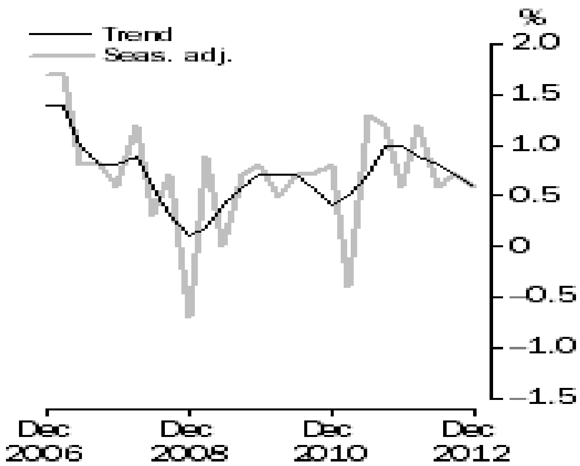
Table of contents

A. ECONOMIC

After the crisis, Global economic prospects have slightly improved with expectation of recovery in Europe and US in the second half of 2013. Australia economy is an exception with advantages which has helped to stay out from impact of the recession and become one of the strongest economies in the world. Mineral and mental mining industry is the most factor that could attracted billions dollar investment every years due to the abundant and diverse natural source. Besides, it has a strong financial position, AAA in rating.

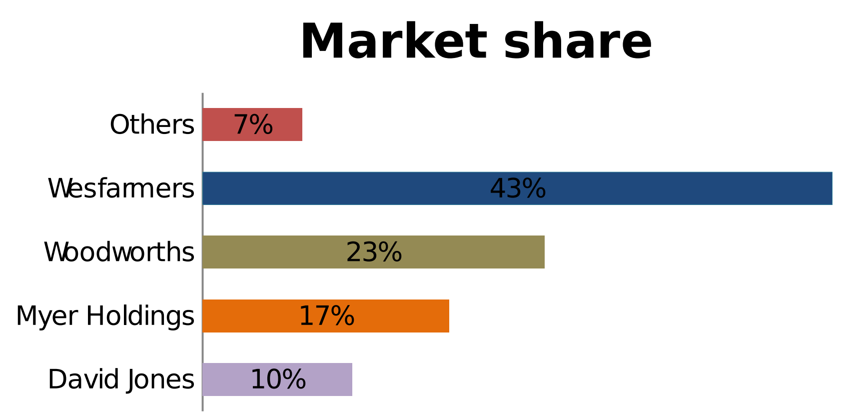


However, in 1st quarter 2013, Australia economy poorly started in many aspects as the slowdown in mining demand, the strong Australian dollar and the effect of rate cuts. In addition, the growth forecast of China was lowered by the International Monetary Fund. This expected slowdown in economic growth in China, Australia's largest trading partner, from 8% to 7.5%, which could impact negatively to Australian economic. Consequently, the impact of the uncertainty in global economy cannot be easily estimated, thus the weakness of labour market and the decrease of Consumer Confidence in May could result in a softer GDP in 2013. Inflationary pressure is maintained unchanged due to a soft demand and a still higher AUD.

B. INDUSTRY

The past year has been a difficult environment for retailers. Consumer sentiment remains depressed despite interest rate cuts by The Reserve Bank of Australia. The carbon tax has affected to the confidence of consumers due to the rising household expenses. The Westpac - Melbourne Institute sentiment index slumped in 2011 lower than in the financial crisis in 2008. In terms of the perceptions the tax was clearly negative. The continued financial uncertainty in Europe and the US and volatility in global equity markets have provoked a general feeling of uncertainty. In addition, the strong Australian dollar has contributed to price deflation and encouraged spending offshore. These macro-economic conditions have inevitably impacted our Company’s financial performance. Moreover, David Jones sales trend have deteriorated compare Myer, the peer competitor. The industry trend is expected that continue to fade over the next 12 months.

David Jones is a leading upmarket retailer with stores throughout Australia. David Jones operates in two main business segments, such as department stores and financial services, with 35 department stores and 2 warehouse outlets. Wesfarmes (Target and Kmart), Woolworths (Big W), Myer Holdings and David Jones account for over 90% of industry revenue which is indicating a very high level of concentration. The merger and acquisition activity of its major player over the past decade prove the maturity of the industry. Globalisation of the Department Stores industry in Australia is low, none of the major player have or are presently seeking offshore expansion opportunities though the trend is on the rise. On the other hand, the recent entrance of major international clothing labels like Gap and Zara into the local market will cause an increase of competition.



C. COMPANY

I. Overview

It is obviously said that David Jones Limited is known as a bellwether of department store retailing in Australia. It was established in 1838 but David Jones department store still trades under its original name until now. Over 170 years of heritage, the chain of David Jones has spread in 7 main Australian states such as New South Wales, Australian Capital Territory, Victoria, Queensland, South and Western Australia, which includes 37 upper-scale department stores and 2 warehouse direct outlets. The core business of David Jones comprises department store retailing and financial services which provides consumer credit via David Jones' store card and David Jones American Express Card. The award "Department Store of the Year 2011" of Roy Morgan Research based on customer satisfaction to David Jones has appreciated the strong customer service ethic and reputation.

