



ASX AND MEDIA RELEASE

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For Immediate Distribution

1 November 2013

DAVID JONES 1Q14 SALES UP 2.1%

- 1Q14 Total Sales up 2.1% (1Q14: \$424.2 million vs. 1Q13: \$415.6 million)
- 1Q14 Like for Like (LFL) Sales down 0.3% (1Q14: \$414.2 million vs. 1Q13: \$415.6 million)
- 1Q14 LFL Sales were up 0.6% excluding the disruption impact of the Canberra Centre store refurbishment
- Well prepared to capitalise on the all-important Christmas & Clearance trading periods with many new initiatives including new merchandise partnerships with iconic UK brands Harrods and Liberty

David Jones Limited (DJS) today reported **Total Sales Revenue** of \$424.2 million for the first quarter of the 2014 financial year (1Q14) being the period 28 July 2013 to 26 October 2013 (1Q13: \$415.6 million). This represents Total Sales growth of 2.1% on 1Q13.

On a **Like-for Like (LFL)** basis Sales Revenue was down 0.3%, however, excluding the significant disruption impact of the Canberra Centre store refurbishment, LFL Sales for the quarter were up 0.6%.

David Jones CEO & Managing Director Paul Zahra said, "Whilst it is still early days and we have to trade through the important second quarter, it is pleasing to see the Company return to positive sales growth this quarter. Our Fashion and Beauty categories continued to deliver sales growth whilst our Electronics category remained challenging.

"On 6 November 2013 we will anniversarise the launch of our new webstore and I am pleased to report that our online sales increased by over 1,000% in 1Q14 and that this business made a positive profit contribution (pre depreciation) in its first full year of trading.

"On 1 October 2013 our Electronics business was successfully transferred to Dick Smith in accordance with our Retail Brand Management Agreement (RBMA). We are working towards having the products in this category available on our webstore in time for Christmas trading," Mr Zahra said.

On a State-by-State basis, New South Wales and Victoria (including the new Highpoint and Malvern Central stores) were the Company's strongest performing States. The ACT delivered the weakest sales performance due to the disruption resulting from the Canberra Centre store refurbishment.

Transactions and basket size were both up on a Total Sales basis for the quarter and on an LFL basis excluding the Canberra Centre store.

Mr Zahra said, "During the quarter we made good progress in the continued implementation of our Future Strategic Direction Plan. We launched a new Gucci installation in our Elizabeth Street (NSW) store which has not only generated strong foot traffic but also enabled us to continue to attract new target customers including tourists, which complements our UnionPay initiative. This is one of only five department store Gucci installations globally.

**DAVID
JONES**



“We have continued to add freshness and newness to our offer this quarter by signing up many new department store exclusive brands such as Valentino, 3.1 Phillip Lim, Vince, Richard Nicolls, IRO, Carven, Cacharel, Stella McCartney, L’Agent, Roland Mouret Bridal, Phase Eight, Nicola Finetti, Hippies by Jets, Christian Wijnant, Sabo Skirt and Michael Lo Sordo” Mr Zahra said.

On 31 October 2013 the Company issued a media release announcing that it has secured iconic brand Hugo Boss on a department store exclusive basis. From a strategic perspective, this means that Hugo Boss will become one of David Jones’ top suppliers. The Company has also secured Brooks Brothers on a department store exclusive basis with seven concept stores being rolled out nationally in FY14. These two exclusive agreements will position David Jones as the leading national destination for men and women’s corporate wear offering international brands such as Ermenegildo Zegna, Canali, Armani Collezioni, Hardy Amies, Gieves & Hawkes, Versace, Dolce and Gabbana, Paul Smith and Max Mara on a department store exclusive basis.

During the quarter the Company successfully completed the roll-out of its Productivity Reports onto its Point of Sale (POS) system. This means frontline staff can access their individual sales performance and other key performance measures at a POS terminal. In addition, staff can now also access the David Jones online store at POS terminals in-store. This new POS functionality complements the Company’s recently launched stock search capability at POS.

Mr Zahra said, “I am pleased to report that we have introduced a number of new merchandise initiatives for the all important Christmas trading period. We have partnered with Harrods to offer customers the famous Harrods Christmas Hampers and we are establishing the world’s first Liberty (UK) pop-up areas in our Elizabeth Street (NSW) and Bourke Street Mall (Vic) stores. These pop-up areas will stock gift items featuring the hugely popular signature Liberty print.

“Next week to coincide with the launch of our new “WOW” Christmas campaign I will commence a nationwide store review to ensure we are well prepared, across all of our sales channels, for the Christmas and Clearance trading periods. Our new “WOW” Christmas campaign was developed in collaboration with renowned filmmaker, illustrator and producer Quentin Jones and will be launched across TV, print advertising, catalogues and digital forums,” Mr Zahra said.

Whilst good progress continues to be made in implementing the Company’s Future Strategic Direction Plan, the Company continues to expect, as stated at the time of its full year results, that trading will continue to be challenging throughout FY14. The Company is however well placed to capitalise on any sustainable strengthening in consumer sentiment as and when it occurs.

ENDS

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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-by. These changes are required under the Accounting Standards and will be reflected in the half year-end Sales figures in the Company’s Income Statement. Any change is expected to be immaterial. Like-for-like (LFL) includes stores open and trading for more than one year. All numbers are unaudited.

