PREMIER INVESTMENTS LIMITED

(A.C.N. 006 727 966)

21 November 2013

CHAIRMAN'S ADDRESS

When I reported to shareholders at the Annual General Meeting last year, I made a number of points which I believe remain relevant today.

I said that the previous two years – 2011 and 2012 – had been amongst the most difficult I had seen in my 50 years of retail experience.

After the 2013 financial year and the sustained challenging retail environment – make that 3 years and my 50 plus years of retail experience.

I also said that retailers have always operated in a cyclical environment of good times and bad – a self-evident truth linked largely to the state of the broader economy.

And, that the test for retail boards and management is to deliver results which are acceptable to you – the owners of the company, our shareholders – at all stages of the economic cycle and to also deliver outperformance relative to our competitors.

It is against this background that your Directors were very pleased to report to shareholders an increase in Premier Investments' profit and dividend for the 2013 financial year.

The quality of the result is also reflected in the decrease in debt and increase in our substantial cash on hand – a valuable competitive asset in these times.

This outcome has largely been facilitated by the performance of Premier Retail, our core operating business, which again outperformed key competitors and delivered increases in profit, sales and margins.

The retail environment in 2013 was yet again characterized by low levels of consumer and business confidence.

Macro factors stemming from the fragility and continuing uncertainty concerning the strength of the international economy were exacerbated by domestic factors in Australia.

These included continuing cost of living pressures, a structural imbalance in the economy linked to the mining boom and flawed policy responses and the adverse effect on consumer and business confidence arising from the instability and absence of policy predictability under the previous minority Government.

While employment security and future household prospects were undoubtedly key factors in consumer confidence, one other direct consequence of the impact of unstable government on the retail sector was the continuing failure to develop a rational public policy response to the market distortion which enables international competitors to sell products free of GST, customs duties and regulatory compliance with Australian safety and other standards.

The general issue stems from a structural change in the retail sector which has been encountered internationally – but already responsibly acted on by Governments in the UK, USA, Canada, China and elsewhere. I will make a brief further reference to this issue later given its increasing importance to the Australian retail sector and our business.

The Premier Board's response to the combination of the sustained challenging retail environment and the simultaneous structural changes which are rapidly impacting on the retail sector in every comparable economy has been to methodically put in place the strongest retail management team of any retail business in Australia – led by the Premier Retail CEO and fellow Premier Investments Board Director, Mark McInnes.

This team has outperformed our competitors in 2013 but also has the ability, and the Board's support, to now pursue growth. I will outline some of the strategic initiatives and your Directors' reasons for confidence as I take you through the Premier Retail result in a moment.

Premier Investments reported an overall profit after tax of $174.5 million. This included a one-off accounting reclassification gain of $105 million relating to our holding in Breville Group.

Setting aside the one-off gain and treating the investment in Breville Group on a pro forma basis year on year, the profit before tax grew to $101.8 million, a 3.8% growth over the prior year.

The main contributor to our result was the 9.6% increase in Premier Retail's profit before tax, which rose to $76.7 million in a year where there was negligible sales growth in the market. This is a testament to the diligence of our team and their strong focus on cost control and rejuvenating our offer to customers.

As I have noted, Premier has been able to lift its returns to you, its shareholders, while also improving both its cash-on-hand and reducing its debt.

At year end Premier had cash on hand of $313 million and a franking credit pool of $214 million. In addition to this, the value of our investment in Breville Group Limited continued to grow.

Breville has strengthened its international and domestic business through its proprietary technologies and brands. The value of Premier's stake in Breville at our AGM a year ago stood at $196 million – today it is worth $268 million

Due to a reclassification of our stake in Breville under the accounting standards, the market value is no longer fully reflected on our balance sheet, which at year end showed Breville to have a value of $185 million – $83 million less than its current trading value.

With such a strong financial position, Premier remains well placed to both execute on its organic growth strategies, as well as to pursue value-adding and sensible acquisition opportunities as they arise.

As we have demonstrated in the past, Premier is a patient and disciplined investor and we will only act on acquisitions where we see a long-term benefit for our fellow shareholders. But shareholders should be pleased to know that their company is positioned as one of the strongest in the market when it comes to our balance sheet.

It was very pleasing to announce that as a result of this performance, your Board has been able to lift its dividends by two cents, taking our annual dividend to a fully franked 38 cents per share. Premier remains one of the few listed retailers that has consistently maintained and increased its ordinary dividends in recent years.

