

PREMIER INVESTMENTS LIMITED

(A.C.N. 006 727 966)
(A.B.N. 64 006 727 966)

24 December 2009

CHAIRMAN'S ADDRESS

INTRODUCTION

The 2009 financial year has been a year of consolidation for Premier.

Consolidation in relation to the successful acquisition and integration of Australasia's largest specialty retail group – Just Group – which Premier assumed full ownership of in October 2008.

Consolidation also in relation to ensuring the continued strength of Premier's balance sheet and the financial capacity to enable us to deal with the challenges – and opportunities – presented by the global economic crisis.

At the time of our 2008 Annual General Meeting the world was very different.

Business and consumer confidence had been overshadowed, if not overwhelmed, by the effects of the financial crisis and an uncertain outlook.

At that time Premier had only very recently been transformed from a relatively passive 'cashbox' investor to an owner and operator of businesses, as evidenced by our new 100% ownership of a retail group with nearly 1000 stores and 6500 employees.

In my 2008 AGM address to you I said that no business would be immune from the effects of the crisis but the Board of Premier believed that we were in a relatively strong position to deal with the challenges.

I concluded my 2008 address with these words – “We will be working very hard to deliver outstanding returns to our shareholders.”

On behalf of your Directors it is with pleasure that we report back to you today on the 2009 financial year, which was indeed very challenging, but has also delivered outstanding returns to our shareholders.

On the day of our 2008 AGM Premier’s market capitalisation was \$422 million.

At close of business yesterday Premier’s market capitalisation is now \$1.25 billion.

Premier’s total dividends for 2009 also represented a 159% increase over the previous year.

These outcomes have of course been made possible by the recovery in the equity markets but for Premier they have also been underpinned by the successful acquisition of Just Group, its solid operating performance during a very difficult year for retail and your Board’s commitment to prudent financial management.

Given this performance the description of 2009 as a year of consolidation might appear to be somewhat understated. But it does describe the very considered and deliberate approach which has been pursued by your Directors.

For 2010 and beyond we have now built a solid platform for growth.

PREMIER – 2009 FINANCIAL OVERVIEW

Let me turn now to an overview of Premier's 2009 accounts.

The key to understanding these numbers is the recognition that they represent the first time in which Just Group's performance is directly reflected in Premier's accounts.

The transformation of Premier can clearly be seen in the Income Statement and Balance Sheet.

The 2009 profit of \$82.7 million was an increase of 98% over 2008.

Earnings per share of 62.4 cents was an increase of 35% over the previous year.

Our 2008 profit was mainly attributable to interest earned on cash on deposit – albeit at a time when interest rates were relatively high and cash was king.

Our 2009 profit is significantly different with the majority of earnings being generated from the Just Group business.

The Premier balance sheet also changed significantly. The prior year's balance sheet consisted mainly of our cash holdings, the investment in Breville Group and tax liabilities.

This year's balance sheet reflects an operating business with stock, plant and equipment and trade creditors. Our assets also include the strong cash reserves of \$329 million, the investment in Breville, the intangible asset relating to the Just acquisition and Just Group's core debt. During the year this core debt and working capital facilities were refinanced through to 2012.

Our equity reserves and number of shares on issue also increased over the year due to new shares issued as a part of the Just Group acquisition and also as a result of our dividend reinvestment plan.

Our balance sheet remains extremely strong and is a key strength of our business as we pursue growth and investment opportunities.

JUST GROUP – 2009 OVERVIEW

As I have said, at the time of taking control of Just Group the financial markets were extremely volatile and consumer confidence was falling.

In a corporate sense these factors provided opportunity for Premier, in an operational sense we needed to deal with the environment we were in.

The Premier Board's view was that the combination of strong brands and quality management - partnered with the experience of our

Board in dealing with all stages of the retail cycle - would best enable the Group to deal with the challenges.

The Board and management established a short term strategy designed to ensure profitability could be sustained through this period, including taking immediate steps to reduce our cost base.

A strategic review was also conducted having regard to both the immediate circumstances and the longer term opportunities to strengthen the brands.

One outcome was to close the Peter Alexander retail business in the USA. This decision was not made lightly but focused on protecting value for our shareholders. Adequate onerous lease provisions were made for this at the time of the acquisition so there was no impact on the Premier Group income statement.