II. Strategy for customer service

Due to operation in department store industry, apart from quality of product, customer service is vital element to help company could gain more profit. David Jones has large force of professional staff and doing the best service for customers in different classes and ages as well. in 2000, there is a prize of prestigious international was win by David Jones as the best newly completed store in the world because of the selection from customers. Furthermore, the general purpose card also is established so that company could observe the quality of product and attitude service of staff throughout the comment and complaint from customers. In near future, there are more than 100 new floor staff supervisors and innovative new style advisor would be introduced in order to improve ability of sales across all categories and brands throughout the store. Moreover, continuing investment in frontline sales training, improving performance reporting to sales staff and increasing incentive reward quantum for frontline are considered as well.

III. Infrastructure and marketing strategy:

After a hundred and seventy five year operating, there are more than 36 fashion stores, shopping mall and building which are cost more than 612 million dollar for sales price of total asset spread over Australia at current time. In last few years, David Jones reconstructed and refurbished many building so as to increase sales revenue and maintained its commitment to world-class service which included loyalty program and renowned brand names. Furthermore, company also has plans to upgrade fulfillment center and physical infrastructure. For example, new production house could be constructed to introduce customers many new products coming from different quality and famous suppliers. The customer also is set up with new number to support and help customer solve the problems of products straight away. In addition, in order to increase sales revenue, it has to be improved the techniques of order management system and content management system. Therefore, the ways of purchasing would be diversified and given more choices for customer to shop. Davis Jones has finished upgraded the online site with introduction new functionality. Company also expanded online merchandise range to 90,000 available items and increase delivery system regarding to reduce the days of delivery.

Marketing is one of important strategy in business operation due to public good reputation of company. Throughout those activities, the image and reputation of company was spread around country and also attract number of potential customers.

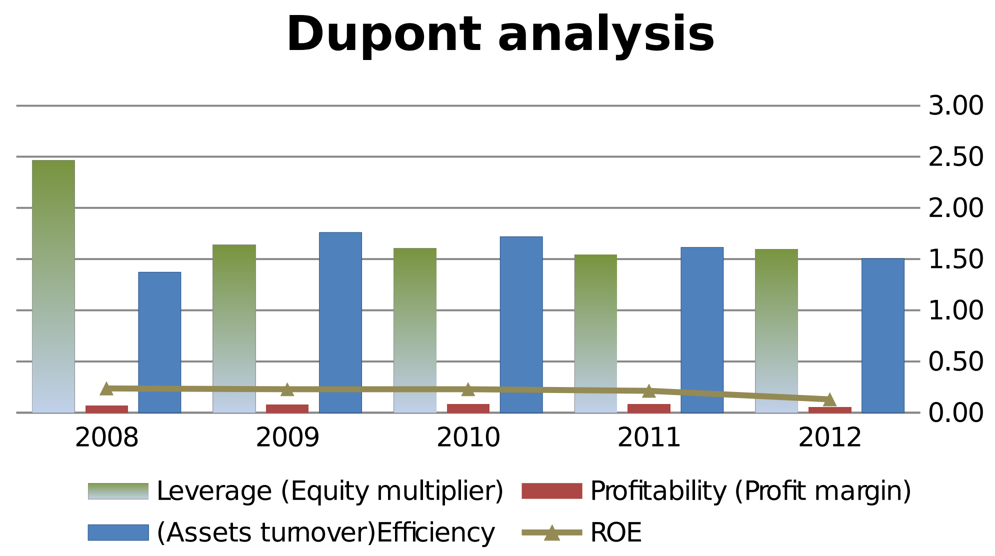
IV. New entrant

Many competitors would try to enter in the industry as high profitability scenarios. However, despite the high and constant growth predicted, the barrier of entrance is estimated at high level for competitors. This is a resulted from high control in domestic market of existing companies, such as: Myer and David Jones. It is explained that existing companies could purchase large volume of various goods with wholesale price cheaper than competitors and resale them with higher price for wholesale or retail customers. As a result, it could cut down number of new entrant competitors. Furthermore, Myer and David Jones are expected to open more 15 and 8 new stores respectively leading to occupied large the percentage in market share. Hence, it is difficult for new entrants in order to introduce new brand names and attract customers caused by large amount of non-recoverable cost, such as: marketing and introducing cost.

