



ASX RELEASE

19 September 2001

Page 1 of 4

DAVID JONES LIMITED 2000- 2001 FULL YEAR RESULT

David Jones Limited's ('David Jones') profit after tax for the 52 weeks ended 28 July 2001 was \$28.0 million (2000: \$35.8m), a decrease of \$7.8 million or 21.7% over the corresponding period 1999/2000. The results of both periods were impacted by significant items as noted in the table below. As previously announced Group sales for the full year increased by 5.8% to \$1,547.5m (2000: \$1,463.3m).

A summary of the profit shows:

	2001 \$m	2000 \$m
Sales	<u>1,547.5</u>	<u>1,528.1</u>[^]
Earnings Before Interest & Tax		
Contribution From		
- Retail	47.9	58.3
- Credit	<u>10.6</u>	<u>10.2</u>
	58.5	68.5
- Property	<u>4.8</u>	<u>17.4</u>
	63.3	85.9
Significant Items		
- Sale of Assets	8.9	3.2
- New Businesses (Foodchain & Online)	(14.4)	
- Write-off of David Jones Online web development costs	(11.5)	
- Settlement of contingent liability (Elizabeth, S.A)*	(2.8)	
- GST introduction expenses	<u>-</u>	<u>(18.3)</u>
Earnings Before Interest and Tax	43.5	70.8
Less		
- Interest Expense	<u>11.7</u>	<u>12.2</u>
Operating Profit Before Income Tax	31.8	58.6
Less		
- Income Tax	<u>3.8</u>	<u>22.8</u>
Operating Profit After Income Tax	<u>28.0</u>	<u>35.8</u>

*Refers to the former John Martins store assigned to Harris Scarfe at Elizabeth City Centre, Adelaide, South Australia

[^] This figure is not tax adjusted for wholesale sales tax. Adjusted figure is \$1,463.3m

DAVID JONES

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

86-108 Castlereagh Street Sydney NSW 2001 Australia Telephone 02 9266 5544

COMPARABLE EBIT

The core business Earnings before Interest and Tax ('EBIT') slightly exceeds the forecast range of \$68 - \$71.5m communicated to the market on 18 July 2001. Comparable EBIT* has decreased 14.6% over the corresponding period.

	2001	2000
Core Business EBIT (retail + credit + property + asset sales)	\$ 72.2	\$89.1
Less Asset Sales	\$ 8.9	\$ 3.2
Less Property Income	\$ 4.8	\$17.4
Comparable EBIT*	\$ 58.5	\$68.5

*Comparable EBIT was calculated to assist with year on year comparison in order to clarify changes in asset sales levels and therefore property income year on year. It is calculated by deducting asset sales and property income from Core Business EBIT.

CORE RETAIL BUSINESS

Sales for the core business increased 4.9% to \$1,535.4m (2000: \$1,463.3). Several important factors including an ongoing lull in consumer demand, comparison to the phase-in of the GST and the resultant strong short term shift in purchasing patterns, prolonged deep discounting in certain sections of the retail market and a generally warmer winter combined to make the year extremely complex.

	2001 \$m	% of Sales	2000 \$m	% of Sales
Sales Core Business	<u>1,535.4</u>		<u>1,463.3</u>	
Gross Profit	563.3	36.7	540.0	36.9
Selling General & Administration Expense*	<u>515.4</u>	<u>33.6</u>	<u>481.7</u>	<u>32.9</u>
EBIT – Core Business	<u>47.9</u>	<u>3.1</u>	<u>58.3</u>	<u>4.0</u>

* SG&A figures for both FY 99/00 and FY 00/01 exclude the impact of asset sales. Sales figures are tax adjusted for WST. Sales figure for 2000 when not adjusted for WST = \$1,528.1m

Despite the changed conditions during financial year 2000/2001, our core business performance relative to the market remained solid and the Group continued to gain market share. The women's apparel and cosmetics categories remained strong performers. .

Buyer's gross profit margin (pre shrinkage) for the year was slightly lower in percentage terms (2001:38.0%, 2000 38.4%) - a credible result under the circumstances. The drop was largely due to the reduction in sales volume, some specific sales mix issues (such as continued general market weakness in menswear) and the cost of responding to competitive discounting activity. Our shrinkage reduction program produced good results. The total shrinkage figure for 2000/2001 was more than \$1 m lower than the previous year.

Despite the change in trading conditions our well established stock management practices held our inventory at acceptable levels. Our end of year stock position was only 1% higher than last year and our aged stock levels were around our 5% benchmark.

Significant inroads were made with our core business cost program during the second half. The first half Selling General & Administration (SG&A) percentage reflected the effect of the sudden change in trading conditions. Despite the reduction in like for like sales, our SG&A % for the second half 2001 was lower than the comparable half for the previous year.

The total SG&A % for the year was however, higher due to the higher first half. The SG&A% 2000/2001 also reflects the increase in the cost base which occurred as a result of the inclusion of a full year of costs for Aherns and 2 new stores at Chadstone and Southland in Melbourne.