Increased focus was also placed on Just Jeans and Portmans. The performance of Just Jeans in the second half was very pleasing and this has continued. Portmans is yet to deliver and remains a priority.

However, during downturns opportunities arise. We were able to open 27 new Smiggle stores as well as 14 new Dotti stores. Both of these brands have been trading strongly and contribute well to Group profitability and future prospects.

EBITA for the year was up 3% on the prior year, at \$95.3 million, exceeding the expectation I provided to you last year. This performance, in light of the very difficult market conditions, was highly credible.

At this point I would like to again acknowledge and thank the Just Group management team, led by Jason Murray, the Just Group Board and all of our team members for their commitment and contribution over this first year of new ownership.

PREMIER'S COMMITMENT TO SHAREHOLDERS

The Premier Board recognises that we have responsibilities to all of our stakeholders, including our employees, customers, suppliers and the broader community.

We also fully understand that our business would not exist without our shareholders – the owners of the company who have invested at risk funds and expect that their investment is well managed to be both secure and profitable.

We believe that our actions in 2009 reflect this understanding.

The attached slide shows the strong growth in dividends over the past 7 years.

In 2009, in line with our dividend policy, we declared 35 cents per share in fully franked ordinary dividends. The Board also declared special dividends totalling 40 cents per share.

Accordingly, total dividends per share in 2009 were 75 cents fully franked.

The Board also established a Dividend Reinvestment Plan enabling shareholders to reinvest some of their dividends, should they

choose, in order to acquire additional shares in Premier with no brokerage or transaction costs.

The DRP was fully underwritten thereby guaranteeing our substantial cash reserves were preserved.

The Board's decisions in relation to capital management reflect the balance between rewarding our shareholders following strong performance and the need to maintain strong cash reserves to enable the company to capitalise on both organic and acquisitive value generating opportunities as they arise.

Your Directors are particularly pleased that Premier is in the position to reward shareholders at a time when other companies have needed to take such actions as diluting existing equity interests or reducing dividends.

2010 PRIORITIES

The foundation for growth in 2010 and beyond draws from Premier's three core pillars of strength and competitive advantage.

First, as the owner of a suite of strong retail brands – which serves to minimise downside risk through segmented product offers and broad demographic coverage – supported by the benefits of group scale, industry leadership in logistics and supply arrangements and a strong management team.

Second, no net debt and substantial cash reserves. This places Premier in a strong position relative to other potential buyers of retail related assets in Australia and elsewhere at this time. Ideally

potential acquisitions will deliver synergies with Just Group, however, we will look at any acquisition in the retail/wholesale sectors that the Board considers will create long-term value for shareholders.

Third, we have an exceptional group of people on the Premier Board with deep experience of all aspects of business related to the retail sector who will partner with strong management and operational teams.

A key priority for Premier in 2010 is to seek continued improvement and enhanced returns from our Just Group investment.

At the end of our first year of ownership we are very pleased with the acquisition, notably the quality of management and the strength of the brands.

That having been said, the Premier Board strongly believes that we have not yet delivered the full potential of Just Group.

We intend to work very closely with Just Group management to strengthen the market position of each of the brands and leverage higher returns through the benefits of scale and the industry benchmark 'retail machine'.

The growth strategy for each brand will be different – for example, Dotti, Smiggle and Peter Alexander have substantial scope for further store rollouts – but the objective for each brand is the same. To become stronger and more profitable.

A key focus will be the turnaround of Portmans.

New appointments are being made as a part of this process for the Group. For example, we are very pleased to welcome Simon Ratcliffe to the Senior Executive team as the Just Group Operations Director. Simon was formerly Supply Chain and Logistics Director for the large UK retailer, Marks & Spencer, and has now moved to Melbourne to take up this important role.

Acquisitions will also be a priority in the coming year.

We have looked at a number of opportunities very closely and continue to do so however none have proven to be compelling.

I have said previously that Premier is not in the business of pursuing growth for its own sake in order to give the appearance of activity and the promise of blue sky.

We will be very disciplined and any acquisition will need to be consistent with our focus on the creation of long-term shareholder value.

With that very clear qualification, I think that it is more likely than not that we will have another business at this time next year.

Separately, in relation to our Breville investment I am only able to say at this point that the Premier Board is considering it's position.