D. TRADITIONAL CREDIT ANALYSIS

I. Capacity

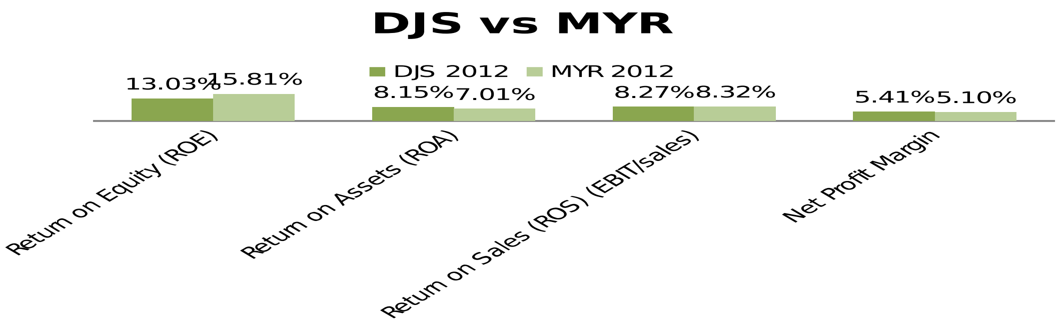
1. Profitability ratios



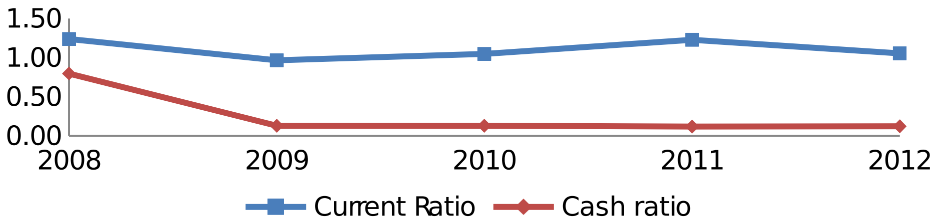
The trend of profitability ratios remained stable from 2008 to 2011 and then slightly dropped in 2012 as a result of the gradually decline in sales (-5%) and the increase of labour (4%), occupancy (6%), utilities (29%) and financing cost (40%). The profit after tax was declining caused by discounting in competitive environment.

The improvements in ROA, gross margin and net profit margin reflect that company has got more efficiency in making profit and utilizing equity and assets resulted from the release of significant receivables relating to the store card from David Jones' balance sheet to American Express on 1 August 2008. It could be noticed that the sale (which generate profit) of David Jones has fluctuated sharply and the asset has decreased dramatically in the period due to the effect of unwinding sale and leaseback Sydney and Melbourne CBD stores. Thus, the change in ROE is strengthened by the enhancements in equity which have enriched sharply every year. However, the low leverage might infer that the cost of debt was higher than cost of equity so that the capital cost of operating may be high.

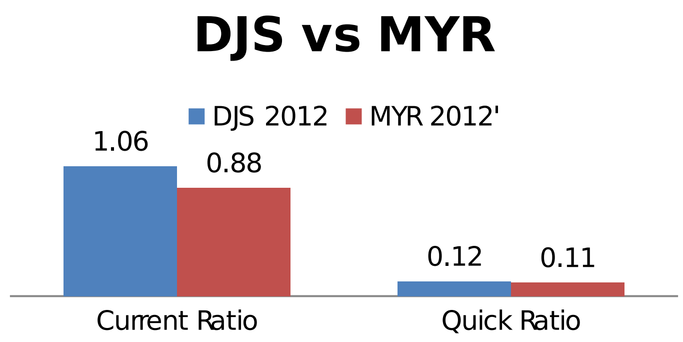
Finally, the below graph shows that the company have a lower performance in Equity and asset compared with the peer company



2. Liquidity analysis



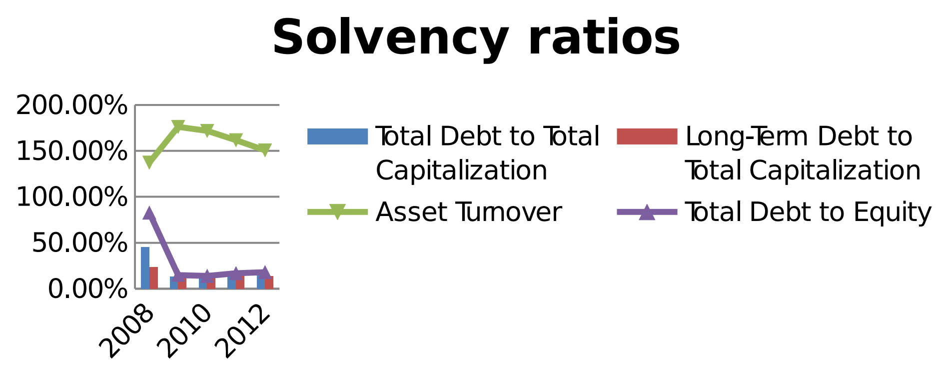
Current ratios slumped from 2008 to 2009 and then have remained approximately steady. The decrease of current rations were because the drop in current liabilities (-50%) was lower than the sum of the sharply fall of cash (-80%), account receivable (-94%) and inventories (-5%). It was also inferred the sharp reduce in cash and receivable leading the fact that the receivables accounted and cash hold a very small proportion of the David Jones' current assets in the last 3 years from 2009 to 2011. In 2011, the increase of current ratio was due to the decrease of account payable (-15%) as well as the growth of other current asset (28%) and inventories (2%).

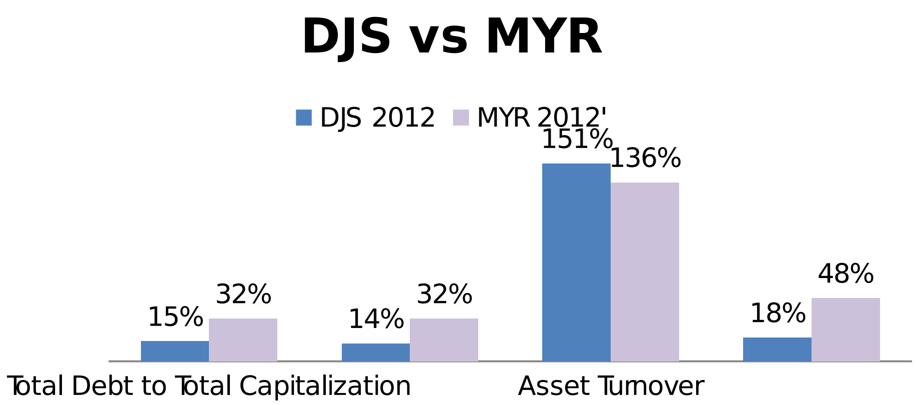


The graph at left side shows that David Jones has a better liquidity position than Myer. In conclusion, it could be affirmed that the company can to meet its financial obligations having sufficient liquidity currently and in previous years to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputations.

