

Premier Investments Limited

2011 Interim Results

25 March 2011



Just Jeans

JACQUIE



portmans

peteralexander

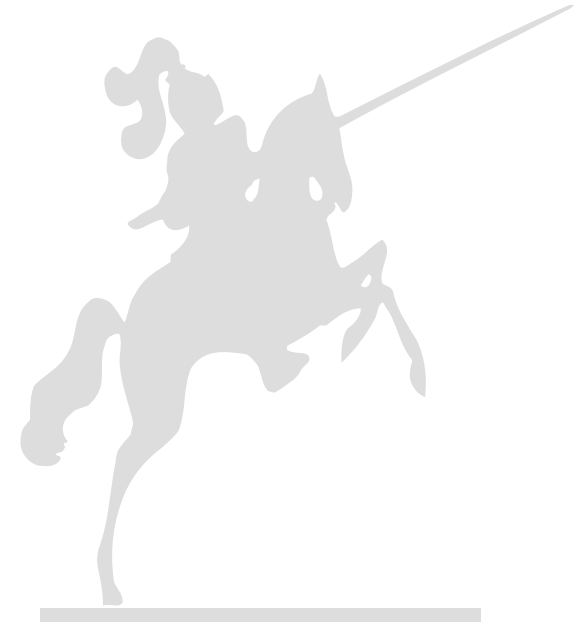
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- 1 Highlights
- 2 Financial results
- 3 Just Group performance
- 4 Dividend and capital management
- 5 New retail leadership
- 6 Outlook
- 7 Additional financial and operational information



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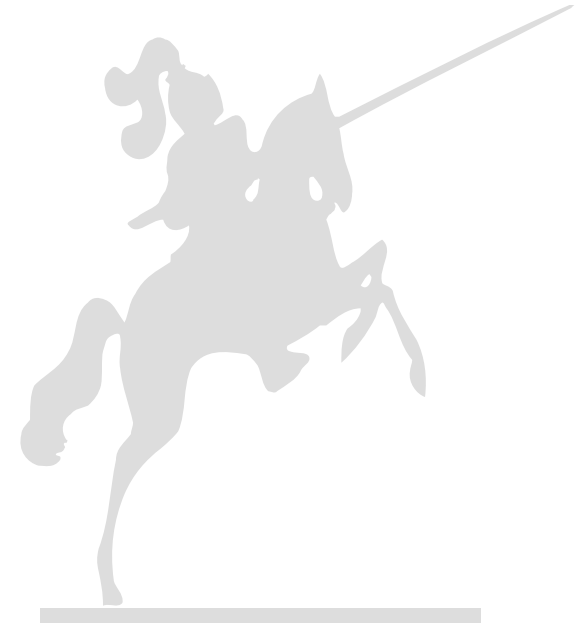
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1 Highlights



Profit result

- NPAT—\$39.4m
- EPS—25.4 cents per share



Shareholders rewarded

- Interim fully franked dividend of 18cps
- Greater than 70% payout ratio



Positioned for future growth

- New retail leadership
- International expansion of Smiggle Brand starting in Singapore with first store opening in April
- Exploring other opportunities arising from current retail environment using Premier's substantial cash reserves



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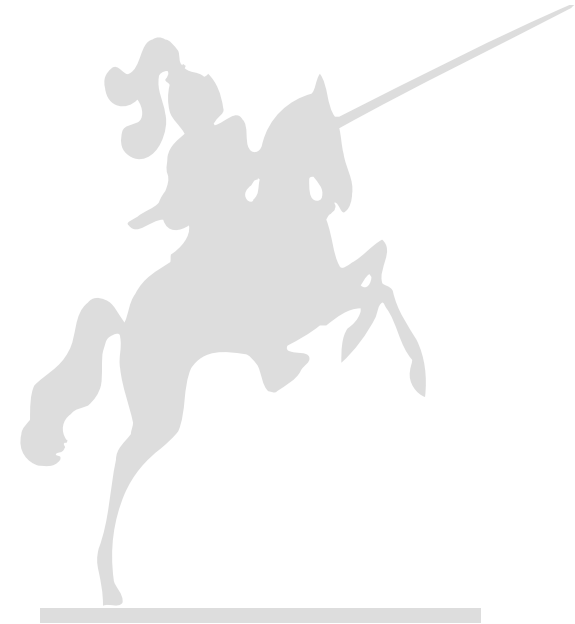
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2 Financial Results