Breville has been a long-standing investment, it has been a successful investment for Premier, and we know the company and the space it operates in very well. Unlike other substantial shareholders of Breville we were not approached by GUD prior to the announcement of the takeover offer and we intend to wait for

all relevant information to be available before making a decision that will be in the best interests of Premier shareholders.

OUTLOOK

Let me now turn to the Board's view of the general economic outlook and current trading for Just Group.

The Board remains extremely cautious in relation to the international economic outlook.

There is absolutely no certainty that the effects of the global economic crisis are now behind us, notwithstanding the strength of global equity markets including our own.

The United States and the major European countries confront very substantial challenges in relation to their economies including rising unemployment, access to capital and liquidity generally, asset valuations and the levels of public and private debt.

China has proven to be amazingly resilient which has been of immense importance to Australia.

In Australia we have been both lucky – due to our extraordinary endowment of raw materials and China's continued strong demand through the crisis – and we have also made our own luck.

By this I mean the relative strength of the Australian economy at the beginning of the crisis including a budget in surplus and our low level of public debt. A strength which was then able to be enhanced through early and strong government stimulus measures.

In the absence of external shocks our outlook for Australia is one of cautious optimism.

For retailers, anticipated further increases in interest rates are never welcome (especially at Christmas) however we also recognise that the real issue for retailers is the strength of the underlying economy and employment – having people in jobs, earning wages and spending in our stores.

The apparel retail market is currently extremely competitive with significant discounting on the part of some of our competitors who are attempting to buy sales through lower margins.

While that is clear evidence of poor retail practice and management it is nonetheless a reality.

Our business and brands are well managed but must operate within market realities.

That has meant lower levels of group sales than we would otherwise enjoy – but we have not been prepared to chase sales at the expense of margin.

After seventeen weeks of trading our total sales year to date have increased by 6.7% with like for like sales being 2.7% higher than last year. We consider this to be a credible performance in the current market environment.

Consistent with the past practice of Just Group the Premier Board does not intend to provide specific earnings guidance at the time of

our AGM. In 2008 the Premier Board did provide AGM earnings guidance for Just Group given the transforming effect the Just acquisition would have on the Premier accounts. The guidance was an anticipated 10% fall in Just Group EBITA. The actual result was a 3% increase on the prior year. While the better than expected performance was positive it does highlight the inherent problems involved in providing accurate full year forecasts for a retail business at such an early stage of the year and prior to the critical trading period of Christmas and the January sales.

The Premier Board is however confident of increased EBITA growth in FY2010 in line with current market expectations.

ENHANCED PREMIER BOARD

Before I make some very brief concluding remarks and proceed with the Agenda, it is with pleasure that I acknowledge the presence today of Tim Antonie, one of the 2 new Directors who will join the Premier Board in December.

Tim has had a very distinguished professional career, most recently as a Managing Director of UBS Australia. He has formal qualifications in accounting and a professional background in investment banking with a very strong knowledge of consumer and retail related businesses.

The other Director, who will join the Board as an independent director in December, is Dr David Crean. Dr Crean sends his apologies today – he is the Chairman of Australia's largest renewable energy business, Hydro Tasmania, and he is chairing a meeting of that Board today. Dr Crean is also a former Treasurer of

the state of Tasmania with a strong knowledge of both business and regulatory affairs.

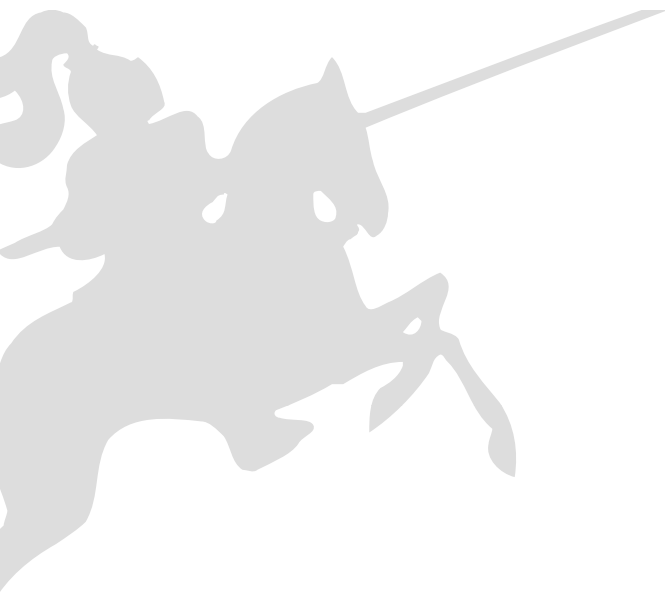
The Board has been through an exhaustive and lengthy selection process and we are delighted to have Tim and David joining us shortly.

