



DAVID JONES LIMITED
HALF YEAR RESULTS
AUG 2001- JAN 2002

PRESENTERS:

PETER WILKINSON - CEO & STEPHEN GODDARD - CFO

Key Points



- Strong performance from core business (retail and credit)
- Continued progress on cost base
- Strategic response to market activity based on long term positioning minimises effect on margins and profit
- Net Profit 01 benefited from \$8.8m in one-off property profits including \$7.3m from sale and leaseback of the Sydney and Melbourne CBD

Results Summary



	1H 2001	1H 2002	% Change
Sales (\$m)	831.6	879.1	+ 5.7
EBIT - core bus(\$m)	35.9	49.3	+ 37.3
EBIT (\$m)	42.8	42.9	+ 0.2
Net Profit (\$m)	30.3	27.0	- 10.9
EPS (c)	7.7	6.8	
DPS (c)	4.0	4.0	

EBIT Comparison



Financial		1H 2001	1H 2002	Change
		\$m	\$m	%
Stores	Retail EBIT	31.3	43.1	+37.7
	Plus			
Property	Credit EBIT	<u>4.6</u>	<u>6.2</u>	<u>+34.8</u>
Credit Card	Core Business EBIT	35.9	49.3	+37.3
Online/ Foodchain				

EBIT Summary



Financial		1H 2001	1H 2002	Change
		\$m	\$m	%
Stores	Contribution from			
	- Retail	31.3	43.1	+37.7
	- Credit	4.6	6.2	+34.8
Property	- Property	<u>3.6</u>	<u>1.3</u>	<u>-63.9</u>
	EBIT (pre significant items)	39.5	50.6	+28.1
	Significant Items			
Credit Card	- Sale of Assets	8.8	-	-
	- Costs New Business	<u>-5.5</u>	<u>-7.7</u>	<u>+40.0</u>
Online/ Foodchain	EBIT	42.8	42.9	+ 0.2