3. Solvency analysis

Apart from Asset turnover ratio, solvencies ratios indicate a drop from 2008 to 2009 because of an abruptly dip in total liabilities caused by the decrease of long-term debt (-63%), and the increase in equity (15%). This is resulted from a huge debt was reduced in 2008 due to transferring debt-funded receivables of $374.3 million to American Express to launch Amex card. After 2009, the trend has stablised. This is due to the strategic plans of company for the period of 2009-2012 that the company has not required any additional debt funding to support its growth. In contrast, the total equity have enriched dramatically from year to year.



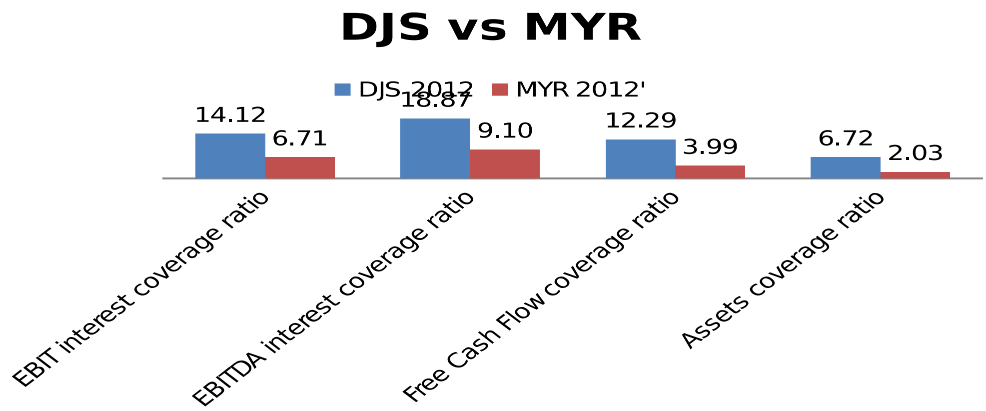


In the above graph, it can be seen that the debts of the company is relatively lower than its main competitor; therefore, there are reasonable grounds to believe that the entity will be able to pay its long-term debts as and when they become due and payable. However, if the Asset turnover ratio is analysed, it can be seen that the trend is slightly going down due to the decrease in sales and the increase in asset resulting in a lower performance of asset. Compared with Myer, the performance of David Jones is more efficient but the industry trend is clearly declining

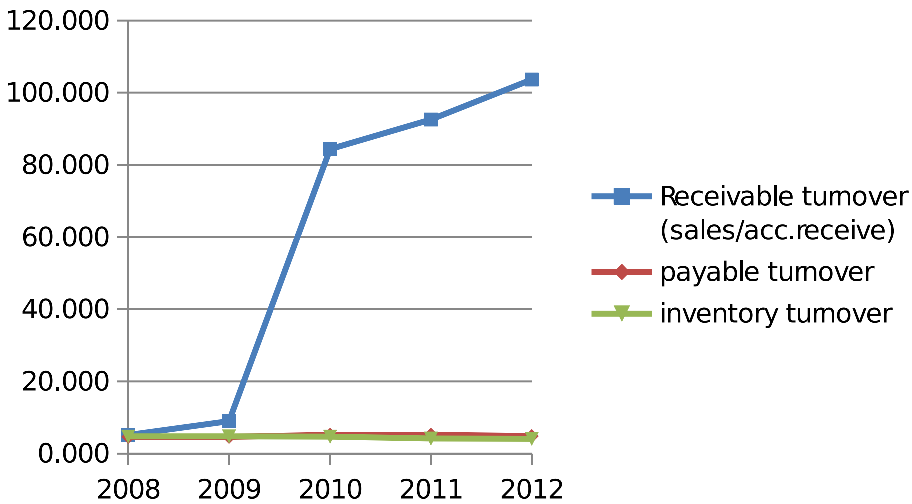
4. Coverage ratios

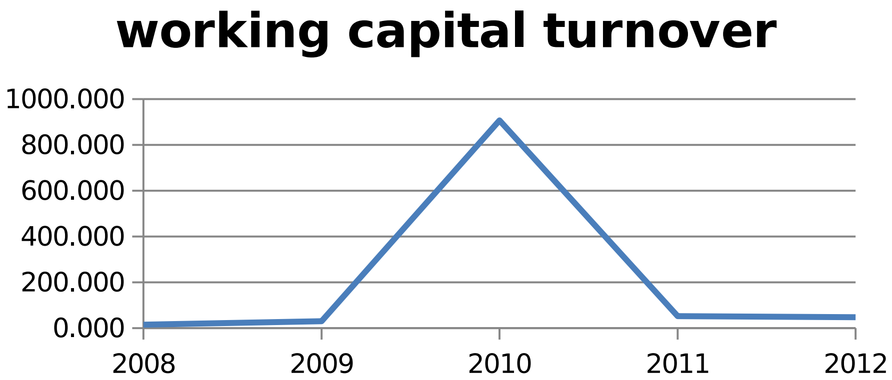
Coverage ratios boomed steeply from 2008 to 2009 by 10% every year due to a dramatic decrease in interest expenses, especially from 2009 to 2011. There were also a disciplined management of the business throughout the downturn including tight cost, inventory management and the introduction of initiatives such as a salary freeze, and the change in debt of $350 million to fund the unwinding of the sale and leaseback transaction and $374.3 million to American Express to launch Amex card mentioned as above. Thus, David Jones has not suffered any difficulties to generate financing recourses to pay its interest obligations. However, the trend dipped from 2010 to 2012 due to the decline in sales and the dramatically increase of the cost of doing business (29%), specially caused by opening new stores and the new Personal Shopping Service which could not be offset by the growth of EBIT (8.3%).

