Premier Investments Limited

2011 Final results

19 September 2011

PREMIER INVESTMENTS LIMITED
A.C.N. 006 727 966

THE JUST GROUP

Agenda

1. Financial results
2. Premier Retail Division (The Just Group) performance
3. Premier Retail Division trading outlook
4. Dividend and capital management
5. Additional financial and operational information

1 Financial results

- Group profit
  - Underlying profit before tax (before one off costs) of $73.3 million, in line with recent profit guidance
  - Underlying profit after tax of $51.5 million
  - Reported profit after tax of $40.5 million
- Comparison between FY2011 and FY2010
  - FY2011 comprised 52 weeks; FY2010 comprised 53 weeks with the extra week contributing $2.3 million to the underlying profit before tax in FY2010
  - FY2010 reported profit after tax also included a $16.6 million one–off tax benefit arising from the acquisition of The Just Group
  - FY2011 reported profit after tax includes the one–off costs of $15.8 million ($11.0 million after tax) associated with Premier Retail (The Just Group) Strategic Review (as above)
- Premier Retail (The Just Group) contribution to Premier performance:
  - Total sales for the year up 1.1% on a 52 week comparable basis
  - Underlying EBIT of $65.3 million, in line with recent guidance

1 Financial results

- Premier investment income up 29% pcp
  - Higher interest income on cash reserves
  - Strong dividend income from investment in Breville Group
- Premier cash flows
  - Cash flows from operation of $71.0 million
  - Capex of $22.8 million
  - Final earn out payment for the acquisition of Smiggle of $18.4 million
- Premier balance sheet remains strong with year end
  - Cash on hand of $308 million
  - Inventories clean and in a strong position
  - Investment in Breville worth approximately $105 million
  - Franking credit pool of $229 million

1 Premier—Consolidated Income Statement

$m's	52 weeks to 30 July 2011	53 weeks to 31 July 2010
Premier revenues (ex The Just Group)	21.6	16.7
Premier expenses (ex The Just Group)	(3.9)	(3.7)
Premier Retail (The Just Group) underlying EBIT	65.3	84.2*
Finance costs	(9.7)	(7.9)
Underlying profit before income tax	**73.3**	**89.3***
Underlying income tax expense	(21.8)	(26.3)
Underlying profit after income tax	**51.5**	**63.0**
One–off costs related to Strategic Review (after tax)	(11.0)	—
One–off tax benefit	—	16.6
Reported profit after income tax	**40.5**	**79.6**

Note:
* FY2010 The Just Group's underlying EBIT and Premier's underlying profit before tax includes a $2.3 million benefit arising from the extra week in FY2010

1 Premier—Summarised Consolidated Balance Sheet

$m's	30 July 2011	31 July 2010
Assets		
Cash and cash equivalents	307.8	316.6
Inventories	73.4	71.7
Plant and equipment	84.8	91.2
Other assets	37.0	36.3
Available-for-sale financial assets	104.5	72.8
Intangible assets	854.5	854.2
Total assets	**1,462.0**	**1,442.8**
Liabilities		
Interest bearing loans and borrowings*	133.8	100.5
Trade payables, provisions and other liabilities	134.5	129.8
Total liabilities	**268.3**	**230.3**
Equity		
Contributed equity	608.6	608.6
Reserves	39.6	27.5
Retained earnings	545.5	576.4
Total equity	**1,193.7**	**1,212.5**

Note:
* Post 30 July 2011 The Just Group banking facilities have been extended to 31 October 2012