Key Premier performance metrics:

- Group NPAT for 1H2011 of \$39.4m
- EPS for 1H2011 of 25.4c per share



Comparison between 1H2011 and 1H2010

- 1H2011 comprised 26 weeks; 1H2010 comprised 27 weeks
- As announced at time of release of FY2010 results, PMV changed depreciation rates in terms of accounting standards
- These two impacts offset each other at the EBIT level



Just Group contribution to Premier performance:

- Sales for 1H2011 of \$458m flat on last year on a 26 week comparative basis
- Just Group EBIT of \$52.5m, down 12.9% on pcp



Premier's Investment Income up 45% on pcp

- Higher interest rates on cash reserves
- Strong dividend income from investment in Breville Group



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2 Premier—Consolidated Income Statement

\$m's	26 Weeks to 29 Jan 2011	27 Weeks to 30 Jan 2010
Premier Revenues (ex Just Group)	10.0	6.9
Premier Expenses (ex Just Group)	(1.9)	(1.9)
Just Group EBIT	52.5	60.2
Finance Costs	(4.4)	(4.0)
Profit before income tax	56.2	61.2
Income tax expense	(16.8)	(18.8)
Net profit	39.4	42.4



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2 Premier—Summarised Consolidated Balance Sheet

\$m's	29 Jan 2011	31 Jul 2010
Assets		
Cash and cash equivalents	301.3	316.6
Inventories	72.8	71.7
Plant and equipment	91.5	91.2
Other assets	29.7	36.3
Available-for-sale financial assets	108.9	72.8
Intangible assets	854.3	854.2
Total assets	1,458.5	1,442.8
Liabilities		
Interest bearing loans and borrowings	103.3	100.5
Trade payables, provisions and other liabilities	126.4	129.8
Total liabilities	229.7	230.3
Equity		
Contributed equity	608.6	608.6
Reserves	47.8	27.5
Retained earnings	572.4	576.4
Total equity	1,228.8	1,212.5

-  Premier has maintained its strong cash position
-  Just Group's core debt up mainly due to the final payment for Smiggle earn out
-  Inventories remain in a strong position
-  Breville's continued improving share price evident in the higher available for sale assets



2 Premier—Consolidated Cash Flow Statement

\$m's	26 Weeks to 29 Jan 2011	27 Weeks to 30 Jan 2010
Net cash flows from (used in) operating activities	56.8	60.2
Net capital expenditure	(13.3)	(16.8)
Payment for the settlement of Smiggle deferred payable	(18.4)	—
Net cash flows used in investing activities	(31.7)	(16.8)
Net movement in borrowings	3.0	(20.1)
Net equity dividends paid and DRP	(43.5)	(26.6)
Net cash flows used in financing activities	(40.5)	(46.7)
Net decrease in cash and cash equivalents	(15.4)	(3.3)
Cash and cash equivalents at beginning of period	316.6	328.5
Cash and cash equivalents at end of period	301.2	325.2