Using the information in the Graph, it can be seen that David Jones could better cover its obligation than Myer using EBIT, EBITDA and free cash flow of the company.



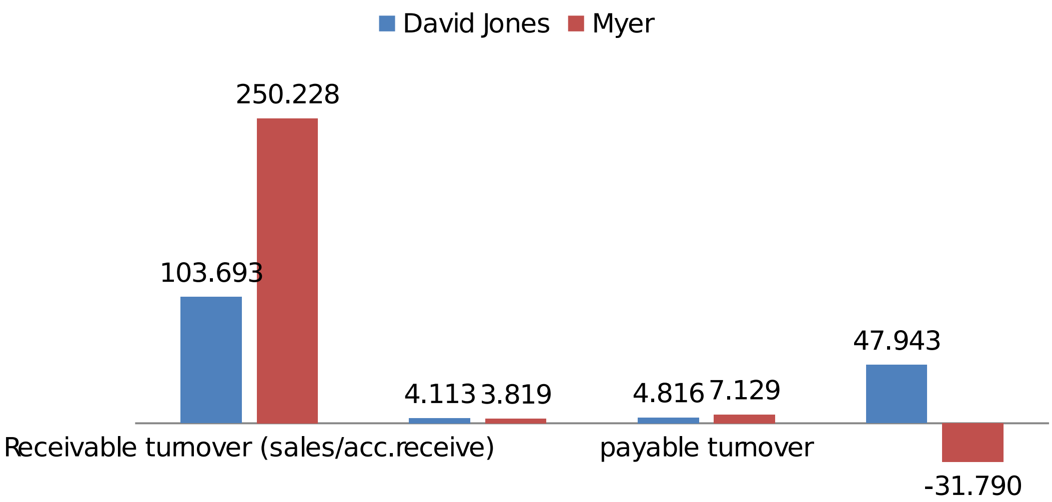
5. Other ratio





Payable turnover and inventory turnover stayed unchanged from 2008 to 2012. However, receivable turnover boomed dramatically from 2009 through legal assignment of all contractual rights to cash flows from the store card and credit reserve receivables to American Express. David Jones therefore derecognised $374.311 million of store card and other related receivables, on the basis that it no longer held contractual right to receive cash flows from the receivables, and that substantially all of the risks and rewards associated with the variability in cash flows from the receivables had been transferred to American Express. This represents a material change to segment assets of the Financial Services segment. The cash received by American Express was partly used to repay bank finance facilities reducing current interest bearing liabilities by $241.000 million and non-current interest bearing liabilities of $100.000 million. The balance of funds received led to an increase in cash assets of $33.311 million and consequently causing an extraordinary boom in working capital.

The graph below shows the comparison between David Jones and Myer regarding different activities ratios as receivable turnover, inventory turnover, payable turnover and working capital turnover. It can be seen that Myer have a more efficient performance managing the collection of receivable and payable leading to the company can operate with a negative working capital.



6. Cash flow measures

The data of free cash flow have illustrated that David Jones has generated sufficient financing resource to continue its operation except FY 2009; David Jones has spent a huge expenditure for the new Stores. The remained cash was used for the purpose of meeting its debt obligations (shareholders and debt-holders).

	Jul-08	Jul-09	Jul-10	Jul-11	Jul-12
Net Operating Cash Flows	***201,963,000***	***191,527,000***	***203,923,000***	***182,438,000***	***196,737,000***
Cash Paid for PP&E	-73,627,000	-99,083,000	-80,221,000	-81,517,000	- 70,009,000
Interest expenditures (30% tax)	28,824,600	6,470,100	4,944,100	5,452,300	7,656,600
Free cash flow to the firm	**157,160,600**	**98,914,100**	**128,646,100**	**106,373,300**	**134,384,600**

II. Collateral

The facilities are subject to a negative pledge and borrowing covenants between the Company, certain controlled entities within the Group and the facility lenders. The wholly-owned subsidiaries are relieved from the Corporations requirements for preparation, audit, and lodgement of Financial Statements and Directors' Reports.

The Company guarantees to each creditor, payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act. If a winding up occurs under other provisions of the Corporations Act, the Company will only be liable in the event that, after six months, any creditor has not been paid in full.

III. Covenant

The DAVID JONES's Board has applied an independent and continuous disclosure policy as semi-annually financial report, certification of independence of external auditor, management and executive declarations which are public and timely on the DAVID JONES's website. DAVID JONES also releases all update and important information in applicable ASX Listing Rules and the Corporations Act related to investors and shareholders.

The company's annual financial statements are audited by an independent and– Ernst & Young Melbourne. The independent auditor's fee is also disclosed in the annual report. The Audit Committee manages the all the interaction with and services provided by the auditor.

To ensure the financial statements is confirmed accurately, fairly and independently, the independent external auditor, Ernst & Young, has appointed by shareholders at Annual General Meeting.

