



DAVID JONES LIMITED ANNOUNCES FOURTH QUARTER SALES IN LINE WITH EXPECTATIONS

- 4Q03 sales in line with expectations
- Achieved **strong gross margins** in a highly competitive environment
- Profit for FY03 will be at the **upper end of the 15-20% increase in NPAT***, forecast earlier in the year by management
- Company reaffirms forecast range of **\$52million - \$56 million NPAT* for FY04**

David Jones Limited (DJS) today announced a 2.8% decrease in sales for the fourth quarter ending 26 July 2003 of \$414 million (4Q02: \$425 m). This result was affected by a shorter trading period this quarter for Foodchain which ceased trading on 28 June 2003. Foodchain generated \$6.6 million of sales in 4Q03 (in two months of trading) compared to \$9.9 million in 4Q02 (in three months of trading).

LFL sales (for all department stores including those under refurbishment but excluding Foodchain) for 4Q03 decreased by 2.0%.

If the one-off impact of 2 key stores (Bondi Junction and Market St Foodhall) affected by refurbishment is removed, **the 4Q03 underlying department store trading is up +1.1%**. The Bondi Junction refurbishments will be completed in November 2003 and the Market St Foodhall re-opens on 25 August 2003.

LFL sales (for all department stores including those under refurbishment but excluding Foodchain) for 2H03 were 0.1% above last year and in line with our previous guidance of flat trading in 2H03, largely caused by the stores affected by refurbishment and some softening in sales in line with the economic cycle.

TOTAL SALES

PERIOD	THIS YEAR 2002/2003 \$m	LAST YEAR 2001/2002 \$m	VARIANCE %	LFL %
1Q - 13 Weeks ending 26/10/02	385.2	358.2	+7.5	+5.8
2Q - 13 Weeks ending 25/01/03	538.8	520.9	+3.4	+3.4
1H - 26 Weeks ending 25/01/03	924.0	879.1	+5.1	+4.4
3Q - 13 Weeks ending 26/04/03	373.2	363.3	+2.7	+2.7
4Q - 13 Weeks ending 26/07/03	414.0	425.8	-2.8	-2.0
2H - 26 Weeks ending 26/07/03	787.2	789.1	-0.2	+0.1
FY - 52 Weeks ending 26/07/03	1,711.2	1,668.2	2.6	+2.4

DAVID JONES

David Jones Chief Executive Officer Mark McInnes said, "Despite a highly competitive sales environment, our underlying core business is in good shape, we achieved strong gross margins by adopting a strategic approach to trading in this tougher environment. Whilst we ensured we were competitive on mainstream brands, we were able to hold our ground on differentiated products in our key merchandise categories.

"Our core categories were the better performers this quarter, with some softening in general consumer spending being evident in our Menswear, Homewares and Electrical categories," Mr McInnes said.

TRADING ENVIRONMENT AND OUTLOOK

Mr McInnes went on to say, " We are on track to report at the upper end of our guidance range of a 15-20% increase in net profit after tax (NPAT*) for FY03. We also reaffirm our full year NPAT* guidance for the next 2004 financial year remains at between \$52 million - \$56 million."

STRATEGIC REVIEW UPDATE

The company is making good progress in implementing the various initiatives outlined in its Strategic Review on 3 June 2003.

As announced on 9 July 2003, David Jones has exited the Foodchain business completely and does not retain any contingent liabilities associated with the Foodchain sites. The Online business has been restructured and has moved from a retail site to a marketing site. The company is still working through the issue related to the Fountaingate lease and will advise the market when this has been completed.

Mr McInnes said, "We are very pleased with the progress we have made in the early stages of implementing the strategic review and we are on track to deliver NPAT* in FY04 of between \$52 million - \$56 million."

Ends

FOR FURTHER INFORMATION CONTACT:

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REFERENCE NOTES:

* NPAT refers to Net Profit after Tax pre significant items and pre preference share dividend