



ASX AND MEDIA RELEASE

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For Immediate Distribution

13 July 2011

DAVID JONES UPDATES SALES & PROFIT GUIDANCE

David Jones Limited (DJS) today announced that it has revised its Sales and Profit after Tax (PAT) Guidance for 2H11 and 1H12. In addition the Board reiterated its commitment to return excess cash to shareholders in the most efficient manner over time. The Board reaffirmed its Dividend Payout Policy of not less than 85% of PAT.

At the Company's 3Q11 Sales announcement on 11 May 2011 the Company stated that **provided** there was no further deterioration in trading conditions and April's trading conditions continued throughout 4Q11, it expected 2H11 PAT growth to be approximately +5%.

Trading conditions deteriorated significantly through the all-important Clearance period in June and Clearance Clearout in early July. Based on trading to date, the Company now forecasts Total Sales for 4Q11 (13 weeks vs. 13 weeks) to be approximately -11% and 2H11 PAT to be between \$62 million and \$64 million, a decline of 9% to 12% on 2H10. This will result in the full financial year 2011 (FY11) **PAT declining by 0.5% to 2.0% versus last year (equating to between \$167.7 million to \$169.7 million).**

David Jones CEO Mr Paul Zahra said, "The dramatic and rapid deterioration in trading conditions in 4Q11 has been unprecedented. As a result we are taking a cautious approach to 1H12 and have planned and forecast trading conditions to continue to be challenging, with expected negative sales and action to manage inventory levels resulting in our forecast 1H12 PAT declining by approximately 15% to 20% compared to 1H11, equating to 1H12 PAT forecast of \$84.5 million to \$90 million.

"By resetting our Sales budgets we will be better able to manage our Inventory and Variable costs.

"Despite the difficult trading environment, we will continue our investment in our Online business, our new Point of Sale system, our Financial Services business, our brand installations, store refurbishments and our Brand, as we are confident that our business model will allow us to trade through these difficult times and leverage the benefits from better trading conditions," Mr Zahra said.

The Company believes it is premature at this stage to provide 2H12 PAT growth guidance given the current trading conditions and consumer sentiment.

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