PROPERTY INCOME

The property contribution of \$ 4.8 million was a significant decrease on the corresponding period due to the sale of the Sydney and Melbourne CBD properties. A profit of \$7.4m was recorded on the sale of these properties. A development profit of \$1.5m was recorded for the Adelaide CBD site.

CREDIT INCOME

The David Jones credit card continued to perform well. EBIT of \$10.6m represents a slight increase over the previous year; a reflection of the changed trading conditions and the costs of combating short term competitive activity, in particular, increased interest free periods.

Sales on the David Jones card comprised 40.1% of total sales for the Group (2000: 39.3%). Our David Jones card activation programs continued to be highly successful with 62,169 new accounts opened during the year.

DAVID JONES ONLINE (davidjones.com.au)

The Group has written off web development costs of \$11.5m. These costs largely related to the development of proprietary software related to online trading.

Having completed the establishment phase for the Online business, the path to profitability is now clear. The operating loss will be halved in the FY2002 financial year. Costs will continue to be managed downward with the business expected to be close to breakeven in FY2003.

Revenue is building steadily and is in line with expectations. The business is making strong progress on all Key Performance Indicators including unique visitation, conversion rate, average order size, and importantly service standards. David Jones believes the online business will be an increasingly important competitive tool going forward.

Our objective is for the online and bricks and mortar parts of the David Jones department store business to operate seamlessly. The costs related to the acquisition of customers will continue to be reduced through greater leveraging of the core business. Good progress is being made in this regard.

FOODCHAIN BY DAVID JONES

David Jones has opened three Foodchain stores since November last year at Brighton and Hawthorn in Melbourne and Parramatta in Sydney. The Parramatta store opened in early August. Customer reaction to each store has been enthusiastic and revenues continue to build strongly.

The Group plans to open three more stores in 2001/2002 and to focus on consolidating our performance through improved efficiencies.

The Foodchain business is still in its infancy, however, our experience to date indicates the offer is one which our targeted demographic likes and responds to very well. Our plan remains to open 40 stores over five years (2001-2006).

INCOME TAX

The income tax expense of \$3.8 m was considerably lower than the prima facie tax rate largely due to non-assessable items. The company taxation rate in financial year 2001/2002 is expected to return to normal levels.

EVENTS SUBSEQUENT TO THE BALANCE DATE

- The Macarthur Square store at Campbelltown in Sydney opened 13 September. David Jones has resumed control of the store from Harris Scarfe Limited ('HSL') as part of an assignment agreement following the sale to HSL in 1998. The Group has previously advised that having come to mutually agreeable terms with the centre owners we believe the Macarthur Square store will be profit neutral in the coming financial year.
- A new store will open at Westfield Shoppingtown Hornsby in Sydney in late September 2001.
- A settlement payment of \$2.8m has been made to extinguish a contingent liability and release David Jones and its subsidiary, John Martin Retailers Limited, from any future liability in respect of a guarantee associated with the assignment of a lease to Harris Scarfe at the Elizabeth City Centre in South Australia.
- The Company has advised the reinstatement of the Dividend Reinvestment Program commencing with the dividend payable on 2 November 2001.
- As per an announcement made on 14 September, David Jones advised an annual fee of \$50 will apply to new members of the shareholder rewards program from 1 October 2001.

DIVIDEND

The Directors have declared a final dividend of four cents per share, payable on 2 November 2001. The dividend is fully franked. This brings the full year dividend to eight cents per share; the same as the previous year.

OUTLOOK

David Jones has stated previously that the anomalous trading conditions experienced over the past year should clear progressively through the 1st quarter of financial year 2001/2002.

We have seen some positive signs as we progress into the summer trading season however, taking into account the variation which is still being exhibited in sales patterns and the recent events in the United States, we believe it is too early to confidently call any trend.

David Jones is well positioned to take advantage of the upturn whenever it occurs.

For further information please contact:

Peter Wilkinson
Chief Executive
(02) 9266 5730

Stephen Goddard
CFO
(02) 9266.5182

Jill Campbell
General Manager Corporate Affairs
(02) 9266 5960
0412 047448

DAVID JONES LIMITED

ABN 75 000 074 573

FOR ANNOUNCEMENT TO THE MARKET

ITEM NUMBER		CURRENT PERIOD 52 WEEKS \$A'000	AS REPORTED IN PREVIOUS CORRESPONDING PERIOD (NOT ADJUSTED FOR WHOLESALE SALES TAX) \$A'000	
	SALES OF GOODS	UP BY 1.27% TO	1,547,481	1,528,135
	OTHER REVENUE	UP BY 117.22% TO	253,010	116,475
1.1	REVENUE FROM ORDINARY ACTIVITIES	UP BY 9.48% TO	1,800,491	1,644,610
1.20	PROFIT(LOSS) FROM ORDINARY ACTIVITIES AFTER TAX (BEFORE AMORTISATION OF GOODWILL) ATTRIBUTABLE TO MEMBERS	DOWN BY 18.57% TO	29,917	36,740
1.23	PROFIT(LOSS) FROM ORDINARY ACTIVITIES AFTER TAX ATTRIBUTABLE TO MEMBERS	DOWN BY 21.68% TO	28,044	35,808
2.5	PROFIT(LOSS) FROM EXTRAORDINARY ITEMS AFTER TAX ATTRIBUTABLE TO MEMBERS	GAIN(LOSS) OF	NIL	NIL
1.11	NET PROFIT(LOSS) FOR THE PERIOD ATTRIBUTABLE TO MEMBERS	DOWN BY 21.68% TO	28,044	35,808

DIVIDENDS (DISTRIBUTIONS)

		AMOUNT PER SECURITY	FRANKED AMOUNT PER SECURITY AT 30% (PREVIOUS CORRESPONDING PERIOD AT 34%)
15.4	THIS PERIOD FINAL DIVIDEND	4 CENTS	4 CENTS
15.5	PREVIOUS CORRESPONDING PERIOD FINAL DIVIDEND	4 CENTS	4 CENTS

RECORD DATE FOR DETERMINING ENTITLEMENTS TO THE
DIVIDEND

17 OCTOBER 2001

SHORT DETAILS OF ANY BONUS OR CASH ISSUE OR OTHER ITEM(S)
OF IMPORTANCE NOT PREVIOUSLY RELEASED TO THE MARKET —
NIL.

DAVID JONES LIMITED

ABN 75 000 074 573

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
 (CONSOLIDATED PROFIT AND LOSS ACCOUNT)

	CURRENT PERIOD \$A'000	PREVIOUS CORRESPONDING PERIOD \$A'000
SALES OF GOODS	1,547,481	1,528,135
OTHER REVENUE	253,010	116,475
I.1 REVENUES FROM ORDINARY ACTIVITIES	1,800,491	1,644,610
I.2 EXPENSES FROM ORDINARY ACTIVITIES (SEE ITEMS 1.24, 12.5, 12.6)	(1,756,986)	(1,573,766)
I.3 BORROWING COSTS	(11,707)	(12,258)
I.4 SHARE OF NET PROFIT(LOSS) OF ASSOCIATES AND JOINT VENTURE ENTITIES	-	-
I.5 PROFIT(LOSS) FROM ORDINARY ACTIVITIES BEFORE TAX	31,798	58,586
I.6 INCOME TAX ON ORDINARY ACTIVITIES	(3,754)	(22,778)
I.7 PROFIT(LOSS) FROM ORDINARY ACTIVITIES AFTER TAX	28,044	35,808
I.8 PROFIT(LOSS) FROM EXTRAORDINARY ITEMS AFTER TAX (SEE ITEM 2.5)	-	-
I.9 NET PROFIT(LOSS)	28,044	35,808
I.10 NET PROFIT(LOSS) ATTRIBUTABLE TO OUTSIDE EQUITY INTERESTS	-	-
I.11 NET PROFIT(LOSS) FOR THE PERIOD ATTRIBUTABLE TO MEMBERS	28,044	35,808
CONSOLIDATED RETAINED PROFITS		
I.12 RETAINED PROFITS (ACCUMULATED LOSSES) AT THE BEGINNING OF THE FINANCIAL PERIOD	74,817	70,478
I.13 NET PROFIT(LOSS) ATTRIBUTABLE TO MEMBERS (ITEM I.11)	28,044	35,808
I.14 NET TRANSFERS TO AND FROM RESERVES	19,902	-
I.15 NET EFFECT OF CHANGES IN ACCOUNTING POLICIES	-	-
I.16 DIVIDENDS AND OTHER EQUITY DISTRIBUTIONS PAID OR PAYABLE	(31,499)	(31,469)
I.17 RETAINED PROFITS (ACCUMULATED LOSSES) AT END OF FINANCIAL PERIOD	91,264	74,817
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS	28,044	35,808
BASIC EARNINGS PER SHARE (REFER 10.1)	7.1 CENTS	9.1 CENTS
DILUTED EARNINGS PER SHARE (REFER 10.1)	7.1 CENTS	9.1 CENTS

PROFIT RESTATED TO EXCLUDE AMORTISATION OF GOODWILL

		CURRENT PERIOD \$A'000	PREVIOUS CORRESPONDING PERIOD \$A'000
I.18	PROFIT(LOSS) FROM ORDINARY ACTIVITIES AFTER TAX BEFORE OUTSIDE EQUITY INTERESTS (ITEMS I.7) AND AMORTISATION OF GOODWILL	29,917	36,740
I.19	LESS(PLUS) OUTSIDE EQUITY INTERESTS	-	-
I.20	PROFIT(LOSS) FROM ORDINARY ACTIVITIES AFTER TAX (BEFORE AMORTISATION OF GOODWILL) ATTRIBUTABLE TO MEMBERS	29,917	36,740