EBIT Comparison



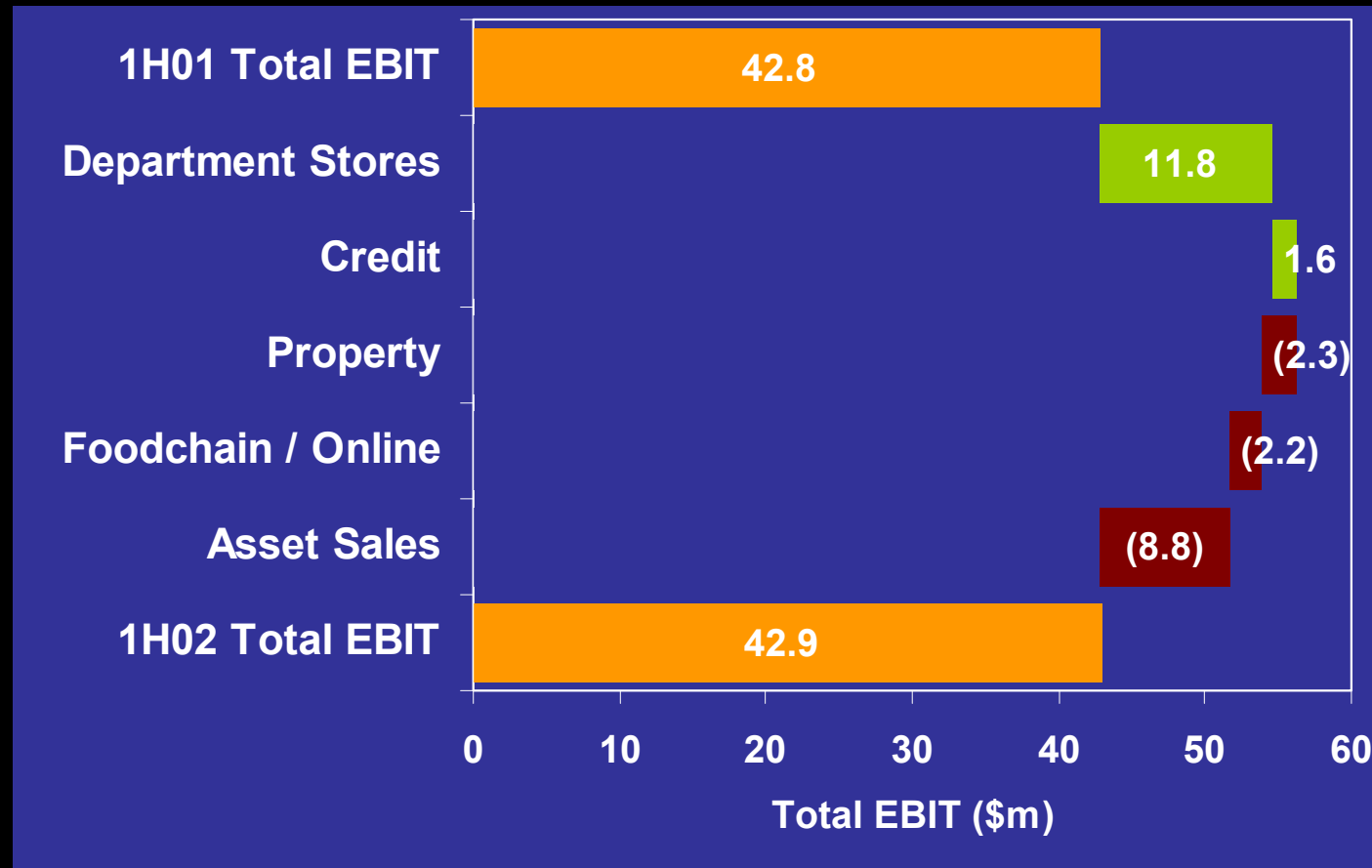
Financial

Stores

Property

**Credit
Card**

**Online/
Foodchain**



Interest & Taxation



Financial

Stores

Property

**Credit
Card**

**Online/
Foodchain**

	1H 2001	1H 2002	Change
	\$m	\$m	%
Interest Cost	8.1	4.2	- 48.1
Taxation	4.4	11.7	+165.9

- 2001 reflected the effect of the sale & leaseback on both taxation and interest

- 2002 return to normal tax rate

PAT Comparison



		1H 2001	1H 2002	Change
		\$m	\$m	%
Financial				
Stores	EBIT	42.8	42.9	+ 0.2
Property	Less Interest	<u>8.1</u>	<u>4.2</u>	<u>- 48.1</u>
	PBT	34.7	38.7	+ 11.5
Credit Card	Less Tax	<u>4.4</u>	<u>11.7</u>	+ <u>165.9</u>
Online/ Foodchain	PAT	30.3	27.0	- 10.9

