



For Immediate Distribution

16 November 2004

## DAVID JONES LIMITED DELIVERS 9.3% SALES GROWTH IN FIRST QUARTER OF FY05 (1Q05)

- **1Q05 Sales of \$418.1 million up 9.3%** on 1Q04 (\$382.6 million)
- **Strong Sales** performance **across all categories** in particular Womenswear, Cosmetics, Accessories, Shoes, Home Furnishings and Entertainment & Appliances
- Refurbished **Bondi Junction** store continued its **strong Sales** contribution
- **Well prepared** and positioned **for the important Christmas trading period**

David Jones Limited (DJS) today reported Sales revenue of **\$418.1 million** for the first quarter (1Q) of the 2005 financial year (FY05), ending 30 October 2004. This represents a **9.3% increase** on the Company's 1Q04 Sales of \$382.6 million.

On a '**like-for-like**' basis taking into account the closure of David Jones' Rockingham store on 31 July 2004 and extracting the Rockingham Sales contribution in 1Q04, the Company's Sales **grew by 9.5%** in 1Q05.

The FY05 reporting period started 1 week later than FY04 due to FY04 being a 53 week year. If the weeks are adjusted to reflect a like calendar period, the sales growth for 1Q05 is reduced by approximately 2%. This impact will reverse in 2Q05.

Despite launching a marketing campaign promoting the David Jones Shareholder Rewards program at the time of the cessation of the CML shareholder card on 31 July 2004, relatively small sales have been generated by new shareholders applying for and utilising the program. For 1Q05, the total percentage increase in sales in the shareholder discount program is in line with the Company's percentage sales increase. Whilst it is still early days, management reserves the right to continue to monitor the program and to assess whether it is value enhancing for all shareholders.

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**TOTAL SALES**

<b>PERIOD</b>	<b>1Q05 \$m</b>	<b>1Q04 \$m</b>	<b>INCREASE %</b>
Total Sales	418.1	382.6	9.3
Total Sales on a 'like-for-like' basis, extracting the Rockingham store's Sales contribution	418.1	381.7	9.5

David Jones CEO Mr Mark McInnes said, " We are delighted with our Sales performance in the first quarter of the 2005 financial year. It is a strong start to the year and should hold us in good stead if the potential weakening in consumer spending eventuates in the second half of FY05.

"The major contributors to our strong Sales performance in 1Q05 were:

- our well planned and executed marketing program;
- excellent sales in our Womenswear, Accessories, Cosmetics, Shoes and Home Furnishings categories; and
- a very successful promotional campaign in our Home Entertainment & Appliances business in the lead-up to the 2004 Athens Olympic Games.

"Our refurbished Bondi Junction store delivered yet another outstanding Sales result for the fourth consecutive quarter following its relaunch in November 2003," Mr McInnes said.

Whilst the Bondi Junction store was a strong Sales contributor throughout the quarter, this benefit was largely offset by disruption to Sales as a result of refurbishment of the Ground and Lower Ground floors of David Jones' flagship Elizabeth Street store.

Due to the competitive trading environment and our sales mix profile, trading to date indicates that our gross profit will track in the middle of our stated target range of 36.5% - 36.9% on an annual basis.

**TRADING ENVIRONMENT AND OUTLOOK**

In relation to the upcoming Christmas trading period Mr McInnes said, "We are well prepared in terms of our Christmas marketing and promotional campaigns, our brands and merchandise, window displays and service strategy.

"In addition, the refurbishment of the Ground & Lower Ground floors of our flagship Elizabeth Street store (which house our all important Cosmetics and Accessories categories) has been successfully completed and was launched on 13 November 2004 in time for the lead-up to Christmas trading.

"We are the leading gift destination for Christmas, and we are confident that we are well positioned to capitalise on the sales opportunities that arise during the critical Christmas trading period," Mr McInnes said.

The Company reiterates the comments it made at the time of the 4Q04 Sales announcement on 10 August 2004 in relation to the economic outlook, stating that it is a trading business and as such inevitably impacted by the economic cycle.

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Mr McInnes said, "Whilst we are delighted with our performance in the first quarter, it is too early in the year to revise our full year sales and profit guidance.

"Independent economists continue to suggest a potential slowdown in consumer spending in calendar 2005. We reaffirm our expectation that our sales performance this financial year will be a tale of two halves with 2H05 feeling the brunt of the potential slowdown.

"Having said that, we believe we have financial disciplines in place that will enable us to continue to deliver Profit after Tax growth for shareholders even in the event of a slowdown in consumer spending," Mr McInnes said.

**STRATEGIC REVIEW UPDATE**

An update on progress being made in the Company's Cost Efficiencies program and its Capital Management Review will be provided at the 1H05 results announcement in March 2005.

Mr McInnes said, "We are very focussed on our Cost Efficiencies program and in delivering our targeted \$17 million of savings in FY05. We are making good progress in this area.

"We also believe that our Capital Management review will identify opportunities to unlock value that will enable us to continue to improve shareholder returns,' Mr McInnes said.

ENDS

**FOR FURTHER INFORMATION CONTACT:**

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