I also note that at last year's AGM Premier had a market capitalization of $990 million. Today it is around $1.24 billion and that is after Premier distributed $59 million in fully franked dividends during the year.

I would like to turn now to the performance of the Premier Retail division for the 2013 financial year.

I have already outlined the tough trading conditions that Mark and his team encountered during the past year. The conditions meant that most other large discretionary retailers reported profit declines for the year. In spite of these factors, our team performed yet again to deliver an increase in profit before tax of 9.6%.

The profit growth has been underpinned by the team's relentless focus on executing our six point EBIT transformation plan.

- Rejuvenating our core apparel brands
- Implementing a sustainable, organization-wide cost efficiency program
- Focusing on expanding our gross margins
- Expanding and growing our internet business
- Growing Peter Alexander significantly, and
- Growing Smiggle both domestically and internationally

The strategy is about focusing on delivering an exciting and enticing offer to the customer in a way that is relevant to them, while also working hard to control costs, and using those savings to invest in the next wave of growth.

I hope that you, our shareholders, have been impressed by the work we have done on the rejuvenation of core brands like Portmans, Dotti and Jacqui E; our focus on efficiency; our domestic leadership in the online space; and our commitment to expanding our growth brands.

Of course, there is more to do, with Jay Jays and Just Jeans now an important focus. But I firmly believe the best is yet to come and I want to use this address to share with you some of the exciting steps we will take during the course of the 2014 financial year and beyond to ensure that Premier Retail continues to delight its customers and innovate across its brand portfolio.

It's true to say that we are now entering a phase of investment in the future growth of Premier Retail. As we announced to the market at the time of our full year results, we are pursuing four key growth pillars.

Firstly, I am delighted to update my fellow shareholders on the imminent entry of Smiggle into the UK market.

We believe that Smiggle has a significant opportunity in the UK with the potential to open 200 stores there over the next five years with expected profits far greater than we currently produce in Australia.

The UK market for personal stationery is valued at $2.4 billion per annum and Smiggle will be a unique and exciting new entrant that is sure to attract a loyal customer base in the UK in the same way as it has already done in Australia, New Zealand and Singapore.

The first UK store will open on 14 February next year in London's Westfield Stratford. We have agreed terms for 3 additional stores, are in final negotiations for 4 other stores and are continuing negotiations for another 5 locations.

We have adopted an approach of zero compromise on location and A grade sites in the malls.

At this stage we plan to have at least 8 stores operating in the UK by the end of this financial year, with targeted projections in line with our aspirations in terms of the potential size of the UK business relative to Australia.

I am also pleased to announce a further series of strategic investments in the growth of the Peter Alexander brand, including:

- Opening 6 to 8 new stores in high-value locations within Australia and New Zealand;
- The development of flagship CBD locations in Melbourne, Sydney and Brisbane;
- The launch of a dedicated childrenswear strategy with standalone space for the category in 24 stores and a major marketing campaign from November this year; and
- The launch of an exclusive relationship with Myer for the brand, including 10 womenswear concession stores and wholesaling of mens and childrenswear in 15 stores.

These initiatives are part of our plan to grow Peter Alexander by 40 to 50% over the next three years.

It’s an ambitious plan – but we know the strength and appeal of this brand and we have in place a first-class management team within the Peter Alexander business.

Thirdly, we are making a significant investment in our distribution and logistics operations across Australia, New Zealand and Singapore.

Premier Retail conducted a major supply chain review during the year in order to determine how best to align the logistics of the group with the strategic plans of the business.

We paid particular attention to how the current and projected growth of online sales would shape our logistics needs, as well as on improving our productivity and providing scope for future offshore expansion.

The review led to three key outcomes, all of which are exciting investments in the future of this company.

We have established a new distribution centre in Singapore to service our current network of 17 Smiggle stores as well as our future growth aspirations in the region. This centre is operated by a leading global logistics partner and we hope that this model will form the basis for similar partnership arrangements as we continue to expand internationally.

In addition, Premier has reduced the size of the New Zealand distribution centre to better reflect the activity in that market moving forward and improve efficiency. We will soon increase the facility’s efficiency even further by bringing our internet fulfillment operations for New Zealand into this DC.

Thirdly, and most significantly, construction has commenced on our new National Distribution Centre for Australia located in Truganina outside Melbourne. The total capital expenditure on this project will be approximately $27 million.

At the conclusion of construction, Premier will acquire the Distribution Centre. The DC will be a much larger and more efficient centre and will replace our existing NSW and Victorian sites.