Core Retail - Category Performance



Financial

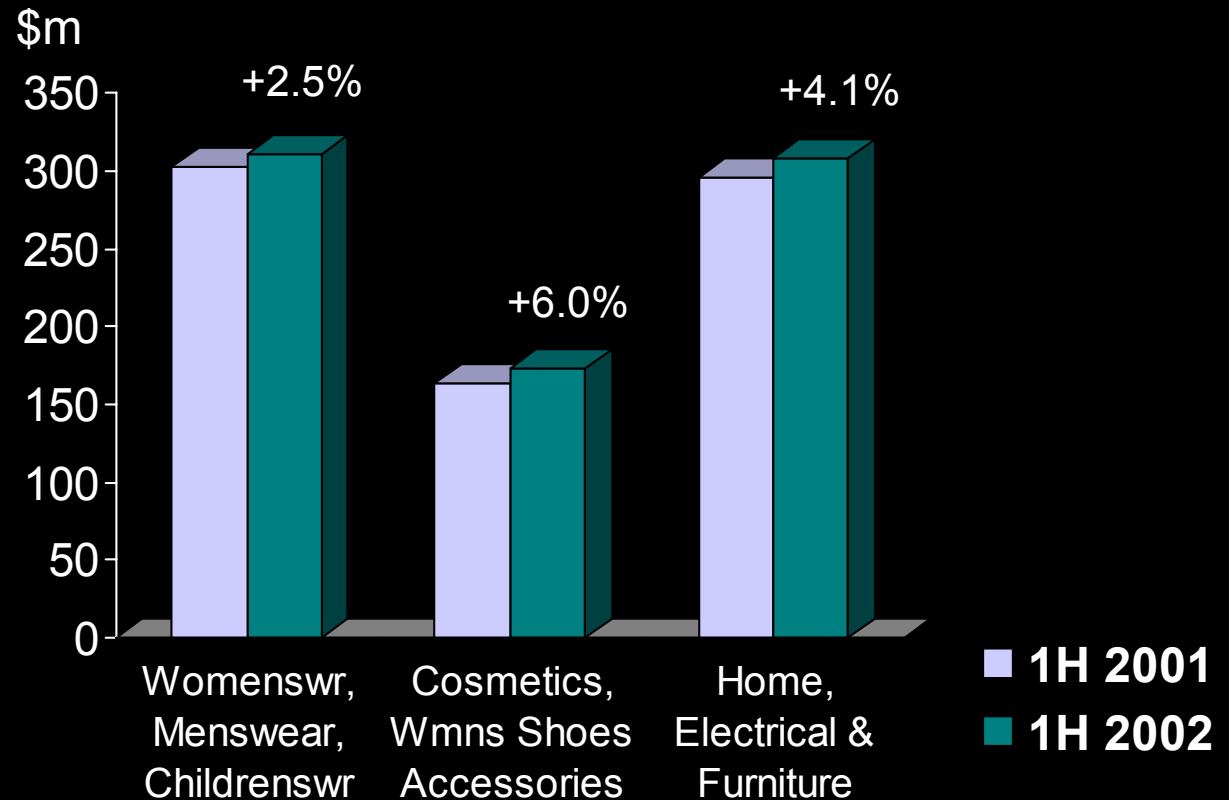
Stores

Property

Credit
Card

Online/
Foodchain

1H 2001 vs 1H 2002

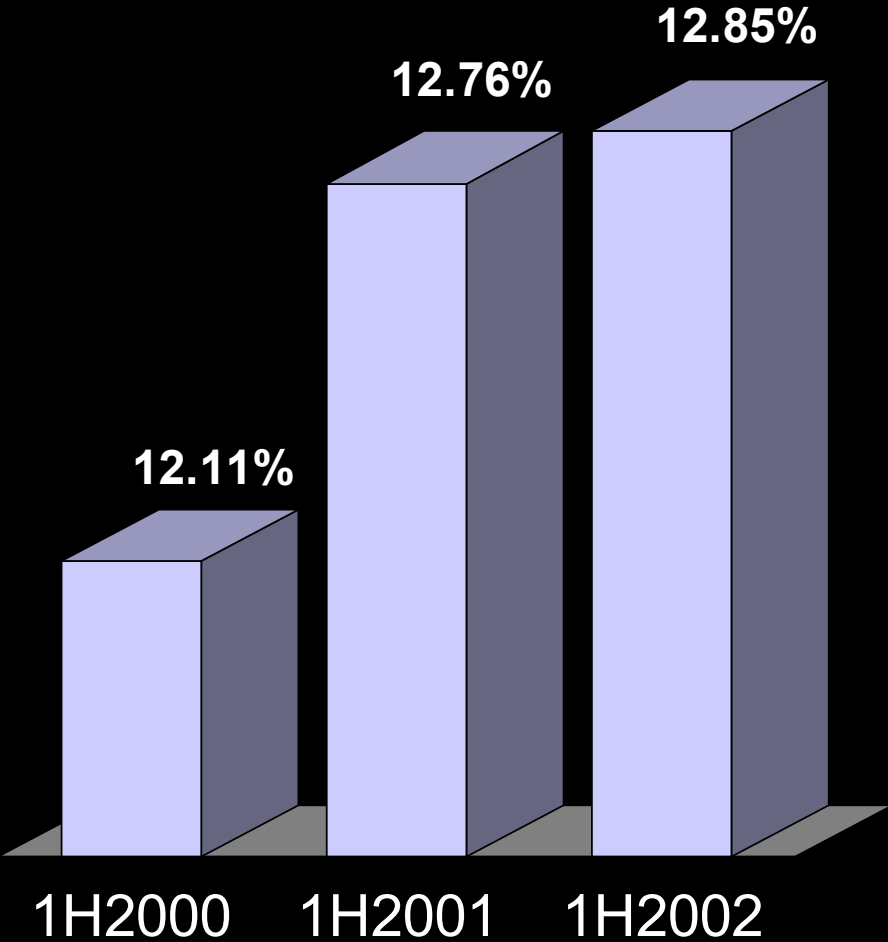


Core Retail - Market Share



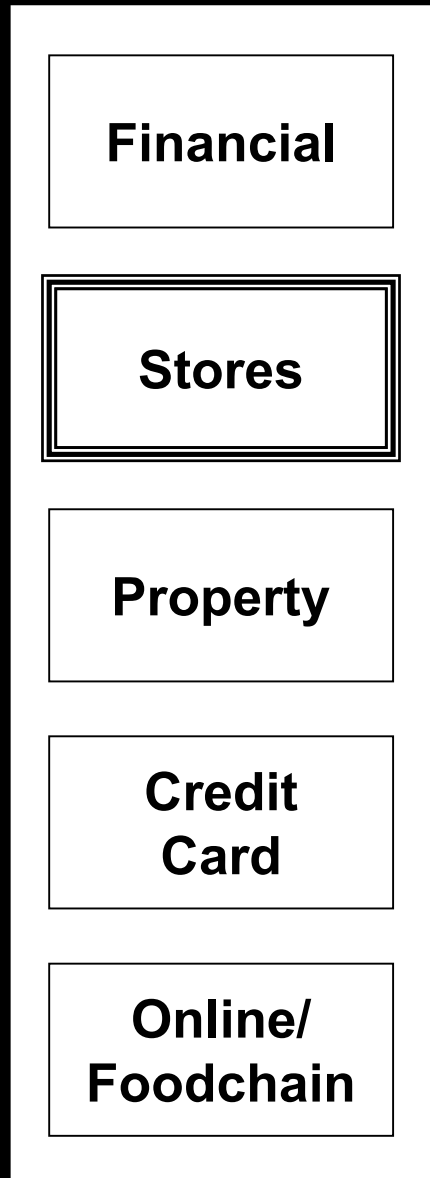
- Financial
- Stores**
- Property
- Credit Card
- Online/
Foodchain

Share of Department Store Market



Note: includes Aherns in all years

Core Retail - Gross Margin



	1H 2001	1H 2002
Gross Margin	36.9%	36.4%

- Strategic response to competitive activity reduced the impact on margins during the half
- continued good progress with shrinkage which is now at sustainable benchmark levels
- Performance reflects the strength of market positioning, brand and execution.

