



For Immediate Distribution

29 August 2013

DAVID JONES 4Q13 SALES

- 4Q13 Total Sales down 1.3% and 4Q13 LFL Sales down 2.9%
- FY13 Total Sales down 1.2% and FY13 LFL Sales down 1.8%
- The Company has deliberately reduced the depth and breadth of its discounting events
- Focus has been on driving full margin sales

David Jones Limited (DJS) today reported Total Sales Revenue of \$449.8 million for the fourth quarter of the 2013 financial year being the period 28 April 2013 to 27 July 2013 (4Q13). This represents a Total Sales decline of 1.3% on 4Q12 (4Q12: \$455.8 million).

On a Like-for Like (LFL) basis 4Q13 Sales were down 2.9%. The Company's LFL Sales this quarter include Canberra Centre (ACT) which was significantly disrupted due to refurbishment and exclude the new Highpoint (Vic) store which opened in mid March 2013.

Full year 2013 (FY13) Total Sales were down 1.2% (FY13: \$1.847 billion vs. FY12: \$1.868 billion) and FY13 LFL Sales were down 1.8% (FY13: \$1.835 billion vs. FY12: \$1.868 billion).

The retail environment remained challenging throughout the quarter with consumer sentiment continuing to be weak and a number of retailers engaging in aggressive discounting in order to address inventory build-up resulting from the unseasonably warm 2013 winter.

David Jones CEO and Managing Director Mr Paul Zahra said, "Throughout the quarter we concentrated on managing our winter inventory and as a result whilst we maintained share of voice, we did not match all of the additional competitive activity that occurred. We also focused on full margin sales through initiatives such our "United States of Accessories" campaign in late July and price reductions through our 'Cost Price Harmonisation' program.

"I am pleased to report that following 15 months of reducing the depth and breadth of our discounting, we believe we now have a promotional program which reflects the right mix of discounting versus full margin sales periods. The duration of our discounting events in 4Q13 for example have been reduced by 33% compared to 4Q11," Mr Zahra said.

From a category perspective the Company's high margin Womenswear, Beauty and Accessories categories delivered sales growth in 4Q13 and the Menswear and Childrenswear categories were broadly flat. The Company's Total Sales performance was once again adversely impacted by its Home categories, in particular Electronics which continued to be subject to industry and price pressures.

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Mr Zahra said, “Electronics has been a very challenging category for a number of years. As part of our review of underperforming categories we announced on 12 August 2013 that we had entered into a Retail Brand Management Agreement (RBMA) with Dick Smith which provides us with an underwritten minimum contribution. It also enables us to benefit from any sales upside in this category, although we do not expect this to be significant in FY14.

“Effectively, what has been an underperforming category for us will now be a profit contributor. We have also made good progress in exiting Music, DVDs and Electronic Games,” Mr Zahra said.

Investment in service has continued and is delivering an improvement in the Company’s service metrics. The Company successfully launched “Stock Search @ POS” capability in July and is achieving over 20,000 inventory searches per week. This has resulted in service improvements as frontline staff are more easily able to access inventory information through all of the Company’s sales channels.

In August the Company completed the roll-out of Horizon 2 of its Omni Channel Retailing strategy. This has included the following initiatives:

- More delivery options including ‘click & collect’ across the store portfolio, Sydney same day and national next day delivery;
- Increased inventory functionality including “Drop Ship” capability for suppliers enabling the Company to add big ticket items and RBMA brands to its webstore as well as the ability to check store inventory online;
- Site improvements such as the addition of shoppable videos, ‘customer ratings & reviews’, ‘you may also like’ recommendations and product zoom; and
- The ability to buy online from gift lists created in-store.

Further growth is expected from this channel as a result of the roll-out of the Horizon 2 initiatives, in particular, in the lead up to the all important Christmas trading period.

A number of economic forecasters have noted that consumers remain cautious given the soft outlook for the labour market. Their view is that whilst household balance sheets look good, confidence remains weak given the general weakness in the domestic economy.

Mr Zahra said, “In this environment we are focusing on managing those parts of our business that we can control such as Inventory, Gross Profit Margins and Costs. We also remain focused on the continued roll-out of our Future Strategic Direction Plan.

“Whilst this will ensure we are well placed to capitalise on any strengthening in consumer sentiment as it occurs, we expect that over the next 12 months trading conditions will remain challenging, with consumer sentiment continuing to be subdued and competitive pressure continuing.

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TOTAL SALES			
PERIOD	TOTAL SALES FY13 \$M	TOTAL SALES FY12 \$M	CHANGE
First Quarter (1Q)	415.6	414.3	0.3%
Second Quarter (2Q)	590.1	598.5	(1.4%)
First Half (1H)	1,005.7	1,012.9	(0.7%)
Third Quarter (3Q)	391.1	399.8	(2.2%)
Fourth Quarter (4Q)	449.8	455.8	(1.3%)
Second Half (2H)	840.8	855.6	(1.7%)
Full Year (FY)	1,846.5	1,868.5	(1.2%)

LFL SALES			
PERIOD	LFL SALES FY13 \$M	LFL SALES FY12 \$M	CHANGE
First Quarter (1Q)	415.6	414.3	0.3%
Second Quarter (2Q)	590.1	598.5	(1.4%)
First Half (1H)	1,005.7	1,012.9	(0.7%)
Third Quarter (3Q)	386.2	399.8	(3.4%)
Fourth Quarter (4Q)	442.8	455.8	(2.9%)
Second Half (2H)	829.0	855.6	(3.1%)
Full Year (FY)	1,834.6	1,868.5	(1.8%)

ENDS

FOR FURTHER INFORMATION CONTACT:

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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-bys. These changes are required under IFRS and will be reflected in the year-end Sales figures in the Company's Consolidated Statement of Comprehensive Income. Any change is expected to be immaterial.*

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