PROFIT(LOSS) FROM ORDINARY ACTIVITIES ATTRIBUTABLE TO MEMBERS

I.21	PROFIT(LOSS) FROM ORDINARY ACTIVITIES AFTER TAX (ITEM I.7)	28,044	35,808
I.22	LESS(PLUS) OUTSIDE EQUITY INTERESTS	-	-
I.23	PROFIT(LOSS) FROM ORDINARY ACTIVITIES AFTER TAX, ATTRIBUTABLE TO MEMBERS	28,044	35,808

REVENUE AND EXPENSES FROM ORDINARY ACTIVITIES

AASB 1004 REQUIRES DISCLOSURE OF SPECIFIC CATEGORIES OF REVENUE AND AASB 1018 REQUIRES DISCLOSURE OF EXPENSES FROM ORDINARY ACTIVITIES ACCORDING TO EITHER THEIR NATURE OR FUNCTION. ENTITIES MUST REPORT DETAILS OF REVENUE AND EXPENSES FROM ORDINARY ACTIVITIES USING THE LAYOUT EMPLOYED IN THEIR ACCOUNTS. SEE ALSO ITEMS 12.1 TO 12.6.

	CURRENT PERIOD \$A'000	PREVIOUS CORRESPONDING PERIOD \$A'000
1.24	DETAILS OF REVENUE AND EXPENSES	
	1,547,481	1,528,135
	(980,854)	(988,158)
	566,627	539,977
	OTHER REVENUE:	
—	204,024	74,705
—	260	249
—	48,726	41,521
	253,010	116,475
	EXPENSES:	
—	(195,091)	(71,533)
—	—	(18,369)
—	(276,740)	(254,585)
—	(127,306)	(101,302)
—	(58,315)	(37,930)
—	(35,857)	(31,793)
—	(82,823)	(70,096)
	(776,132)	(585,608)
	43,505	70,844
	PROFIT FROM ORDINARY ACTIVITIES BEFORE BORROWING COSTS	
	1,800,491	1,644,610
	(1,756,986)	(1,573,766)
	43,505	70,844

INTANGIBLE AND EXTRAORDINARY ITEMS

		CONSOLIDATED CURRENT PERIOD		
		BEFORE TAX \$A'000	RELATED TAX \$A'000	AMOUNT (AFTER TAX) ATTRIBUTABLE TO MEMBERS \$A'000
2.1	AMORTISATION OF GOODWILL	1,873	–	1,873
2.2	AMORTISATION OF OTHER INTANGIBLES	–	–	–
2.3	TOTAL AMORTISATION OF INTANGIBLES	1,873	–	–
2.4	EXTRAORDINARY ITEMS (DETAILS)	NIL	NIL	NIL
2.5	TOTAL EXTRAORDINARY ITEMS	NIL	NIL	NIL

INTANGIBLE AND EXTRAORDINARY ITEMS

		CONSOLIDATED PREVIOUS CORRESPONDING PERIOD		
		BEFORE TAX \$A'000	RELATED TAX \$A'000	AMOUNT (AFTER TAX) ATTRIBUTABLE TO MEMBERS \$A'000
2.1	AMORTISATION OF GOODWILL	932	–	932
2.2	AMORTISATION OF OTHER INTANGIBLES	–	–	–
2.3	TOTAL AMORTISATION OF INTANGIBLES	932	–	932
2.4	EXTRAORDINARY ITEMS (DETAILS)	NIL	NIL	NIL
2.5	TOTAL EXTRAORDINARY ITEMS	NIL	NIL	NIL

COMPARISON OF HALF YEAR PROFITS

		CURRENT YEAR \$A'000	PREVIOUS YEAR \$A'000
3.1	CONSOLIDATED PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER TAX ATTRIBUTABLE TO MEMBERS REPORTED FOR THE 1ST HALF YEAR (ITEM 1.23 IN THE HALF YEARLY REPORT)	30,304	24,790
3.2	CONSOLIDATED PROFIT (LOSS) FROM ORDINARY ACTIVITIES AFTER TAX ATTRIBUTABLE TO MEMBERS FOR THE 2ND HALF YEAR	(2,260)	11,018

DAVID JONES LIMITED

ABN 75 000 074 573

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 (CONSOLIDATED BALANCE SHEET)