Margins year on year adjusted for Eurest

Core Retail - Inventory Management



Financial

Stores

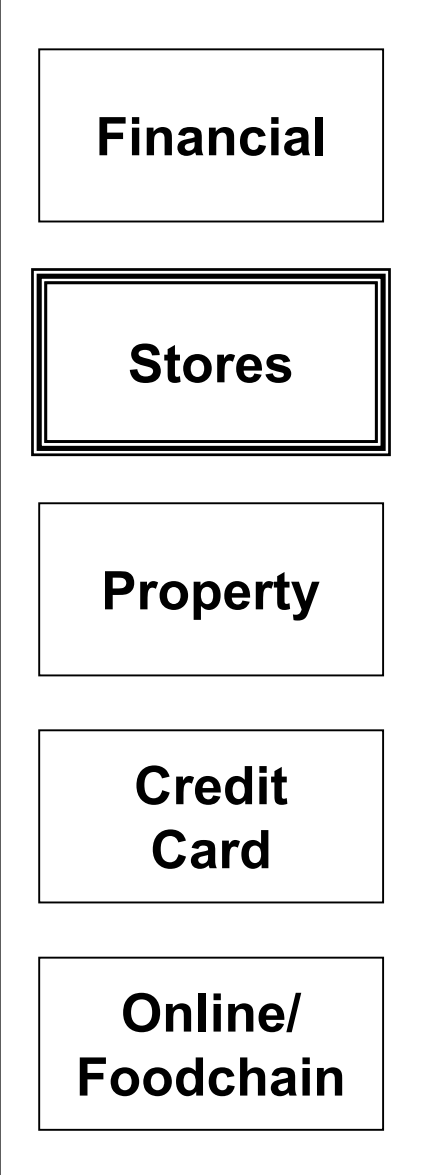
Property

**Credit
Card**

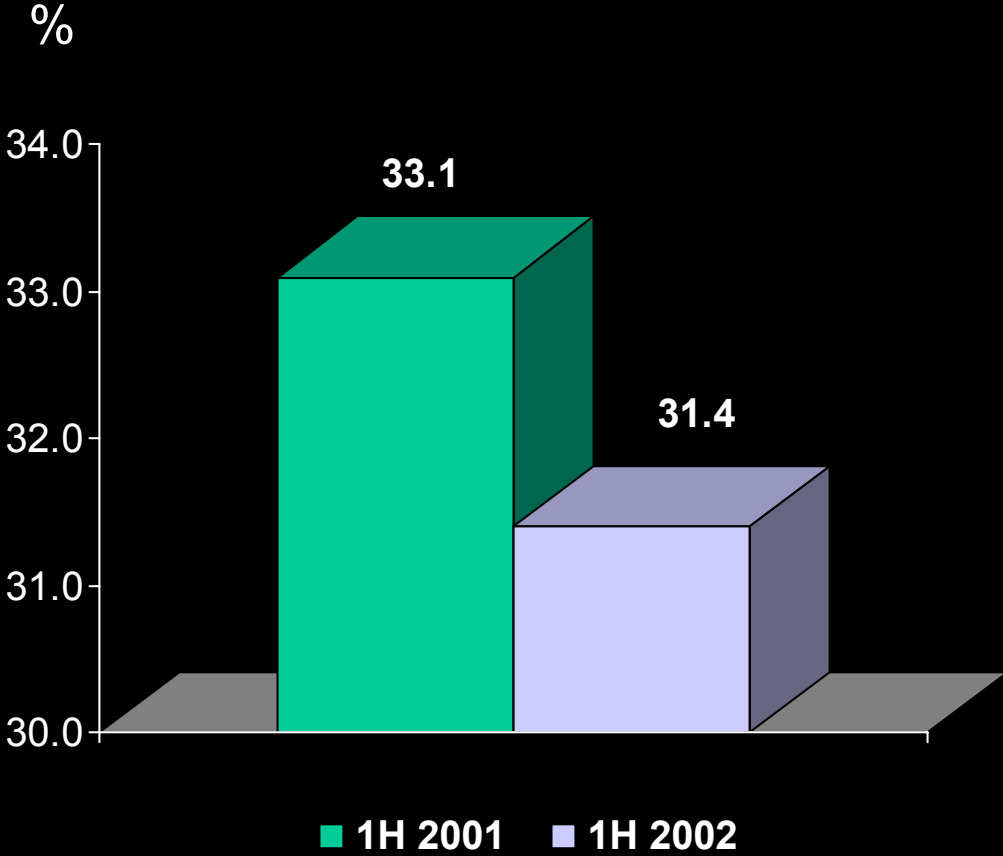
**Online/
Foodchain**

- Well established inventory management practices
- Inventory levels clean and well managed
- Total sales +5.7%, stock levels +2.5%
- Aged stock levels are on target

