



DAVID JONES DELIVERS 9.7% SALES GROWTH in 1Q08

- **1Q08 Total Sales Revenue growth of 9.7%** - \$471.9 mil (1Q08) vs. \$430.3 mil (1Q07)
- **1Q08 Like-for-like (LFL) Sales Growth of 6.7%**
- **Strong Sales result given cycling high base** of 6.3% LFL Sales growth in 1Q07
- **Well prepared** to capitalise on the 'all-important' Christmas trading period as a leading gift destination (however will be **cycling a high 2Q07 LFL base of 8.9%**)

David Jones Limited (DJS) today reported **Sales Revenue of \$471.9 million** for the first quarter of the 2008 financial year (**1Q08**) being the period 29 July 2007 to 27 October 2007. This represents **9.7% growth** on 1Q07 (\$430.3 million: 30 July 2006 to 28 October 2006) on a Total Sales basis. On a like-for-like (LFL) basis excluding new store openings (Burwood, NSW on 3 May 2007 and Chermside, Queensland on 2 August 2007) and store closures (Bankstown, NSW on 15 July 2007 and Eastgardens, NSW on 23 September 2007) Sales growth was 6.7%.

David Jones CEO Mr Mark McInnes said, "Our Company continued its strong FY07 trading performance in the first quarter of the 2008 financial year. All categories performed well in the quarter, in particular Women's Apparel, Men's Apparel, Accessories, Cosmetics, Footwear and Homewares, which all continued to deliver exceptional Sales growth.

"From a geographic perspective, all States traded well, with Western Australia, Queensland and Victoria delivering strong Sales growth and New South Wales continuing its good performance.

"Whilst we are delighted with our first quarter Sales performance we are cognisant of the fact that the second quarter Christmas and Clearance trading period is the all-important trading period within the retail calendar and we will be cycling a very high 2Q07 LFL base of 8.9%," Mr McInnes said.

OUTLOOK

Looking forward, the Company reiterates the comments made at the time of its FY07 Results announcement, that independent economic forecasters Access Economics are expecting a strong economic environment in calendar 2008.

Mr McInnes said, "We are well prepared to continue the David Jones tradition as the leading gift giving destination for the important Christmas trading period and for the subsequent Clearance period in 2Q08. In addition, we are well positioned to capitalise on the expected strong consumer sentiment throughout calendar 2008. This will be enhanced by the fact that we are on track to open our new flagship QueensPlaza store in the Brisbane CBD in early February 2008.

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A.B.N. 75 000 074 573



“Having said that, it is important to remember that the Christmas and Clearance periods, in the second quarter, are the most critical trading periods in the year, so it is imperative that we trade through these before giving any type of guidance update. Added to this, it should be kept in mind that we will be cycling an exceptionally high LFL Sales base in 2Q08 (8.9% in 2Q07) and 2H08 (8.9% in 2H07),” Mr McInnes said.

The Company reaffirmed the FY08 Profit after Tax (PAT) guidance it provided on 26 September 2007, of 8% - 13% on its FY07 underlying* PAT base of \$109.5million (i.e. 5%-10% plus the positive benefit to PAT in FY08 following conversion of the Reset Preference Shares (RPS) on 1 August 2007).

ENDS

FOR FURTHER INFORMATION CONTACT:

Helen Karlis
General Manager Corporate Affairs, Communications & Investor Relations
David Jones Limited
02 9266 5960
0404 045 325

Notes:

The Sales numbers quoted in this ASX Release have not been adjusted to take into account changes to the provisions for returns or lay-by. 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.

**Underlying PAT refers to Profit after Tax (PAT) for FY07 after removing the one-of impacts of the unwinding of the Sale & Leaseback transaction as per the FY07 Profit Results announcement.*

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