	AT END OF CURRENT PERIOD 28 JUL 01 \$A'000	AS SHOWN IN LAST ANNUAL REPORT 29 JUL 00 \$A'000	AS SHOWN IN LAST HALF YEARLY STATEMENT 27 JAN 01 \$A'000	
CURRENT ASSETS				
4.1	CASH ASSETS	11,550	13,065	25,174
4.2	RECEIVABLES	79,139	85,132	72,471
4.3	INVESTMENTS – PROPERTIES HELD FOR SALE	–	–	–
4.4	INVENTORIES	287,298	283,188	283,432
4.5	OTHER – PREPAYMENTS	9,904	8,515	12,471
4.6	TOTAL CURRENT ASSETS	387,891	389,900	393,548
NON CURRENT ASSETS				
4.7	RECEIVABLES	–	–	–
4.8	INVESTMENTS (EQUITY ACCOUNTED)	–	–	–
4.9	OTHER INVESTMENTS	–	–	–
4.10	INVENTORIES			
4.13	PROPERTY, PLANT AND EQUIPMENT (NET)	266,989	420,611	259,091
4.14	INTANGIBLES (NET)	15,924	17,710	16,861
4.15	OTHER:			
	— DEFERRED TAX ASSETS	14,917	14,360	12,661
	— OTHER	1,822	1,964	1,959
4.16	TOTAL NON CURRENT ASSETS	299,652	454,645	290,572
4.17	TOTAL ASSETS	687,543	844,545	684,120

DAVID JONES LIMITED

ABN 75 000 074 573

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D)
(CONSOLIDATED BALANCE SHEET)

	AT END OF CURRENT PERIOD 28 JUL 01 \$A'000	AS SHOWN IN LAST ANNUAL REPORT 29 JUL 00 \$A'000	AS SHOWN IN LAST HALF YEARLY STATEMENT 27 JAN 01 \$A'000	
CURRENT LIABILITIES				
4.18	PAYABLES	166,331	177,602	167,208
4.19	INTEREST BEARING LIABILITIES	359	2,266	231
4.20	PROVISIONS			
	— INCOME TAX	7,718	18,380	7,498
	— OTHER	33,982	35,409	34,137
4.21	OTHER	—	—	—
4.22	TOTAL CURRENT LIABILITIES	208,390	233,657	209,074
NON CURRENT LIABILITIES				
4.23	PAYABLES	—	—	—
4.24	INTEREST BEARING LIABILITIES	61,422	188,677	39,559
4.25	PROVISIONS	11,166	10,801	10,926
4.26	OTHER – DEFERRED TAX LIABILITIES	288	1,678	274
4.27	TOTAL NON CURRENT LIABILITIES	72,876	201,156	50,759
4.28	TOTAL LIABILITIES	281,266	434,813	259,833
4.29	NET ASSETS	406,277	409,732	424,287
EQUITY				
4.30	CAPITAL	315,013	315,013	315,013
4.31	RESERVES	—	19,902	—
4.32	RETAINED PROFITS (ACCUMULATED LOSSES)	91,264	74,817	109,274
4.33	EQUITY ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY	406,277	409,732	424,287
4.34	OUTSIDE EQUITY INTERESTS IN CONTROLLED ENTITIES	—	—	—
4.35	TOTAL EQUITY	406,277	409,732	424,287
4.36	PREFERENCE CAPITAL INCLUDED AS PART OF 4.33	—	—	—

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	CURRENT PERIOD \$A'000	PREVIOUS CORRESPONDING PERIOD \$A'000
CASH FLOWS RELATED TO OPERATING ACTIVITIES		
7.1	1,590,732	1,565,601
7.2	(1,500,745)	(1,442,817)
7.3	-	-
7.4	-	-
7.5	260	249
7.6	(11,707)	(12,258)
7.7	(26,363)	(19,353)
7.8	-	-
7.9	52,177	91,422
CASH FLOWS RELATED TO INVESTING ACTIVITIES		
7.10	(97,719)	(141,408)
7.11	204,024	49,705
7.12	-	-
7.13	-	-
7.14	-	-
7.15	-	-
7.16	-	-
—	-	25,000
—	-	(35,983)
—	(138)	(1,964)
—	708	268
—	94	106
7.17	106,969	(104,276)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	CURRENT PERIOD \$A'000	PREVIOUS CORRESPONDING PERIOD \$A'000
CASH FLOWS RELATED TO FINANCING ACTIVITIES		
7.18	PROCEEDS FROM ISSUES OF SECURITIES (SHARES, OPTIONS, ETC)	–
7.19	PROCEEDS FROM BORROWINGS	124,835
7.20	REPAYMENT OF BORROWINGS	–
7.21	DIVIDENDS PAID	(31,440)
7.22	OTHER	
	— RETURN OF CAPITAL	(79,236)
7.23	NET FINANCING CASH FLOWS	14,159
7.24	NET INCREASE/(DECREASE) IN CASH HELD	1,305
7.25	CASH AT BEGINNING OF PERIOD (SEE RECONCILIATION OF CASH)	11,760
7.26	EXCHANGE RATE ADJUSTMENTS TO ITEM 7.25	–
7.27	CASH AT END OF PERIOD (SEE RECONCILIATION OF CASH)	13,065