IV. Character

David Jones is an emblematic brand that the company intends to take performance with the launch of several home brands within each product category. This strategy provides a low level of risk for the brand. The company aims to realize 10% of sales over the next three year with home brands from current 5%. Competitor, Myer captures 20% of its revenues from its own brands. Control enables the department stores to capture a higher share of the retail margin which increases gross margin and helps offset escalating wage and lease expenses. It could be expected that there is capacity to expand the gross margins but view this as a relatively short term strategy to offset cost pressure. Unless David Jones can stimulate revenue growth, longer term cost growth would increasingly dilute returns.

The Corporate Governance Statement set out the policies and procedures that underpin the Company's every activities-values and behaviours that ensure transparency, risk management, accountability, value creation, fair dealing and protection of the interests of stakeholders. The Board has the responsibility for ensuring David Jones is properly managed so as to protect and enhance shareholders' interests in a manner that is consistent with the Company's responsibility to meet its obligations to all stakeholders. Moreover, The Board has a broad range of relevant skills, experience and expertise to meet its objectives. In addition, The Board has in place two Board committees comprising Remuneration and Nominations Committee and an Audit Committee to assist in the execution of its responsibilities. Firstly, David Jones' Audit Committee has adopted a policy for external auditor independence and the provision of non-audit related services to ensure best practice in financial and audit governance is maintained. Secondly, David Jones' approach to risk oversight, risk management and internal control has been developed and is consistent with recognised industry reference material and guidelines. Thirdly, David Jones has established processes to ensure that the level and composition of remuneration are sufficient, reasonable and explicitly linked to performance. Finally, to continue its tradition of excellence, David Jones must uphold the honest and transparent business practices that customers, shareholders, suppliers and the community have come to expect. With this in mind, David Jones aims to maintain a high standard of ethical business behaviour at all times and expects its Directors, senior management, employees and contractors to treat others with fairness, honesty and respect.

Regarding succession planning, the constitution of David Jones specifies that all Directors (with the exception of the Chief Executive Office and Managing Director) must retire from office no later than the third Annual General Meeting following their last election. Where eligible, a Director may stand for re-election. Recommendations for nominations of new Directors are made by the Remuneration and Nominations Committee and considered by the Board as a whole.

The Corporate Governance structures of David Jones have demonstrated an unmistakable independence in all key areas including board of directors, audit committee, remuneration committees, and nomination committees.The output of the previous management CEO David Mclness by David Jones was applauded as an example of Governance. Although the best-governed companies cannot legislate bad behavior, it is the handled of misdemeanors that really matters because the breach of ethics and conduct company code cannot be allowed.

E. BANKRUPTCY FORECASTING MODELS

Financial ratios are one of the instruments for analyzing issues and researchers have managed to introduce multivariate models for bankruptcy prediction by combining these ratios. Bankruptcy prediction models are of the techniques and tools for anticipating the future condition of firms which estimate the possibility is important, both from the viewpoint of the investor and from a social viewpoint, since it is a clear sign of incorrect allocation of resources. An early warning of possible bankruptcy enables the management and investors to take preventive measure and distinguish favorable investment opportunities from unfavorable ones. There are three types of forecasting bankruptcy models were used popular to analyses the potential risk:

I. Z-score model

This is useful model to estimate the profitability of bankruptcy for any companies which is introduced by Altman in 1986. Z-score model is the result of exploring the bankruptcy companies during 19 years and match them together with same number of companies which operate in the same industry and asset-size. Consequences, there are 3 kinds of z-score model which are classified to suitable for different industry operation. The original Z-score model is used for publicly traded manufacturing firm and other two models are developed for privately-held firms and services firms.

The table below shows the calculation of components which contribute mainly to analysis of Z-score model:

	2008	2009	2010	2011	2012
X1 = Working Capital/Total Assets	0.26	0.02	0.05	0.08	0.02
X2 = Retained Earning/Total Assets	0.08	0.14	0.15	0.15	0.12
X3 = EBIT/Total Assets	0.16	0.22	0.13	0.20	0.12
X4 = Market Value of Equity/Total Liabilites	1.77	5.71	5.35	3.56	2.60
X5 = Sales/Total Assets	1.34	1.74	1.56	1.62	1.51
Z-Score	**3.37**	**6.11**	**5.47**	**4.73**	**3.68**

It can be seen that the Z-score model of DAVID JONES indicates the good financial strength of David Jones because the higher score, the higher chance of survival. However, the z-score of company declined steadily by years because of many reasons below:

- The ratio of working capital to asset (X1) is going down by year. This implies that the ability of meet short term obligation has been reduced steadily. Company could have trouble in the solvency ability for paying back the short term debt if this ratio is low
- Retained earing to asset (X2) grew up significantly during last 5 years. This is the result of going up amount retained earnings. That means company have enough ability to pay dividend for upcoming years and strengthen the sustain of stock price in the market
- The Ebit-to-asset ratio (X3) was fluctuated large range with last few years and reached a peak at 20% in 2011. This fluctuation could imply the worse performance for sales revenue due to the external factors, such as: effect of Europe crisis, saving trend of consumer or internal factors, such as: not good quality product, marketing campaigns
- After growing up strongly in two years: 2009 and 2010, the ratio Ebit/total asset (X4) dropped rapidly in the rest of period time. This is because total liabilities decrease over time.
- The last ratio, sales-to-asset (X5) also remain over years with inconsiderable changing. This exposes that the amount of total asset is usually guaranteed to cover safely revenue of sales and ensure the contribution of total asset percentage in sales.

