 and given our experience last year we feel it is imperative that the promotional activity during this period be highly distinguishable from other promotional events throughout the year. Accordingly we are making improvements to our clearance program this year and we have consciously decreased the depth, breadth and volume of promotional activity in the lead-up to clearance.

"We note that the rate of decline in sales has stabilised and reaffirm the guidance we provided on 21 March 2012, of a decline in Profit after Tax for FY12 of between 35% and 40% compared to FY11," Mr Zahra said.

ENDS

FOR FURTHER INFORMATION CONTACT:

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TOTAL SALES

PERIOD	FY12 \$m	FY11 \$m	Total % Change	LFL % Change
1Q12	414.3	466.6	(11.2%)	(11.0%)
2Q12	598.5	617.6	(3.1%)	(2.4%)
1H12	1,012.9	1,084.2	(6.6%)	(6.1%)
3Q12	399.8	411.7	(2.9%)	(3.1%)
Year to Date	1,412.7	1,495.9	(5.6%)	(5.3%)

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