NON CASH FINANCING & INVESTING ACTIVITIES

(DETAILS OF FINANCING AND INVESTING TRANSACTIONS WHICH HAVE HAD A MATERIAL EFFECT ON CONSOLIDATED ASSETS AND LIABILITIES BUT DID NOT INVOLVE CASH FLOWS AS FOLLOWS)

REFER BELOW

NIL

UNDER THE SALE AND LEASEBACK ARRANGEMENT ENTERED INTO IN NOVEMBER 2000, THE COMPANY HAS A LEGALLY RECOGNISED RIGHT TO SET-OFF LEASE RECEIVABLES UNDER THE HEAD LEASE AND LOAN REPAYMENTS. UNDER A NON-REFUNDABLE ADVANCE AGREEMENT, THE PROCEEDS ON THE ADVANCE RECEIVED BY DAVID JONES HAS BEEN ACCOUNTED AS PROCEEDS ON IN-SUBSTANCE SALE OF THE ELIZABETH/MARKET STREETS, SYDNEY AND BOURKE STREET, MELBOURNE PROPERTIES WHICH IS REFLECTED IN THE CASHFLOW STATEMENT.

DAVID JONES LIMITED

ABN 75 000 074 573

RECONCILIATION OF CASH

		CURRENT PERIOD \$A'000	PREVIOUS CORRESPONDING PERIOD \$A'000
RECONCILIATION OF CASH AT THE END OF THE PERIOD (AS SHOWN IN THE CONSOLIDATED STATEMENT OF CASH FLOWS) TO THE RELATED ITEMS IN THE ACCOUNTS AS FOLLOWS:			
8.1	CASH ON HAND AND AT BANK	10,550	11,792
8.2	DEPOSITS AT CALL	1,000	1,273
8.3	BANK OVERDRAFT	–	–
8.4	OTHER	–	–
8.5	TOTAL CASH AT END OF PERIOD (ITEM 7.27)	11,550	13,065

RATIOS

		CURRENT PERIOD	PREVIOUS CORRESPONDING PERIOD
PROFIT BEFORE TAX/REVENUE			
9.1	CONSOLIDATED PROFIT(LOSS) FROM ORDINARY ACTIVITIES BEFORE TAX (ITEM 1.5) AS A PERCENTAGE OF SALES REVENUE (ITEM 1.1)	2.05%	3.83%
	CONSOLIDATED PROFIT(LOSS) FROM ORDINARY ACTIVITIES BEFORE TAX (ITEM 1.5) AS A PERCENTAGE OF REVENUE (ITEM 1.1)	1.76%	3.56%
PROFIT AFTER TAX/EQUITY INTERESTS			
9.2	CONSOLIDATED NET PROFIT(LOSS) FROM ORDINARY ACTIVITIES AFTER TAX ATTRIBUTABLE TO MEMBERS (ITEM 1.9) AS A PERCENTAGE OF EQUITY (SIMILARLY ATTRIBUTABLE) AT THE END OF THE PERIOD (ITEM 4.33)	6.90%	8.74%

EARNINGS PER SECURITY (EPS)

		CURRENT PERIOD	PREVIOUS CORRESPONDING PERIOD
10.1	CALCULATION OF THE FOLLOWING IN ACCORDANCE WITH AASB 1027: EARNINGS PER SHARE		
(a)	BASIC EPS	7.1 CENTS	9.1 CENTS
(b)	DILUTED EPS	7.1 CENTS	9.1 CENTS
(c)	WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES OUTSTANDING DURING THE PERIOD USED IN THE CALCULATION OF BASIC AND DILUTED EPS	393,714,680	393,073,219

DAVID JONES LIMITED

ABN 75 000 074 573

	CURRENT PERIOD \$A'000	PREVIOUS CORRESPONDING PERIOD \$A'000
NTA BACKING		
11.1 NET TANGIBLE ASSET BACKING PER ORDINARY SECURITY	\$0.96	\$0.96
DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, REVENUES/EXPENSES		
12.1 INTEREST REVENUE INCLUDED IN DETERMINING ITEM 1.5	260	249
12.2 INTEREST REVENUE INCLUDED IN ITEM 12.1 BUT NOT YET RECEIVED (IF MATERIAL)	–	–
12.3 INTEREST COSTS EXCLUDED FROM BORROWINGS COSTS, CAPITALISED IN ASSET VALUES	–	2,297
12.4 OUTLAYS (EXCEPT THOSE ARISING FROM THE ACQUISITION OF AN EXISTING BUSINESS) CAPITALISED IN INTANGIBLES (IF MATERIAL)	–	–
12.5 DEPRECIATION AND AMORTISATION (EXCLUDING AMORTISATION OF INTANGIBLES)	56,442	36,998
12.6 OTHER SPECIFIC RELEVANT ITEMS NOT SHOWN IN ITEM 1.24		
— PROFIT ON SALE OF LAND AND BUILDINGS	8,886	3,200
— OPERATING LOSS NEW BUSINESSES (FOODCHAIN & DAVID JONES ONLINE)	(14,386)	–
— SETTLEMENT OF CONTINGENT LIABILITY ON LEASE	(2,800)	–
— WRITE OFF OF DAVID JONES ONLINE WEBSITE COSTS	(11,504)	–
— GST IMPLEMENTATION COSTS	–	(18,369)
13 CONTROL GAINED OVER ENTITIES HAVING MATERIAL EFFECT	NIL	
14 LOSS OF CONTROL OF ENTITIES HAVING MATERIAL EFFECT	NIL	