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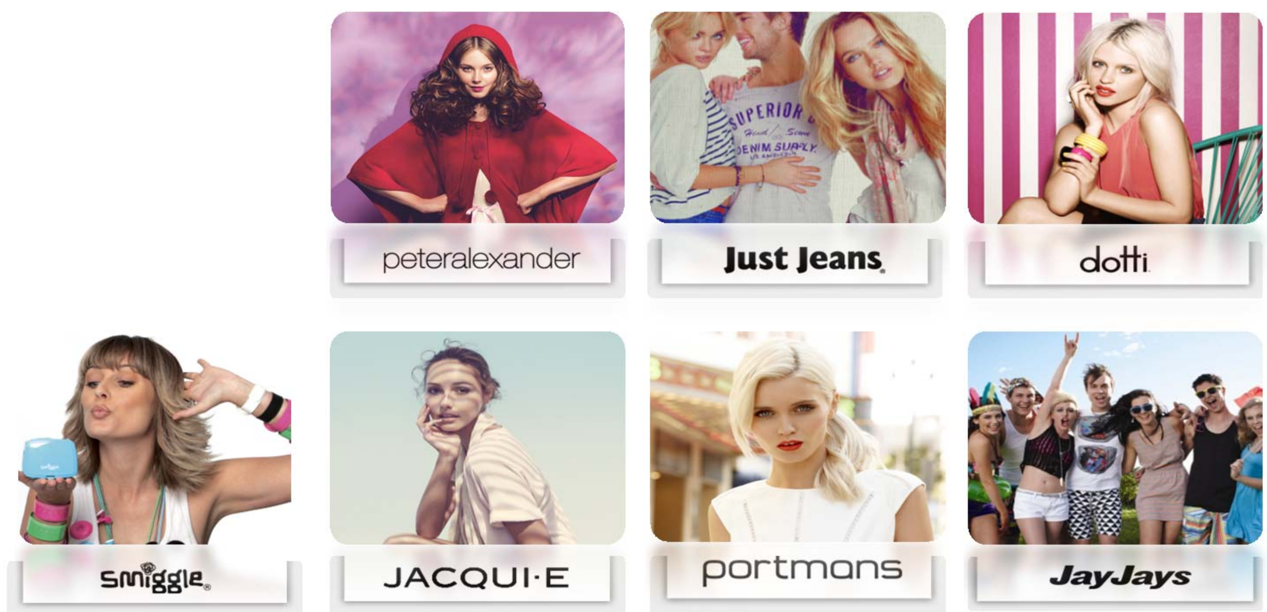
Just Group Full Year Results FY11

19 September 2011



2 Overview of results—The Just Group

- Total sales $866m (-0.5% on FY10; +1.1% on a comparable weeks basis*)
- LFL sales down 2.8% (Aust -2.0%; NZ -4.2% in NZD)
- Gross margin increased by 53bps
- CODB up 280bps
- Strategic Review Announced July 2011
- FY11 EBIT of $65.3m** before one-off costs, down 22.6% on LY (down 20.3% on comparable weeks basis to FY10*)
- FY11 One off costs related to the strategic review $15.8m**
- FY11 EBIT $49.5m
- FY11 PBT $39.8m
- All Strategic Review initiatives on track

Notes:

* Last year included 53 weeks (this year 52 weeks). The additional week in FY10 contributed $13.7m in sales and EBIT of approx $2.3m.

** Guidance on 25 July 2011—EBIT $64—$66m before one off costs; one-off costs $14m—$16m

2 Just Group—summary result

$000's	FY11	FY10	Var
Sales	866,045	870,385	-0.5%
LFL sales*	-2.8%	-3.75%	—
Gross profit**	521,102	519,073	—
Gross margin (%)**	60.2%	59.6%	53bps
Salaries	(204,630) 23.6%	(195,767) 22.5%	+4.5% 114bps
Rent	(177,529) 20.5%	(168,386) 19.3%	+5.4% 115bps
Advertising & direct marketing	(13,462) 1.6%	(12,131) 1.4%	+11.0% 16bps
Depreciation & Impairment	(21,683) 2.5%	(19,644) 2.3%	+10.4% 25bps
Other CODB	(48,489) 5.6%	(48,183) 5.5%	+0.6% 6bps
Other income	8,818	8,873	-0.6%
Share of JV profit	1,178	492	—
Amortisation	(50)	(133)	—
EBIT (before one–off)	**65,255** 7.5%	**84,194** 9.7%	**-22.5%** -215bps
One—off costs from Strategic Review	(15,771)	—	—
EBIT	**49,484**	**84,194**	**-41.2%**
Borrowing costs	(9,614)	(7,869)	22.2%
Profit before tax	**39,870**	**76,325**	**-47.8%**

- Total sales down 0.5% but up 1.1% on a comparable weeks basis
- LFL sales down 2.8%
- Margin under pressure in 2nd half due to highly competitive trading environment and stock clearances at end of winter season
- Salaries and rent increased as a % of sales due to weak LFL sales growth
- Investment in marketing for Just Jeans in second half and ongoing focus on digital
- South Africa JV contribution increased by $0.7m
- EBIT $65.3m – 22.5% down on LY (20.3% down on a comparable weeks basis)

Notes:
* LFL based on same 52 weeks in FY10
** Gross profit adjusted to exclude sales to South Africa JV

2 Geographic summary

Australia

- Total sales up 1.7%*
- LFL sales down 2.0%
- Consumer spending remains soft in discretionary categories such as clothing (ABS clothing sales down 0.8% for last 12 months)
- Sales driven by markdowns and promotions to attract customers and maintain share

New Zealand

- Total sales up 0.5% (in NZD)*
- LFL sales down 2.4% (in NZD)
- 9 stores closed since the February earthquake; 5 stores permanently closed; 4 stores reopening in mid September
- Sales lost due to earthquake significant
- Insurance proceeds of NZ$1.5m recognised in FY11 P&L related to asset and profit losses