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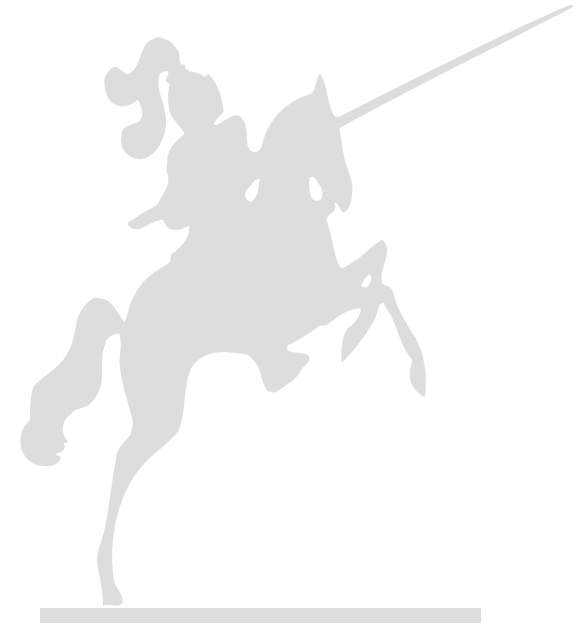
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Half Year Results FY11

25 March 2011



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Overview of Results

- Total sales decreased by 3.0% (flat on 26 weeks basis*) to \$458.4m
- LFL sales down 5.1% (Aust -4.5%; NZ -5.8% in NZD)
- Gross margin increased by 260bps with reduced markdowns in Portmans and Jacqui E and some of the benefits captured from the stronger AUD & NZD and lower import duties in Australia
- Ongoing focus on cost savings to mitigate impact of LFL sales decline
- EBITA of \$52.5m, down 12.9% on LY (down 12.9% on 26 week basis*)
- Portmans transformation is on track
- Unisex brands (Jay Jays & Just Jeans) most difficult in a tough market
- Growth focus remains with Smiggle and Peter Alexander

* Last year included 27 weeks (this year 26 weeks) and a change to the depreciation rates in July 2010. The net effect of these two non-comparable items is minimal on the reported EBITA in 1H10. Sales in 1H10 were 3.0% higher due to the additional week.



Just Group – Summary Result

\$'000's	1H11	1H10	Var
Sales	458,385	472,693	-3.0%
LFL sales*	-5.1%	+1.1%	
Gross Profit**	284,206	280,791	
Gross margin (%)**	62.0%	59.4%	260bps
Salaries	(103,439)	(100,165)	+3.3%
	22.6%	21.2%	138bps
Rent	(88,611)	(82,057)	+8.0%
	19.3%	17.4%	197bps
Advertising & Direct Marketing	(7,063)	(5,975)	+18.2%
	1.5%	1.3%	28bps
Depreciation & Impairment***	(10,738)	(12,964)	-17.2%
	2.3%	2.7%	-40bps
Other CODB	(26,660)	(24,196)	+10.2%
	5.8%	5.1%	70bps
Other income	3,509	4,381	-19.9%
Share of JV Profit	1,315	495	
EBITA	52,519	60,310	-12.9%
	11.5%	12.8%	-130bps
Amortisation	(23)	(72)	
EBIT	52,496	60,238	-12.9%
Borrowing Costs	(4,422)	(3,959)	11.7%
Profit before tax	48,074	56,279	-14.6%

Notes:

* LFL based on same 26 weeks in 1H10

** Gross profit adjusted to exclude sales to South Africa JV

*** Depreciation expense in 1H10 is overstated by approx \$2.5m due to the change to depreciation rates in July 2010

- Challenging first half
 - LFL sales down 5.1%
 - EBITA down 12.9%
- Retail sales generally weak in Australia and New Zealand
- Gross margin improved by 260 bps despite heavy discounts in market with some of the benefits of a stronger AUD and lower duty retained.
- Cost control a key focus but remain under pressure
- South Africa JV sales and profits growing