CONCLUSION

Your Directors believe that the strategy we have pursued – a company transforming acquisition, a period of consolidation at a difficult time for business, together with prudent financial management and the preservation of substantial cash reserves – now has Premier exceptionally well positioned for future growth.

In conclusion I thank you, our shareholders, for your continued support.

I would also like to thank my fellow Directors for their considerable contribution over the past year which has seen Premier positioned strongly for growth and also enabled Premier's long-term and new shareholders to be substantially rewarded.



AGM

24 November 2009

Just Jeans

JACQUIE



portmans

peteralexander

dotti



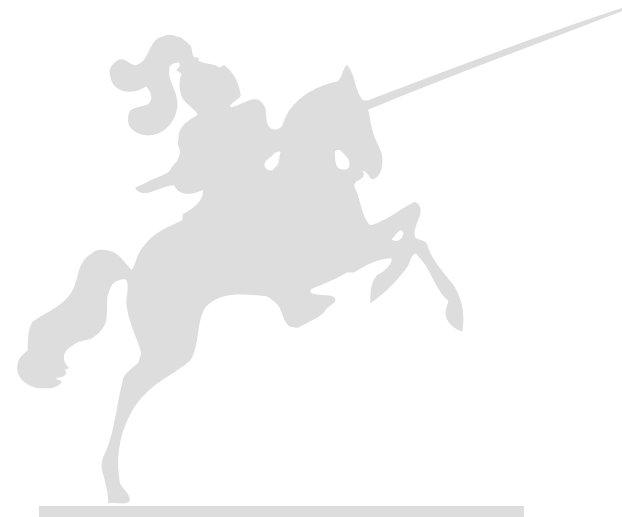
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Agenda

1 Chairman's Address

2 Resolutions



Just Jeans

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Jay Jays

portmans

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1 Chairman's Address



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Premier— Consolidated Income Statement




\$000's	Consolidated period 1 July 08 – 25 July 09	12 mths ended 30 June 2008
Premier Revenues (ex Just Group)	25,465	64,377
Premier Expenses (ex Just Group)	(3,374)	(3,106)
Just Group EBIT	95,186	-
Finance Costs	(9,094)	(1,792)
Underlying Profit before income tax	108,183	59,479
FX Accounting benefit due to acquisition accounting	2,449	-
Reported Profit before income tax	110,632	59,479
Income tax expense	(27,883)	(17,697)
Net profit	82,749	41,782
Earnings per share (cents / share) ¹	62.44	46.33
Ordinary and Special Dividend per share (cents / share)	75.00	29.00

¹ based on weighted average shares on issue

-  Premier NPAT up 98%
-  Earnings per share up 35%
-  Greater than expected contribution from Just Group in difficult market reaffirms the resilience of the Just Group portfolio

Premier—Summarised Consolidated Balance Sheet

\$000's	25 July 2009	30 June 2008
Assets		
Cash and cash equivalents	328,670	790,341
Inventories	69,574	-
Plant and Equipment	73,309	-
Other Assets	36,162	6,658
Available-for-sale financial assets	28,705	36,727
Intangible Assets	850,076	-
Total Assets	1,386,496	833,726
Liabilities		
Interest bearing loans and borrowings	95,703	79
Trade payables, provisions and other liabilities	136,766	23,837
Total Liabilities	232,469	23,916
Equity		
Contributed equity	549,208	205,149
Reserves	(5,056)	877
Retained earnings	609,875	603,784
Total Equity	1,154,027	809,810

-  Premier's strong balance sheet gives it capacity and flexibility to pursue growth and investment opportunities
-  Contributed equity and number of shares on issue increased due to shares offered as part of Just Acquisition and DRP of interim dividend
-  Just Group's core debt and working capital facilities have been refinanced until 2012