II. Z-score model for merchandising firm

However, in this case, the David Jones is a large publicly merchandising firm; therefore, the third Altman model for merchandising firm should be suitable for using. This Z- score model convenient that contained only 4 ratios:

	2008	2009	2010	2011	2012
X1 = Working Capital/Total Assets	0.26	0.02	0.05	0.08	0.02
X2 = Retained Earning/Total Assets	0.08	0.14	0.15	0.15	0.12
X3 = EBIT/Total Assets	0.16	0.22	0.13	0.20	0.12
X4 = Market Value of Equity/Total Liabilites	1.77	5.71	5.35	3.56	2.60
X5 = Sales/Total Assets	1.34	1.74	1.56	1.62	1.51
Z-Score	**4.95**	**8.12**	**7.35**	**6.14**	**4.16**

It is can be seen that the result of Z-score are good performance throughout 5 years and be considered as healthy firm because the result of those are higher than 3. By contrast, because the result of this model has downward trend over last 5 years, company should consider and take into the account those reason above in order to improve it better and avoid the bankruptcy probability

III. Springate model

Springate score is a model, used to evaluate the company's profitability of bankruptcy. It was created in 1978 by Gordon L.V. Springate, who continued developing the Altman Z-score model. However, the Springate score is still less popular model for bankruptcy predictions than Z-score model.

Since 2008, the results of Springate model are over indicator 0.862. It is concluded that the credit risk and default probability are controlled and company is temporary operating well.

	2008	2009	2010	2011	2012
X1 = Working Capital/Total Assets	0.26	0.02	0.05	0.08	0.02
X2 = EBIT/Total Assets	0.16	0.22	0.13	0.20	0.12
X3 = Pre-tax Profits/Current Liabilites	0.35	0.71	0.77	0.90	0.47
X4 = Sales/Total Assets	1.34	1.74	1.56	1.62	1.51
Z	**1.53**	**1.86**	**1.58**	**1.94**	**1.32**

IV. Rating model

	AAA	AA	A	BBB	BB	B	CCC
Oper. income (bef.D&A)/revenues (%)	22.2	26.5	19.8	17.0	17.2	16.2	10.5
ROC (%)	27.0	28.4	21.8	15.2	12.4	8.7	2.7
EBIT cover (x)	26.2	16.4	11.2	5.8	3.4	1.4	0.4
EBITDA cover (x)	32.0	19.5	13.5	7.8	4.8	2.3	1.1
FFO / TD (%)	155.5	79.2	54.5	35.5	25.7	11.5	2.5
FOCF / TD (%)	129.9	40.6	31.2	16.1	7.1	2.2	(3.6)
Disc. Cash flow/debt (%)	84.4	23.3	19.9	10.3	5.5	0.7	(3.6)
Debt / EBITDA (x)	0.4	0.9	1.5	2.2	3.1	5.5	8.6
Debt /debt plus equity (%)	12.3	35.2	36.8	44.5	52.5	73.2	98.9

Rating	2009	2010	2011	2012	Median
EBIT cover	AAA	BBB	AAA	BBB	AA
EBITDA cover	AAA	AA	AAA	BBB	AA
Funds from operation/Total Debt	AAA	AAA	AAA	AA	AAA
Free Operating cash flow/Total Debt	AAA	AA	AA	AA	AA
Operating income/Sales	CC	CCC	CCC	CC	CCC
Long-term debt/Capitalization	AA	AA	AA	AA	AA
Total Debt/Capitalization	AA	AA	AA	AA	AA

David Jones does not have any significant credit risk exposure to a single or group of customers or institutions. The company had 100% of its aggregate institutional credit risk spread over four counterparties, with a Standard & Poor's long term credit rating of AA to AAA. However, the company has substantial risk regarding the low performance sales to generate operation income in the last five years which could indicate a risk of default in long-term.

F. CONCLUSION

The company have a good business model, a strong balance sheet, low debt and solid cash flow. David Jones owns extraordinary properties in Australia; especially, in Sidney and Melbourne as well as a store card and credit card business. David Jones does not have any significant credit risk exposure to a single or group of customers or institutions as well as the debt is relatively low. Moreover, the company have well positioned store portfolio of 36 stores in metropolitan locations with attractive demographics. In addition the company has well-defined positioning in the Australian market with a strong service ethic and loyal customer base

. However, the revenues from ordinary activities went down (0.7%) the same period last year. Net operating cash flow was $114.32m compared to $150.84m last year. EPS were 13.9 cents compared to 16.4 cents last year. Over the next year, the return will depend on the developing of its own brand and the growth in online sales to expand the gross margins and to stimulate revenue growth through, and the control of escalating wage and lease expenses.

