



**DAVID JONES ANNOUNCES 5.8 % INCREASE IN
ANNUAL SALES DESPITE DIFFICULT ENVIRONMENT**

- Continued growth in market share year to date
- Key women's apparel and cosmetics categories remain strong performers relative to the market
- Focused branding and retail strategy has served us well in a difficult environment

Leading Australian Department Store retailer David Jones Limited ('David Jones') have announced a full year sales result for the group of \$1,547.5b (2000: \$1,463.3b)^①, an increase of 5.8 %. Sales for the 4th quarter decreased over the same quarter last year by 3.0 % (2001: \$385.6m, 2000: \$397.6m). On a like for like^② basis sales decreased by 4.1% for the quarter and 0.9% for the full year.

David Jones Chief Executive Officer, Mr. Peter Wilkinson believes this is a solid sales result given the market conditions. "Importantly, both our women's apparel and cosmetics categories continue to perform well. The reason we have been able to navigate these conditions better than many of our competitors is that we have a well established strategy which is flexible enough to accommodate changes in the environment. We have added tactical elements where appropriate, maintained our premium positioning and continued to develop the strong relationship we have with our core customers."

THE TRADING ENVIRONMENT

As many retailers have reported, spending patterns so far this year have been very different for a number of significant reasons. Continued weaker consumer demand, comparison to the GST phase-in and the resultant strong short term shift in purchasing patterns plus prolonged heavy discounting in certain sections of the retail market, combined to make the 4th quarter 2001 particularly complex.

Mr. Wilkinson said, "We negotiated the GST introduction period and a number of other variables in 4th quarter 2000 extremely well. In fact we increased sales by 20% compared to the same period the previous year. This increase was partly due to an abnormal increase in consumer spending leading into the introduction of the GST. Accordingly the trend shown in 4th quarter sales this year is potentially misleading. Most of the anomalous trading conditions will clear progressively through the 1st quarter of this new financial year, and we should then see the market return to comparable trading patterns."

"In complex periods it makes sense to look through the cycle to the fundamentals to judge how well any business is navigating the environment. We advised in our announcement of 18 July that we have gained market share year to date, expect to largely maintain margins, are controlling our stock levels well and making good progress on costs", he said.

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DAVID JONES

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DAVID JONES ANNUAL SALES RESULT

FULL YEAR SALES BREAKDOWN

*(1999/00 adjusted for WST)

	2000/01 Ex GST \$M	1999/00 * Ex WST \$M	Variance %	Comp Stores %
13 Weeks to end October 2000	338.6	292.7	+15.7	+2.7
13 Weeks to end January 2001	493.0	450.9	+9.3	-1.1
26 Week to end January 2001	831.6	743.6	+11.8	+0.4
13 Weeks to end April 2001	330.3	322.1	2.5%	-0.2%
13 Weeks to end July 2001	385.6	397.6	-3.0%	-4.1%
26 Weeks to end July 2001	715.9	719.7	-0.5%	-2.4%
52 Weeks to end July 2001	1547.5	1463.3	5.8%	-0.9%

Sales for the new businesses, Foodchain by David Jones and David Jones Online, are solid and running to program. A third Foodchain store opened at Parramatta in Sydney today.

OUTLOOK

Mr. Wilkinson said, "Evidence continues to suggest that while trading has remained challenging the worst of this current cycle is behind us."

"Recent consumer sentiment surveys have noted the beginnings of an increase in consumer confidence levels. While this change in sentiment has not translated into increased sales at this stage it does support the case for an upturn in the short to medium term" he said.

Mr. Wilkinson concluded by saying, " We have stated in the past that downturns of this nature tend to last between 12 and 18 months. We expect then that the upswing could begin anytime between the beginning of the Christmas season this year through to the first quarter of next year. We are well positioned to take advantage of this upswing whenever it occurs."

REFERENCE NOTES

- ① David Jones' advised on 18 July 2001 that they were tracking to achieve a full year sales performance for their core business of between \$1.525b and \$1.535b (2000 \$1.463.3b) an increase of 4% - 5%. All sales figures are adjusted for GST and WST basis unless otherwise noted.
- ② LFL information - Q4 LFL figure does not include the new businesses. For general comparison re LFL note that Aherns was acquired in February 2000, Chadstone opened December 1999 and Southland opened May 2000.

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DAVID JONES ANNUAL SALES RESULT**GST Information – ABS figures**

The ABS requires sales figures to be submitted **inclusive** of GST. Accounting requirements state that DJS report sales figures to the market **exclusive** of GST. To assist calculation of “Total Customer Outlays”, we advise that the additional number for GST for the fourth quarter is \$37.4m. The Full Year figure is \$150.5m.

ADJUSTING FOR WHOLESALE SALES TAX – WST

Figures for FY 99/00 are reported excluding wholesale sales tax to provide a more valid comparison to FY 00/01. For reconciliation purposes figures not adjusted for WST are as below.

Sales Figures NOT Adjusted for WST

	1999/2000
	Not adjusted for WST
	\$M
13 Weeks to end October 2000	306.4
13 Weeks to end January 2001	473.9
13 Weeks to end April 2001	336.6
13 Weeks to end July 2001	411.3
52 Weeks to end July 2001	<u>1528.2</u>

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