Note:
* On a comparable 52 week basis

2 Stores

Just Jeans

- Total sales down 1.2%*
- Solid result in a tough market
- Brand is well positioned under focused leadership to perform well in a competitive market
- 251 stores at end of year

Note:
* LY sales adjusted to same 52 weeks

Jacqui E

- Total sales down 2.7%*
- Challenging year with sales supported by promotions at the expense of margin
- 108 stores at end of year

Note:
* LY sales adjusted to same 52 weeks

2 Stores

Jay Jays

- Total sales down 8.5%*
- New leadership team appointed and focused on brand turnaround
- 15 stores closed during the year
- 238 stores at end of year

Note:
* LY sales adjusted to same 52 weeks

Dotti

- Total sales up 5.2%*
- LFL Sales Negative, 9 stores opened during the year, including 3 stores previously trading as Portmans and 1 previously trading as Peter Alexander
- 116 stores at end of year

Note:
* LY sales adjusted to same 52 weeks

2 Stores

Portmans

- Total sales up 3.6%*
- Portmans to be profitable in FY12
- Portmans stores continued to outperform competitors and take share in key locations despite the weak consumer environment
- 19 stores closed during the year
- 111 stores at end of year

Note:
* LY sales adjusted to same 52 weeks

Peter Alexander

- Total sales up 21.8%*
- Excellent result in a weak discretionary market proves the strength of the brand and the importance of having the right offer
- 7 stores opened during the year
- 15-30 stores to open over the next 3 years
- 39 stores at end of year

Note:
* LY sales adjusted to same 52 weeks

2 Stores

Smiggle

- Aus/NZ total sales up 20.3%*
- 13 stores opened during the year
- 100 stores at end of year in Australia & New Zealand
- Opportunity to open up to 50 more stores in Australia and New Zealand over the next 3 years
- Very successful opening in Singapore, with 2 stores opened in FY11 and another store opened in September 2011
- Singapore is a very exciting growth opportunity
- Brand and operating model has translated well in the new market
- Singapore business already contributing to group profitability

Plaza Singapura, Singapore

Note:
* LY sales adjusted to same 52 weeks

2 Strategic review—update

	Focus Area	Status	Comments
1	Rejuvenate and reinvigorate the core apparel brands	✓	New leadership teams in place and focused; market conditions remain difficult but teams focused on customer and product
2	Initiate an organisation-wide Cost Efficiency program	✓	Significant cost efficiencies built into FY12 budget; cost efficiency program being accelerated in light of weaker than expected market conditions
3	Implement a Two Phase Gross Margin Expansion program	✓	Brand leaders focused on sourcing and have secured early wins. Stronger hedge position and tighter purchase controls providing early benefits
4	Expand and grow the internet business	✓	All brands will have on-line store by the end of September (ahead of schedule) – Portmans on-line commenced on 15 August and performing ahead of expectations. – Jacqui E will commence on-line trading before end of September
5	Grow Peter Alexander in Australia and trial in Asia	✓	Australian store expansion on track with 7 stores to open before Christmas
6	Grow Smiggle in Australia, New Zealand and globally	✓	12 stores to open in Australia before Christmas Singapore expansion ahead of plan with 3 additional stores to open prior to Christmas. Bugis Junction already open and performing well

3 Premier Retail (The Just Group) trading outlook

- The Macro economic environment and consumer confidence has continued to deteriorate in August
- Management is focussed on
  - Reinvigoration of our products and brands
  - Improving gross margin through better sourcing
  - Accelerating the cost reduction program
- Inventory clean in all brands
- New Peter Alexander and Smiggle stores are on track to open pre Christmas
- Premier Retail fully hedged for FY12
- Based on the successful implementation of the strategic initiatives to date, and subject to the macro environment stabilising and Christmas trading, Premier reaffirms recent market guidance for FY12 Premier Retail EBIT to be in the range of $80 million—$95 million

4 Dividends and capital management

- The Premier Board has declared a final fully franked dividend of 18cps
  - Total full year fully franked dividend of 36cps
- This represents a payout above earnings
- Premier Board made the dividend decision after reviewing
  - The underlying earnings of the group
  - Premier Retail (The Just Group) trading outlook
  - Future potential for The Just Group earnings as a result of the strategic review and enhanced management team
  - Maintaining cash reserves for future opportunities
  - The strength of the Premier balance sheet