BALANCE SHEET

	Jul-08	Jul-09	Jul-10	Jul-11	Jul-12
Current Assets					
Cash & Marketables Securities	66,564,000	13,615,000	17,594,000	11,703,000	20,536,000
Accounts Receivable	414,980,000	25,942,000	22,750,000	19,637,000	16,389,000
Inventories	257,288,000	244,843,000	282,346,000	288,850,000	279,099,000
Other Current Assets	8,473,000	9,579,000	5,394,000	6,911,000	7,225,000
Total Current Assets	**747,305,000**	**293,979,000**	**328,084,000**	**327,101,000**	**323,249,000**
Non-Current Assets					
Financial assets (Investments)	798,000	12,000	12,000	12,000	12,000
Property, Plant & Equipment	1,008,910,000	1,067,998,000	1,138,033,000	1,204,152,000	1,212,438,000
Accumulated Depreciation	-338,223,000	-343,918,000	-376,468,000	-405,736,000	-395,006,000
Property, Plant and Equipment, Net	670,687,000	724,080,000	761,565,000	798,416,000	817,432,000
Intangibles Excluding Goodwill (software)	6,605,000	7,887,000	6,075,000	4,117,000	13,672,000
Goodwill	30,305,000	30,305,000	30,305,000	30,305,000	30,305,000
Deffered Tax Assets	73,910,000	69,590,000	68,483,000	54,410,000	55,833,000
Other Non-Current Assets	35,000	1,364,000	397,000	189,000	
Other Non-Current Assets	111,653,000	109,158,000	105,272,000	89,033,000	394,000
Total Non-Current Assets	**782,340,000**	**833,238,000**	**866,837,000**	**887,449,000**	**917,648,000**
Total Assets	**1,529,645,000**	**1,127,217,000**	**1,194,921,000**	**1,214,550,000**	**1,240,897,000**
Current Liabilities					
Accounts Payable	274,608,000	244,102,000	244,529,000	216,429,000	264,595,000
Short-term (S/T) Debt	**242,360,000**	**1,870,000**	**2,945,000**	**2,943,000**	**14,103,000**
Interest bearing liabilities					11,006,000
Current tax Liabilities					3,097,000
Other Current Liabilites	**86,565,000**	**58,262,000**	**65,826,000**	**46,761,000**	**27,600,000**
Total Current Liabilities	**603,533,000**	**304,234,000**	**313,300,000**	**266,133,000**	**306,298,000**
Long-term (L/T) Debt	270,000,000	100,000,000	101,000,000	129,000,000	125,000,000
Other Non-Current Liabilities	36,322,000	35,598,000	36,383,000	33,937,000	33,895,000
Total Non-Current Liabilities	**306,322,000**	**135,598,000**	**137,383,000**	**162,937,000**	**158,895,000**
Total Liabilities	**909,855,000**	**439,832,000**	**450,683,000**	**429,070,000**	**465,193,000**
Shareholders' Equity					
Share Capital (adjusted)	455,341,000	479,117,000	502,199,000	525,105,000	547,028,000
Reserves (adjusted)	35,460,000	55,748,000	66,734,000	74,647,000	74,362,000
Retained Profits	128,989,000	152,520,000	175,305,000	185,728,000	154,314,000
Total Equity	**619,790,000**	**687,385,000**	**744,238,000**	**785,480,000**	**775,704,000**
Total Liabilities and Shareholders' Equ	**1,529,645,000**	**1,127,217,000**	**1,194,921,000**	**1,214,550,000**	**1,240,897,000**

INCOME STATEMENT

	Jul-08	Jul-09	Jul-10	Jul-11	Jul-12
Sales	2,097,999,000	1,985,490,000	2,053,087,000	1,961,744,000	1,867,817,000
Cost of Sales	1,268,227,000	1,199,344,000	1,237,358,000	1,194,474,000	1,167,987,000
Gross Operating Income (Gross Profit)	**829,772,000**	**786,146,000**	**815,729,000**	**767,270,000**	**699,830,000**
Selling, General & Admn. Expenses	**644,952,000**	**580,030,000**	**574,465,000**	**530,210,000**	**551,036,000**
Emplyee benefits expenses	347,460,000	338,892,000	316,438,000	282,403,000	282,593,000
Lease and occupancy expenses	170,906,000	156,548,000	181,799,000	178,184,000	189,114,000
Advertising, marketing and visual merchandising ex	54,439,000	45,521,000	40,474,000	32,820,000	39,036,000
Administration expenses	34,028,000	20,399,000	20,390,000	20,800,000	26909000
Other expenses	38,119,000	18,670,000	15,364,000	16,003,000	13,384,000
Depreciation	41,544,000	43,979,000	43,812,000	45,876,000	51,949,000
Other net Income (No interest)	101,772,000	63,461,000	51,374,000	55,526,000	57,568,000
EBIT	**245,048,000**	**225,598,000**	**248,826,000**	**246,710,000**	**154,413,000**
(Other) Interest Income	5,745,000	1,077,000	268,000	401,000	347,000
Interest Expense	-41,178,000	-9,243,000	-7,063,000	-7,789,000	-10,938,000
Pre-Tax Income	**209,615,000**	**217,432,000**	**242,031,000**	**239,322,000**	**143,822,000**
Income Taxes	62,329,000	60,910,000	71,265,000	71,183,000	42,719,000
Net Income	**147,286,000**	**156,522,000**	**170,766,000**	**168,139,000**	**101,103,000**
Other comprehensive income:					
Gains on cash flow hedges			743,000	1,429,000	1,713,000
Transfer of realised gains on hedges to profit and loss			-1,117,000	-928,000	-1,621,000
Income tax on items of other comprehensive income			112,000	-150,000	-28,000
Total other comprehensive income/(loss)	**0**	**0**	**-262,000**	**351,000**	**64,000**
Total comprehensive income attributable to equity holders of the parent entity for the period	**147,286,000**	**156,522,000**	**170,504,000**	**168,490,000**	**101,167,000**
Dividends	114,765,000	132,990,000	145,438,000	157,716,000	132,517,000
Addition to Retained Earnings	32,521,000	23,532,000	25,328,000	10,423,000	-31,414,000

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