REPORTS FOR INDUSTRY AND GEOGRAPHICAL SEGMENTS

THE ECONOMIC ENTITY OPERATES WITHIN ONE INDUSTRY SEGMENT – RETAILING

THE ECONOMIC ENTITY OPERATES IN AUSTRALIA

DAVID JONES LIMITED

ABN 75 000 074 573

DIVIDENDS

15.1	DATE THE DIVIDEND IS PAYABLE		2 NOVEMBER 2001
15.2	RECORD DATE TO DETERMINE ENTITLEMENTS TO THE DIVIDEND		17 OCTOBER 2001
15.3	DATE THE FINAL DIVIDEND WAS DECLARED		19 SEPTEMBER 2001
		AMOUNT PER SECURITY	FRANKED AMOUNT PER SECURITY
	AMOUNT PER SECURITY		
15.4	FINAL DIVIDEND: CURRENT YEAR (FRANKED TO 100%)	4 CENTS	4 CENTS (30%)
15.5	FINAL DIVIDEND: PREVIOUS YEAR (FRANKED TO 100%)	4 CENTS	4 CENTS (34%)
15.6	INTERIM DIVIDEND: CURRENT YEAR (FRANKED)	4 CENTS	4 CENTS (34%)
15.7	INTERIM DIVIDEND: PREVIOUS YEAR (FRANKED)	4 CENTS	4 CENTS (36%)
		CURRENT YEAR	PREVIOUS YEAR
	TOTAL DIVIDEND (DISTRIBUTION) PER SECURITY		
15.8	ORDINARY SECURITIES	8 CENTS	8 CENTS
15.9	PREFERENCE SECURITIES	N/A	N/A
		CURRENT PERIOD \$A'000	PREVIOUS CORRESPONDING PERIOD \$A'000
	FINAL DIVIDEND (DISTRIBUTION) ON ALL SECURITIES		
15.10	ORDINARY SECURITIES	15,749	15,749
15.11	PREFERENCE SECURITIES	N/A	N/A
15.12	OTHER EQUITY INSTRUMENTS	N/A	N/A
15.13	TOTAL	15,749	15,749

THE DIVIDEND OR DISTRIBUTION PLANS SHOWN BELOW ARE IN OPERATION

THE DIVIDEND REINVESTMENT PLAN WAS REINSTATED EFFECTIVE 14 SEPTEMBER 2001

THE LAST DATE(S) FOR RECEIPT OF ELECTION
NOTICES FOR THE DIVIDEND OR DISTRIBUTION
PLANS

17 OCTOBER 2001

ANY OTHER DISCLOSURES IN RELATION TO DIVIDENDS (DISTRIBUTIONS)

NIL

17

MATERIAL INTERESTS IN ENTITIES WHICH ARE NOT CONTROLLED ENTITIES

THE ECONOMIC ENTITY HAS NO MATERIAL INTERESTS IN ENTITIES WHICH ARE NOT CONTROLLED ENTITIES.

DAVID JONES LIMITED

ABN 75 000 074 573

ISSUED AND QUOTED SECURITIES AT END OF CURRENT PERIOD

CATEGORY OF SECURITIES		NUMBER ISSUED	NUMBER QUOTED	ISSUE PRICE PER SECURITY (CENTS)	AMOUNT PAID UP PER SECURITY (CENTS)
18.3	ORDINARY SECURITIES	393,714,680	393,714,680	N/A	N/A
18.4	CHANGES DURING CURRENT PERIOD				
	(a) INCREASES THROUGH ISSUES	–	–	–	–
	(b) DECREASES THROUGH RETURNS OF CAPITAL, BUY-BACKS, REDEMPTION	–	–	–	–
18.7	OPTIONS	NUMBER ISSUED	NUMBER QUOTED	EXERCISE PRICE \$	EXPIRY DATE
	UNLISTED OPTIONS FOR ORDINARY SHARES	3,000,000	–	1.45	31/03/2002
	UNLISTED OPTIONS FOR ORDINARY SHARES	3,560,000	–	1.57	17/12/2003
	UNLISTED OPTIONS FOR ORDINARY SHARES	5,890,000	–	1.4047	16/12/2004
	UNLISTED OPTIONS FOR ORDINARY SHARES	400,000	–	1.3973	16/12/2004
	UNLISTED OPTIONS FOR ORDINARY SHARES	6,555,000	–	1.3280	16/01/2006
	TOTAL	19,405,000			
18.8	ISSUED DURING CURRENT PERIOD	6,555,000	–	1.3280	16/01/2006
18.9	EXERCISED DURING CURRENT PERIOD	–			
18.10	EXPIRED DURING CURRENT PERIOD	1,450,000			