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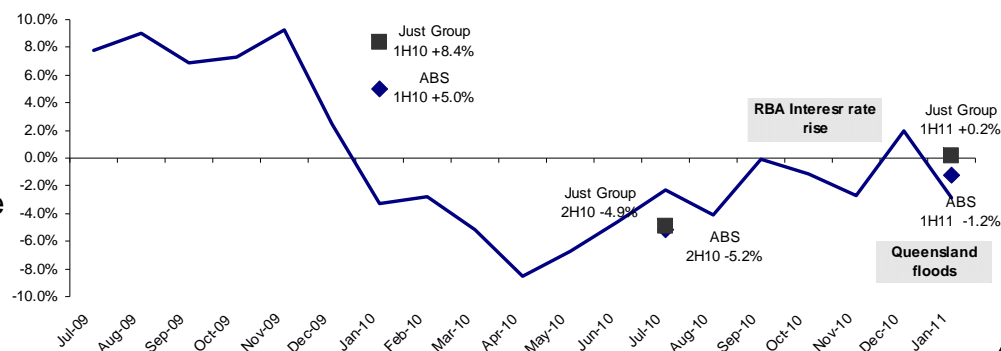


Geographic Summary

- Total sales up 0.2%
- LFL sales down 4.5%
- Australian consumer remains cautious, with declining spend on clothing (ABS clothing sales down 1.2% for last 6 months)
- Q2 sales significantly affected by Nov interest rate rise and Queensland floods (80 stores closed at the peak of the disaster)
- Gross margins and profitability supported by stronger AUD and cost reductions

Australia

Sales - Clothing % movement on prior year comparable month



Source: ABS Retail Statistics, Jan 2011

- Total sales up 2.5% (down 1.4% in AUD)
- LFL sales down 5.8% (down 9.5% in AUD)
- Tough trading conditions cycling strong prior year (LY LFL sales +8.3%)

New Zealand

- Christchurch earthquakes affected sales in September and February – consumer confidence fragile
- Recent interest rate reduction is supportive of consumer spending, but economy will be challenged by Christchurch rebuild

- Total sales up 27.6%
- LFL sales up 2.2% (LY +15.6%)
- Net 12 stores opened in the half
- 54 Jay Jays stores now operating

South Africa

- Key store locations now mostly secured
- Business well positioned in a generally weak, but recovering consumer environment



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Just Jeans

- Total sales down 5.6%*
- Held share in a tough unisex market whilst cycling strong H1 in 2010
- 256 stores at end of half

* LY sales adjusted to same 26 weeks



Jacqui E

- Total sales down 3.8%*
- Margins and costs well controlled despite sales decline, with profit contribution greater than corresponding H1
- 108 stores at end of half

* LY sales adjusted to same 26 weeks



Jay Jays

- Total sales down 10.6%*
- Challenging season in a tough and deflationary unisex market
- ‘Fashion at Value’ positioning remains strong with unit volumes up over prior H1
- 243 stores at end of half

* LY sales adjusted to same 26 weeks



Dotti

- Total sales up 9.1%*
- Disappointing season following strong growth in prior years
- 6 stores opened in the half, including 3 stores previously trading as Portmans and 1 previously trading as Peter Alexander
- 116 stores at end of half

* LY sales adjusted to same 26 weeks



Portmans

- Total sales up 5.3%*
- Transformation is progressing to plan
- 10 stores closed in the half
- 118 stores at end of half

* LY sales adjusted to same 26 weeks



Peter Alexander

- Total sales up 23.7%*
- A strong season driven by solid growth from the existing business, renewed growth from the on-line channel and successful store openings
- 6 stores opened during the half, including 3rd store in Sydney CBD and Charlestown (key regional centre)
- 39 stores at end of half

