



For Immediate Distribution

14 February 2007

8.9% SALES GROWTH IN 2Q07 RECORD BILLION DOLLAR IN SALES IN 1H07

- **2Q07 Sales** growth of **8.9%**
- **1H07 Sales** growth of **7.8%**
- **All categories traded well** – stand-outs were Womenswear, Menswear, Accessories, Footwear and Cosmetics
- Stores in **all States delivered strong Sales**
- **25% - 30% underlying Profit after Tax growth** guidance reaffirmed for **1H07**
- Well positioned to leverage next phase of long term economic cycle

David Jones Limited (DJS) today reported **Sales revenue of \$607.3 million** for the second quarter of the 2007 financial year (**2Q07**) being the period 29 October 2006 to 27 January 2007. This represents **8.9% growth** on 2Q06 (\$557.6 million). Sales grew by **7.8%** in the **first half of FY07** from \$962.6 million in 1H06 to \$1037.6 million in 1H07. These Sales results are on total and like for like (LFL) basis.

The Company's 2Q07 and 1H07 Sales performance is in-line with the updated guidance given on 16 January 2007 and reflects a strong trading environment over the past three months.

David Jones CEO Mr Mark McInnes said, "We are delighted with our strong Sales performance in 2Q07, in particular throughout the critical Christmas and Clearance trading periods. This is the first time in our Company's history that we have reported more than \$1 billion of Sales revenue in a 6-month trading period.

"Our trading result reflects a general strengthening in consumer sentiment over this period and the fact that our business was well prepared to leverage this. It also reflects strong customer response to David Jones' differentiated brand offerings in an environment where the competitive dynamics in the department store industry are changing.

"Sales in all categories exceeded our expectations. Stand-out trading performances were delivered by our Womenswear, Menswear, Accessories, Footwear and Cosmetics categories. Our Homewares and Entertainment categories also performed well (iPod sales were outstanding) and our Furniture business showed steady improvement in 2Q07.

"We were pleased with the performance of our stores in all States. Western Australia delivered exceptional growth throughout 2Q07, followed closely by Victoria and Queensland, with NSW, South Australia and the ACT also delivering strong trading performances," Mr McInnes said.

DAVID JONES

David Jones Limited A.C.N. 000 074 573
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PERIOD	TOTAL SALES		% Change
	FY07 \$m	FY06 \$m	
First Quarter (1Q) of Financial Year	430.3	405.0	6.3%
Second Quarter (2Q) of Financial Year	607.3	557.6	8.9%
First Half (1H) of Financial Year	1037.6	962.6	7.8%

TRADING ENVIRONMENT & OUTLOOK

The Company reiterated the guidance it gave on 16 January 2007 of 0%-1% LFL Sales growth in 2H07, stating that it was cycling a high base of 4.4% Sales growth in 2H06 and 5.4% Sales growth in the important 4Q06 period.

The Company also reiterated its Guidance for underlying Profit after Tax (PAT) growth in 2H07 of 8.5% - 13.5% and reaffirmed its previous Guidance of 5% - 10% underlying PAT growth in FY08 over FY07 (adjusted for the conversion of the remaining Reset Preference Shares on 31 July 2007).

Mr McInnes said, "As we said on 16 January 2007, we are a trading business and we prefer to trade through 2H07 before updating our existing guidance.

"Our New Store Program is on track with our Burwood (NSW) store due to open in early May 2007, Chermside (Queensland) due to open in August 2007 and our new QueensPlaza store confirmed to open in February 2008.

"Our Refurbishment program is also tracking well. Our Bourke Street Cosmetics and Accessories Hall has delivered an outstanding performance since its launch in late October 2006 and has enhanced our brand positioning in Melbourne giving us a stronger market position which will be further enhanced by the opening of our Doncaster and Fountaingate stores in the future.

"The refurbishment of our Sydney Market Street Level 1, Men's Fashion Floor has also been successfully completed and is trading strongly. Our Market Street Ground Floor Menswear refurbishment is progressing well and is due to be completed by Easter.

"In terms of our Financial Services business, we are on track to deliver 5%-10% EBIT growth in both FY07 and FY08. Indicative proposals from key financial institutions to partner with David Jones for the launch of a "David Jones" branded General Purpose Card have been received. Interest to date has been strong.

"Added to this, we continue to remain diligent in the application of financial disciplines to our business and to drive value by leveraging the industry restructure. We are also making good progress on the Company's FY09 – FY12 Strategic Plan," Mr McInnes said.

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ASX AND MEDIA RELEASE

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**Note: The Sales numbers quoted in this ASX Release have not been adjusted to take into account changes to the provisions for returns or lay-bys. These changes are required under AIFRS and will be reflected in the half year-end Sales figures in the Company's Income Statement. Any change is expected to be immaterial.*

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