BASIS OF ACCOUNTS PREPARATION

MATERIAL FACTORS AFFECTING THE REVENUES AND EXPENSES OF THE ECONOMIC ENTITY FOR THE CURRENT PERIOD

SEE ATTACHED STATEMENT

A DESCRIPTION OF EACH EVENT SINCE THE END OF THE CURRENT PERIOD WHICH HAS HAD A MATERIAL EFFECT AND IS NOT RELATED TO MATTERS ALREADY REPORTED, WITH FINANCIAL EFFECT QUANTIFIED (IF POSSIBLE)

NIL

FRANKING CREDITS AVAILABLE AND PROSPECTS FOR PAYING FULLY OR PARTLY FRANKED DIVIDENDS FOR AT LEAST THE NEXT YEAR

CURRENT DIVIDEND IS FRANKED.

THE COMPANY WILL HAVE APPROXIMATELY \$24 MILLION OF FRANKING CREDITS (AT 30%) FROM EXISTING FRANKING CREDITS AND FRANKING CREDITS WHICH WOULD ARISE FROM THE PAYMENT OF INCOME TAX IN THE NEXT FINANCIAL YEAR TO PAY FRANKED DIVIDENDS (INCLUDING THE CURRENT DIVIDEND).

CHANGES IN ACCOUNTING POLICIES SINCE THE LAST ANNUAL REPORT ARE DISCLOSED AS FOLLOWS

IN ACCORDANCE WITH THE REQUIREMENTS OF AASB 1041 "REVALUATION OF NON-CURRENT ASSETS", LAND AND BUILDINGS PREVIOUSLY CARRIED AT VALUATION WERE REVERTED TO A COST BASIS OF MEASUREMENT. FOR THE PURPOSE OF TRANSITIONING TO A COST BASIS, THE EXISTING REVALUED CARRYING AMOUNTS AT 29 JULY 2000 WERE DEEMED TO BE THEIR COST. THIS CHANGE IN POLICY HAD NO IMPACT OF THE FINANCIAL POSITION OR FINANCIAL PERFORMANCE OF THE CONSOLIDATED ENTITY AS PRESENTED IN THIS FINANCIAL REPORT.

INCOME TAX EXPENSE

THE PRIMA FACIE INCOME TAX EXPENSE CALCULATED AT 34% ON OPERATING PROFIT BEFORE INCOME TAX HAS BEEN REDUCED PRIMARILY BY THE FOLLOWING ITEMS:

—	NON ASSESSABLE IN-SUBSTANCE SALE OF PROPERTIES	\$7.314 MILLION
---	--	-----------------

ANNUAL MEETING

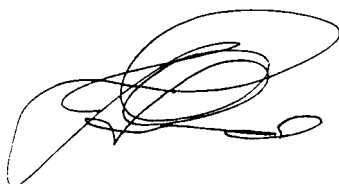
THE ANNUAL MEETING WILL BE HELD AS FOLLOWS:

PLACE	WESLEY CENTRE, SYDNEY
DATE	26 NOVEMBER 2001
TIME	10.00 AM
APPROXIMATE DATE THE ANNUAL REPORT WILL BE AVAILABLE	25 OCTOBER 2001

COMPLIANCE STATEMENT

- 1 THIS REPORT HAS BEEN PREPARED UNDER ACCOUNTING POLICIES WHICH COMPLY WITH ACCOUNTING STANDARDS AS DEFINED IN THE CORPORATIONS ACT 2001 OR OTHER STANDARDS ACCEPTABLE TO ASX.
- 2 THIS REPORT, AND THE ACCOUNTS UPON WHICH THE REPORT IS BASED (IF SEPARATE), USE THE SAME ACCOUNTING POLICIES.
- 3 THIS REPORT DOES GIVE A TRUE AND FAIR VIEW OF THE MATTERS DISCLOSED.
- 4 THIS REPORT IS BASED ON ACCOUNTS TO WHICH ONE OF THE FOLLOWING APPLIES:

<input type="checkbox"/> THE ACCOUNTS HAVE BEEN AUDITED.	<input type="checkbox"/> THE ACCOUNTS HAVE BEEN SUBJECT TO REVIEW.
<input checked="" type="checkbox"/> THE ACCOUNTS ARE IN THE PROCESS OF BEING AUDITED OR SUBJECT TO REVIEW.	<input type="checkbox"/> THE ACCOUNTS HAVE NOT YET BEEN AUDITED OR REVIEWED.
- 5 THE ENTITY HAS A FORMALLY CONSTITUTED AUDIT COMMITTEE.



J A SIMMONDS (COMPANY SECRETARY)

19 SEPTEMBER 2001

DATE