Core Retail Business - SG&A



SG&A % to Sales



Core Retail Business - SG&A



Financial

Stores

Property

**Credit
Card**

**Online/
Foodchain**

- Good progress on cost reduction
- SG&A decreased from 33.1% to 31.4% despite 2 new store openings (1 in 1H 2001)
- “Securing our Future” cost management program continues

Core Retail Business - Property



Financial

Stores

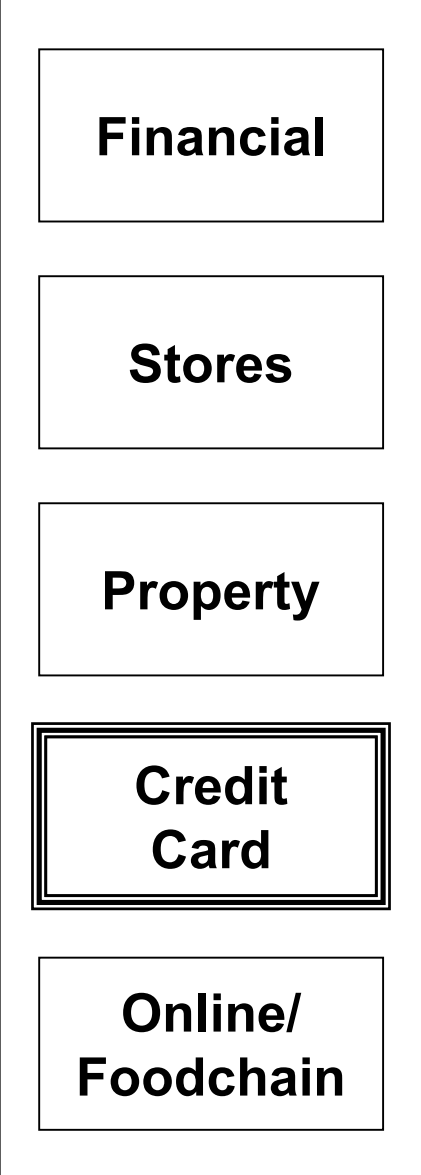
Property

**Credit
Card**

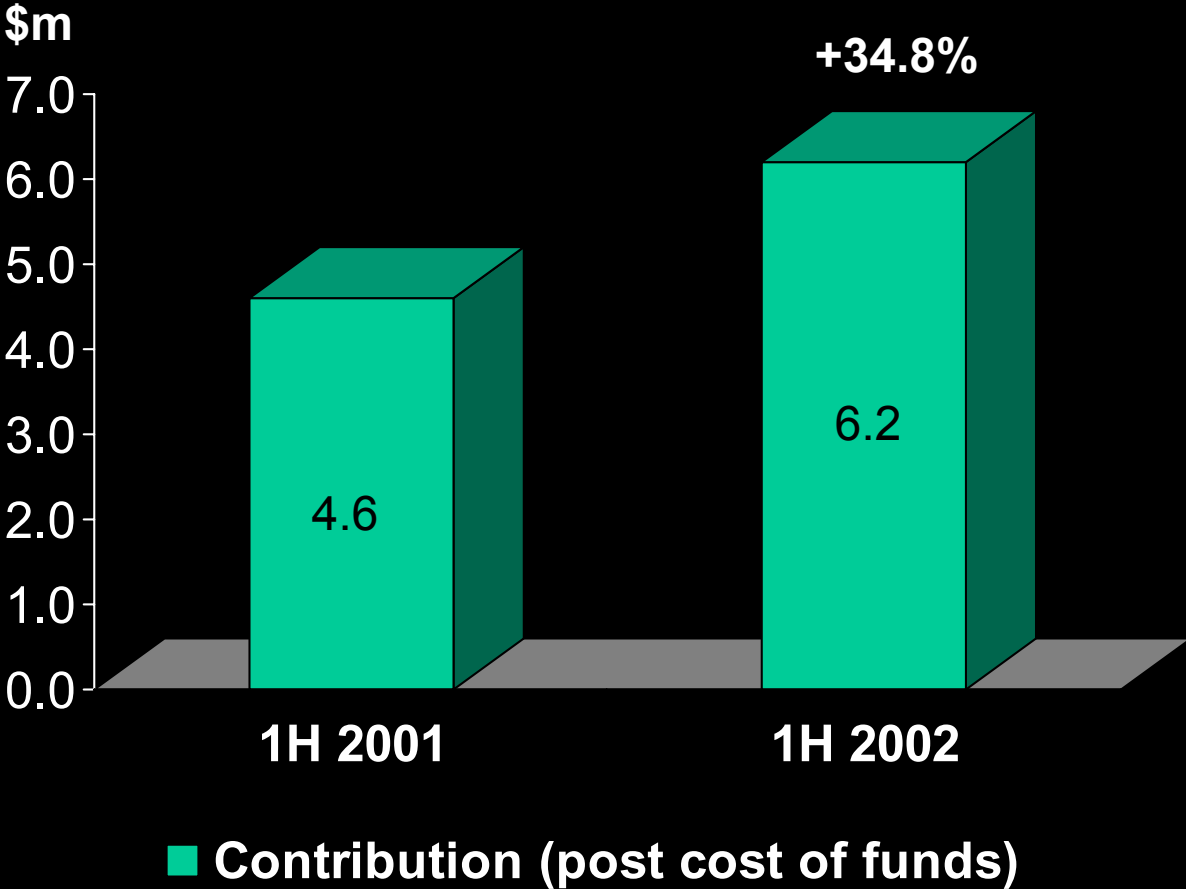
**Online/
Foodchain**

- Reduced property income reflects sale and leaseback of Sydney and Melbourne CBD properties
- Only property remaining on books Queen Street, to be sold 2004/05
- Refurbishment works undertaken in 1H2002 on Hay Street (Perth) and Elizabeth and Market Streets (Sydney)

Credit Card



Credit Contribution



Credit Card



Financial

Stores

Property

**Credit
Card**

**Online/
Foodchain**

- Strong result based on higher sales and lower costs
- 43.1% share of sales (up from 42.4% in 1H 2001)
- Total card receivables \$365.2m, + 5.3%
- Interest Free Receivables \$113.5m, +10.2%

Online



Financial

Stores

Property

**Credit
Card**

**Online/
Foodchain**

- Second most popular retail site in Australia over the Christmas period
- Continued progress on key strategic deliverables such as conversion rate
- Remains on track to halve operating loss this financial year and be close to break even in 2003

Foodchain - Overview



Financial

Stores

Property

**Credit
Card**