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smiggle

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FY09 Year in Review

	1 st Half	2 nd Half
Economy	<ul style="list-style-type: none"> • Volatile & uncertain • Consumer confidence low 	<ul style="list-style-type: none"> • Improving, with assistance from Gov't stimulus • Consumer confidence rising
Focus Areas	<ul style="list-style-type: none"> • Transformation of Portmans • Reclaiming Just Jeans iconic position as a denim destination • Maximising customer conversion • Securing additional stores for Dotti and Smiggle • Cost control • Peter Alexander USA 	<ul style="list-style-type: none"> • Portmans transformation begun with new leadership and team established. • Just Jeans performance pleasing, with market share growth • Focus on customer conversion paying dividends, with total LFL sales up 2.0% • 11 Smiggle and 9 Dotti stores opened • Reduced CODB* as a % of sales • Peter Alexander USA stores closed
Results	<ul style="list-style-type: none"> • Mixed results by brand • EBITA \$55.9m*, 13% below LY* 	<ul style="list-style-type: none"> • Just Jeans, Jay Jays, Dotti & Smiggle deliver excellent results • Portmans results very disappointing • EBITA \$39.4m*, 39% up on LY*

***Notes:** Results exclude Peter Alexander USA (fully provided for by Premier upon acquisition of Just Group) in FY09 and FY08 and takeover defence costs in FY08. CODB includes rent, salaries and other costs of doing business.

Just Group Key Operating Metrics

		FULL YEAR		
		2009	2008	CHANGE
Stores (year end)	No.	926	885	+41
Retail Space	Sqm	134,325	129,356	+3.8%
Sales	\$'000's	844,853	812,846	+4.0%
LFL sales growth	%	-1.6%	-0.3%	
Gross Profit margin	%	59.3%	59.5%	-21bps
EBITDA	\$'000's	120,689	116,240	+3.8%
EBITA	\$'000's	95,339	92,558	+3.0%
EBITA margin	%	11.3%	11.4%	-11bps
PBT	\$000's	86,104	81,209	+6.0%
Stockturn (annualised)	times	5.4	5.5	-0.1
Capital Expenditure	\$'000's	28,971	30,395	-1,424

Notes: Results exclude Peter Alexander USA (fully provided for by Premier upon acquisition of Just Group) in FY09 and FY08 and Just Group takeover defence costs in FY08. Sales and gross margin exclude sales to Associate.

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Just Jeans

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portmans


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dotti

smiggle

Commitment to Shareholders

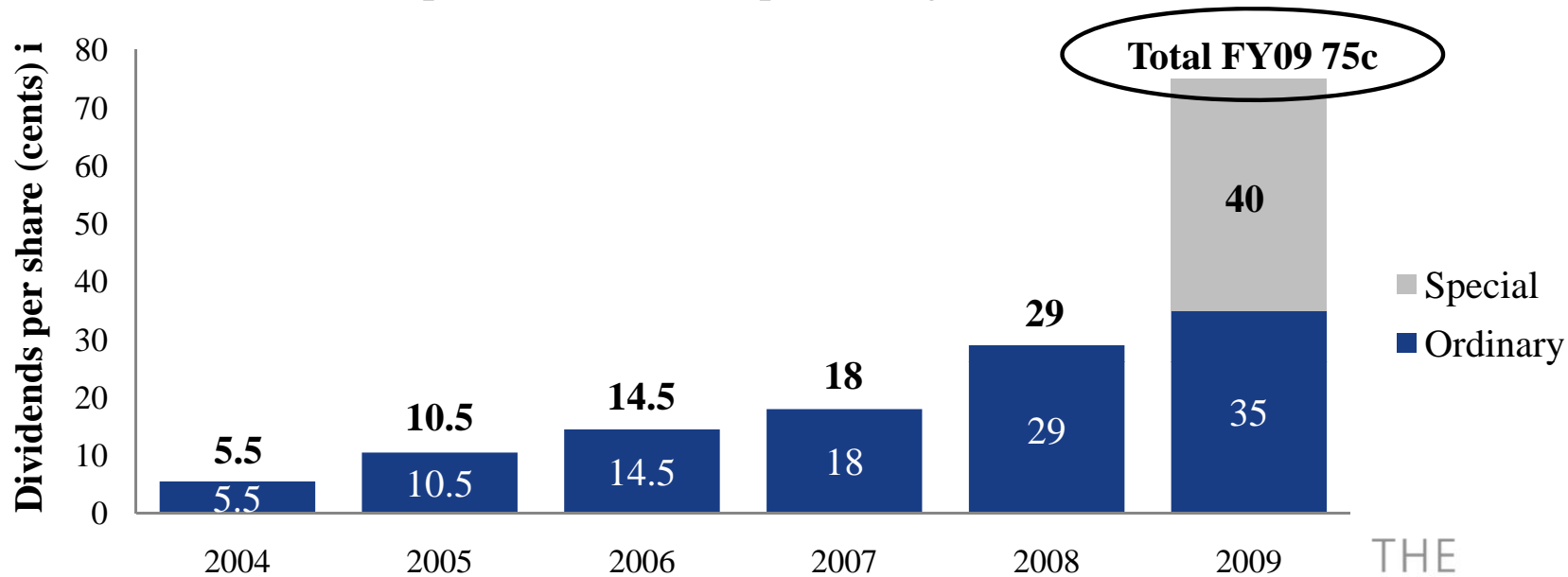
Committed to delivering value to shareholders:

-  Total FY2009 dividends of 75 cents per share (FY2008: 29c per share)
 - Fully franked ordinary dividends of 35 cents per share
 - Fully franked special dividends of 40 cents per share

 DRP introduced

Dividends and Capital Management

- The dividends paid to shareholders have steadily increased over the past 7 years.
- This year's dividends have continued to reward Premier Shareholders with real wealth creation, with the special dividends representing additional return for shareholders



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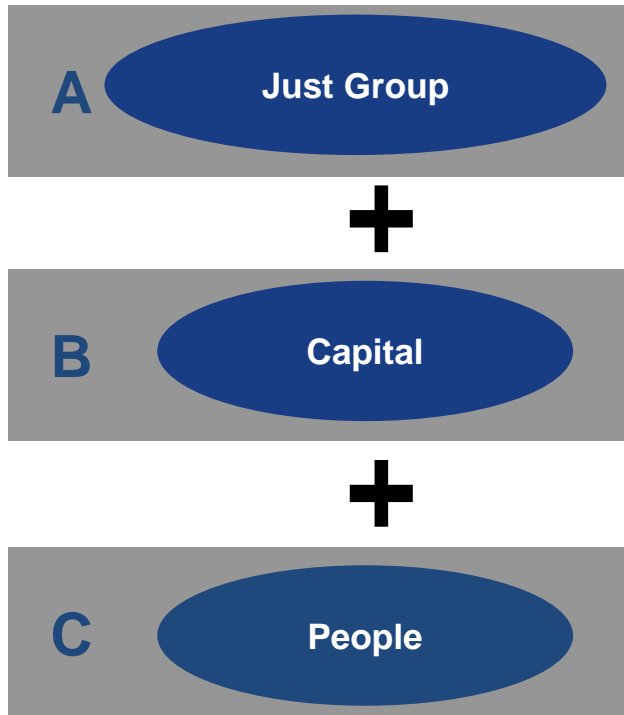
smiggle

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Premier Vision

Premier's 3 core pillars of strength work together to create sustainable value



- ✦ A quality retailer with a balanced portfolio of brands and a scalable business model

- ✦ Approximately \$329 million cash (at year end) available to invest in opportunities which leverage Premier's expertise and ideally deliver synergies with Just Group. Premier will only consider options that create long term value for shareholders

- ✦ Seasoned professionals on the Board with expertise across the retail spectrum and throughout the economic cycle

Premier aspires to leverage its expertise and capital position to deliver value to shareholders, employees, customers and other stakeholders



2010 Priorities

-  Growth and improved returns from each Just Group brand
-  Acquisitions

Just Jeans

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portmans

peteralexander

dotti






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Outlook

Outlook: encouraging signs but cautious view

-  Current retail environment appears to be gaining strength, although we believe it is too early to confidently state that the worst is behind us
-  Unemployment rates in Australia are still below levels many experts predicted, indicating the Australian market is possibly more isolated from the financial crisis than originally expected
-  However, we continue to be cautious: closely monitoring any future increases in unemployment; risks associated with housing valuations; and increases in interest rates

Just Group - Current Trading

 Just Group trading for the first 17 weeks

- Total group retail sales up 6.7%
- Total like for like store sales up 2.7%

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Premier Investments



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Agenda

1 Financial and operational review

2 Resolutions



Resolutions

- 1 Remuneration report
- 2 Election of director