* LY sales adjusted to same 26 weeks



Smiggle

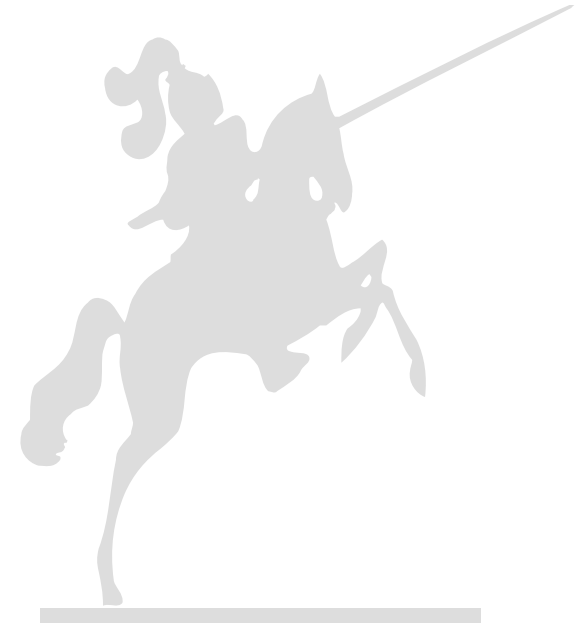
- Total sales up 24.8%*
- 6 stores opened during the half with continued strong growth and customer connection
- 98 stores at end of half in Australia & New Zealand
- First stores to open in Singapore in April/May 2011, with up to 5 stores to open within 6 months
- Attractive market
- Premium sites
- Low operational complexity

* LY sales adjusted to same 26 weeks





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4 Dividends and capital management

-  Premier's Board continues to focus on rewarding shareholders whilst maintaining sufficient cash reserves to invest in growth
-  Premier's Board has declared an interim fully franked dividend of 18cps
 - This represents a payout ratio of over 70%—higher than the company policy of 65%
 - Premier will continue to actively focus on capital management, in doing this the Board will take into account any opportunities identified by the new management



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5 New Retail Leadership

-  Mark McInnes appointed CEO Premier Retail from 4 April 2011
 - Mandate to pursue growth opportunities for Premier Retail
 - Will assume direct responsibility for Just Group as a member of Just Group Board and CEO to drive improved performance and growth
-  Proven record as one of Australia's most successful retailers with a track record of operational improvements and value creation for shareholders
-  Jason Murray will cease his employment with the company from today under the terms of his contract



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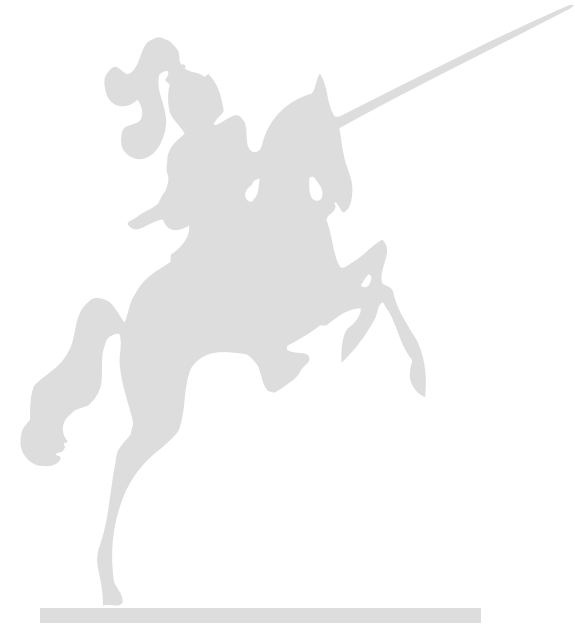
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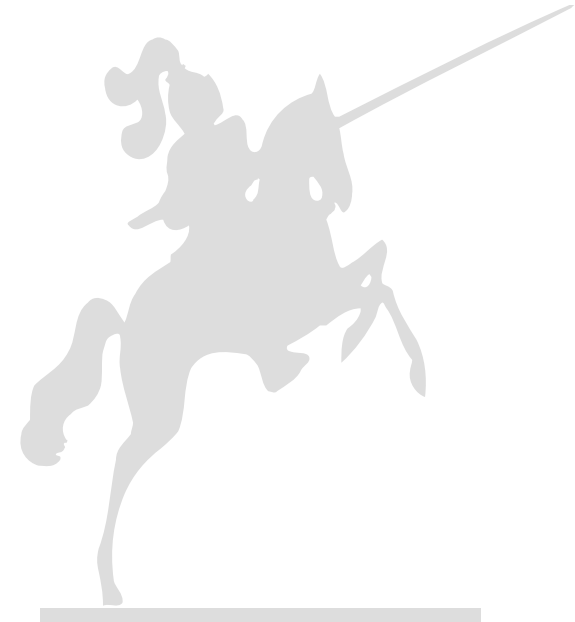
6 Outlook