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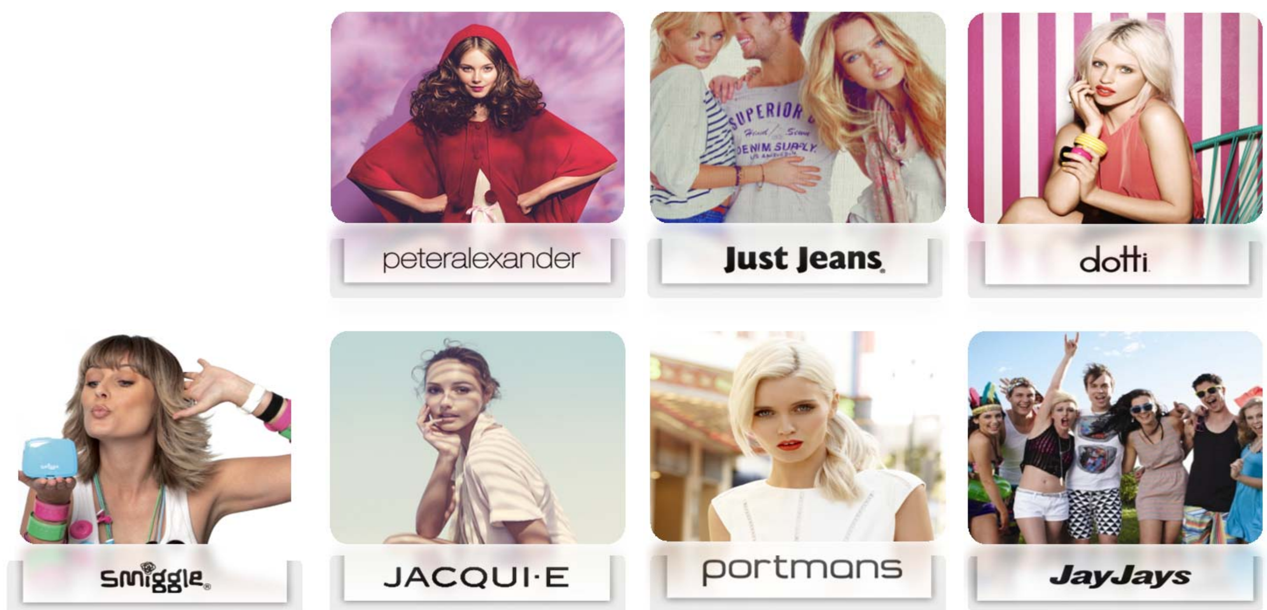
Just Group Additional Information

19 September 2011



5 The Just Group—key operation metrics

$000's	FY11	FY10	Change
Stores (end)	966	979	—
Net store openings	-13	—	—
Sales	866,045	870,385	-0.5%
LFL sales growth	-2.8%	-3.7%	—
Gross profit margin	60.2%	59.6%	+53bps
EBITDA	86,988	103,971	-16.3%
EBIT (excl one–off costs)	65,255	84,194	-22.5%
EBITA margin	7.5%	9.7%	-214bps
EBIT	49,484	84,194	-41.2%
PBT	39,870	76,325	-47.8%
Stockturn (annualised)	4.9x	5.1x	-0.2x
Capital expenditure	22,749	34,817	-34.7%
Return on capital employed (ROCE)	32.2%	45.5%	-13.3%

Note:
* Last year included 53 weeks (this year 52 weeks). The additional week in FY10 contributed $13.7m in sales and EBIT of approx $2.3m

5 The Just Group—sales and stores

	Stores** (TY)	Sales (A$'000's)	Growth (%)	Adj growth* (%)
Just Jeans	251	211,398	-3.0	-1.2
Jay Jays	238	215,942	-10.0	-8.5
Portmans	111	111,550	+2.0	+3.6
Jacqui E	108	81,105	-4.2	-2.7
Dotti	116	104,556	+3.7	+5.2
Peter Alexander	39	73,063	+20.6	+21.8
Smiggle	102	68,430	+20.0	+20.3
Group	1	—	—	—
Total Group	**966**	**866,045**	**-0.5**	**+1.1**

Notes:
* Last year included 53 weeks (this year 52 weeks). The additional week in FY10 contributed $13.7m in sales
** Store numbers exclude Jay Jays South Africa and Smiggle franchise stores

5 The Just Group—store movements

As at July 2011	Stores Beginning	Open FY11	Close FY11	Stores End	Change in stores
Just Jeans	259	0	-8	251	-3.1%
Jay Jays	249	4	-15	238	-4.4%
Portmans	128	2	-19	111	-13.3%
Jacqui E	106	2	0	108	+1.9%
Dotti	110	8	-2	116	+5.5%
Peter Alexander	33	7	-1	39	+18.2%
Smiggle	93	10	-1	102	+9.7%
Group	1	0	0	1	0%
Total	979	33	-46	966	-1.3%
Jay Jays South Africa	42	21	-1	62	+47.6%
Smiggle franchise stores	3	0	0	3	0%
Group total	**1,024**	**54**	**-47**	**1,031**	**+0.7%**