**Online/
Foodchain**

- 4 stores now open, most recently St Kilda in Melbourne.
- Customer reaction continues to be positive
- Revenue growth solid
- Operating losses increased due to new store openings and inclusion of a full 6 months of operation
- Progressed from concept phase to business refinement phase
- Concentrating on refining cost base, systems and procedures

Cash Flow & Balance Sheet



Financial

Stores

Property

**Credit
Card**

**Online/
Foodchain**

- Cash flow from operations +\$51.6m due to improved profitability, extension of securitisation facility and change in taxation
- Net debt to net debt + equity increased to 5.9% (3.3% in 1H 2001)
- Small inventory increase due to new store openings

Sales Environment Outlook



Financial

Stores

Property

**Credit
Card**

**Online/
Foodchain**

- Consumer sentiment definitely stronger than this time last year and appears to be holding
- We have experienced the benefits of the upturn in sentiment from Christmas onwards
- David Jones remains well positioned for upside

Summary



- Cost base being well controlled and work continues
- Strategic response to competitive activity confirms market positioning and brand strength
- Annual review of strategy taking place
- PAT impacted by sale and leaseback and lower tax rate in corresponding half
- Much improved core business result. Business positioned well to benefit from market upside



DAVID JONES LIMITED
HALF YEAR RESULTS
2001/2002

25 March 2002