-  Like other Australian and New Zealand retailers, Premier is operating in an extremely challenging retail and macro-economic environment
 - Natural disasters and cost of living increases dampening consumer sentiment, extensive discounting and supply cost increases
-  Premier's focus has been on managing the businesses through the cycle this period and it now is likely that Just Group EBITA for FY11 will be in the range of \$80 million to \$85 million
-  Going forward, despite caution regarding 2H11, Premier is optimistic that its retail businesses can produce strong earnings for shareholders under the new leadership of Mark McInnes through
 - Improvements in all brands with a continued focus on retail fundamentals
 - Investment in online platforms
 - International expansion of Smiggle
 - Continuing the improvements in Portmans
 - Taking advantage of opportunities that may arise in the current retail environment to use Premier's substantial cash reserves



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Additional Information

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Just Group – Key Operating Metrics

		H1 2011	H1 2010	
Stores (end)		979	958	
Sales	\$'000's	458,385	472,693	-3.0%
LFL sales growth	%	-5.1%	1.1%	
Gross Profit margin	%	62.0%	59.4%	+260bps
EBITDA	\$'000's	63,257	73,274	-13.7%
EBITA	\$'000's	52,519	60,310	-12.9%
EBITA margin	%	11.5%	12.8%	-130bps
PBT	\$'000's	48,074	56,279	-14.6%
Stockturn (annualised)	times	4.9	5.3	-0.4
Capital Expenditure	\$'000's	13,122	16,734	-21.6%
Return on Capital Employed (ROCE)	%	39.2%	54.8%	-15.7%

Note:

1H10 included an additional week; sales in 1H11 were 3.0% higher due to the additional week.



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Just Group – Sales & Stores

	2011 1st Half			
	Stores	Sales A\$'000's	Growth* %	Adj Growth* %
Just Jeans	256	107,274	-8.7%	-5.6%
Jay Jays	243	120,011	-13.2%	-10.6%
Portmans	118	55,148	+1.5%	+5.3%
Jacqui E	108	43,342	-6.7%	-3.8%
Dotti	116	53,594	+6.0%	+9.1%
Peter Alexander	39	38,274	+20.0%	+23.7%
Smiggle	98	40,743	+21.1%	+24.8%
Group	1			
TOTAL GROUP	979	458,385	-3.0%	0.0%
Jay Jays South Africa	54	16,394	27.6%	+27.6%

Note:

* 1H10 included an additional week; sales on an adjusted basis are for same 26 weeks



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Just Group – Store movements

As at 29 January 2011

	Stores Beg	Openings 1H11	Closures 1H11	Stores End	Change in stores
Just Jeans	259	0	-3	256	-1.2%
Jay Jays	249	2	-8	243	-2.4%
Portmans	128	1	-11	118	-7.8%
Jacqui E	106	3	-1	108	+1.9%
Dotti	110	7	-1	116	+5.5%
Peter Alexander	33	6	0	39	+18.2%
Smiggle	93	6	-1	98	+5.4%
Group	1	0	0	1	0.0%
GROUP TOTAL	979	25	-25	979	0.0%
Jay Jays South Africa	42	13	-1	54	+28.6%
Smiggle Franchise stores	3	0	0	3	0.0%
Total	1,024	38	-26	1,036	+1.2%
Australia	813	21	-22	812	-0.1%
New Zealand	166	4	-3	167	+0.6%
South Africa	42	13	-1	54	+28.6%
Franchise	3	0		3	
	1,024	38	-26	1,036	+1.2%



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