The National DC will provide the capacity to support Premier Retail’s growth plans across all of its brands and all of its sales channels, including the rapid growth of our online business.

We also believe that it’s important to own and control our own distribution and logistics in an environment where multi-channel sales are vital to our success.

Speaking of multi channel, this is the fourth platform of our growth and has been and will continue to be our largest investment. We have invested significant capital and human resources to build world class platforms.

It's true to say that Premier is one of the leading Australian retailers in this channel and our growth in online sales this year of 37% is testament to the way in which our team has embraced the opportunity of online. All of our brands and SKU's are available online through a world-class platform that integrates mobile sites. We are continuing to make material investments in mobile, tablet, check out speed and critically, full integration of our retail stores into a multi-channel platform. We see ourselves being able to compete on a world class scale with an aspiration of 10% of sales over time.

To conclude, notwithstanding the challenges all retailers in Australia have faced in the immediate past years, your Board is confident as we begin the 2014 year that the settings are in place for optimism.

In relation to those factors which are beyond our control such as the state of the international and national economies we are encouraged by a range of positives – early signs of recovery in the economies of Western Europe and the United States and the relative resilience of China and the emerging economies.

In Australia we are hopeful that the change of government, elected with a clear majority, will result in greater certainty for business and consumers and will be reflected in improved confidence.

We also hope that the new government will take action in relation to the market distortion of the competitive advantage provided to international competitors. We welcome the recent intervention of Joe de Bruyn leader of the 213,000 member Shop, Distributive and Allied Employee Union. Joe de Bruyn has called for the GST threshold to be lowered from the current $1,000 down to $20. He understands that this issue goes fundamentally to jobs and the viability of local businesses. Premier fully supports his view.

In relation to those issues which we do control we are also optimistic. We have invested in our people, our brands, our multi-channel platforms, our logistics and distribution and have strategies in place to both secure the iconic position of our core brands while also investing in growth in Australia and internationally with our growth brands.

I want to thank Mark McInnes, his senior management team, the Just Group Board of Directors and our 6,000 team members for their dedicated service.

I would also like to thank my fellow Premier Directors for their commitment during the past year and for the experience, support and guidance they provide to me and to management.

Thank you all for your attendance today and for your continued support for Premier.

Premier Investments Limited

Annual General Meeting

21 November 2013

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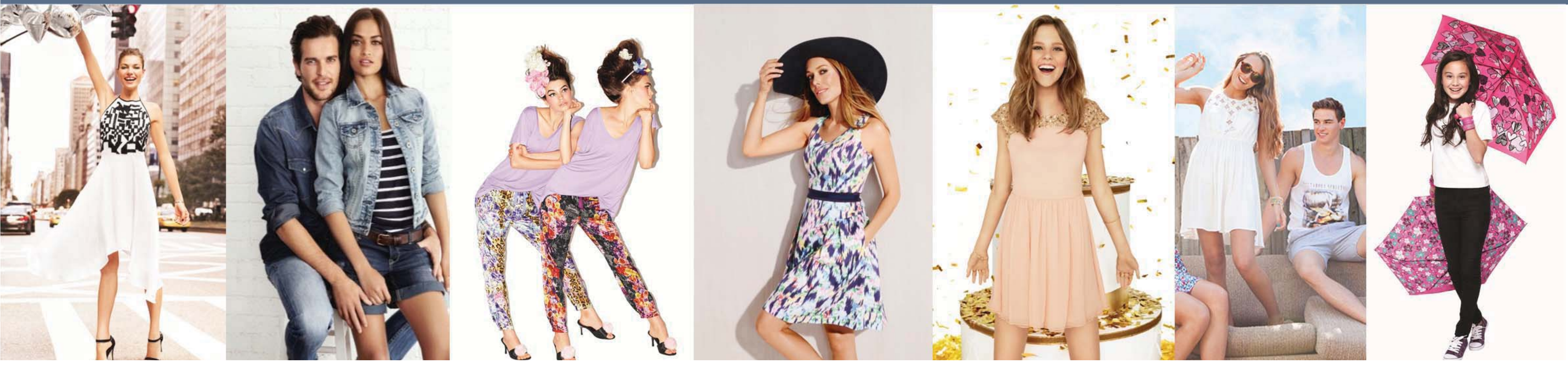
Agenda

1. Chairman's address
2. Financial and Operational Review
3. Resolutions

1.
CHAIRMAN'S ADDRESS

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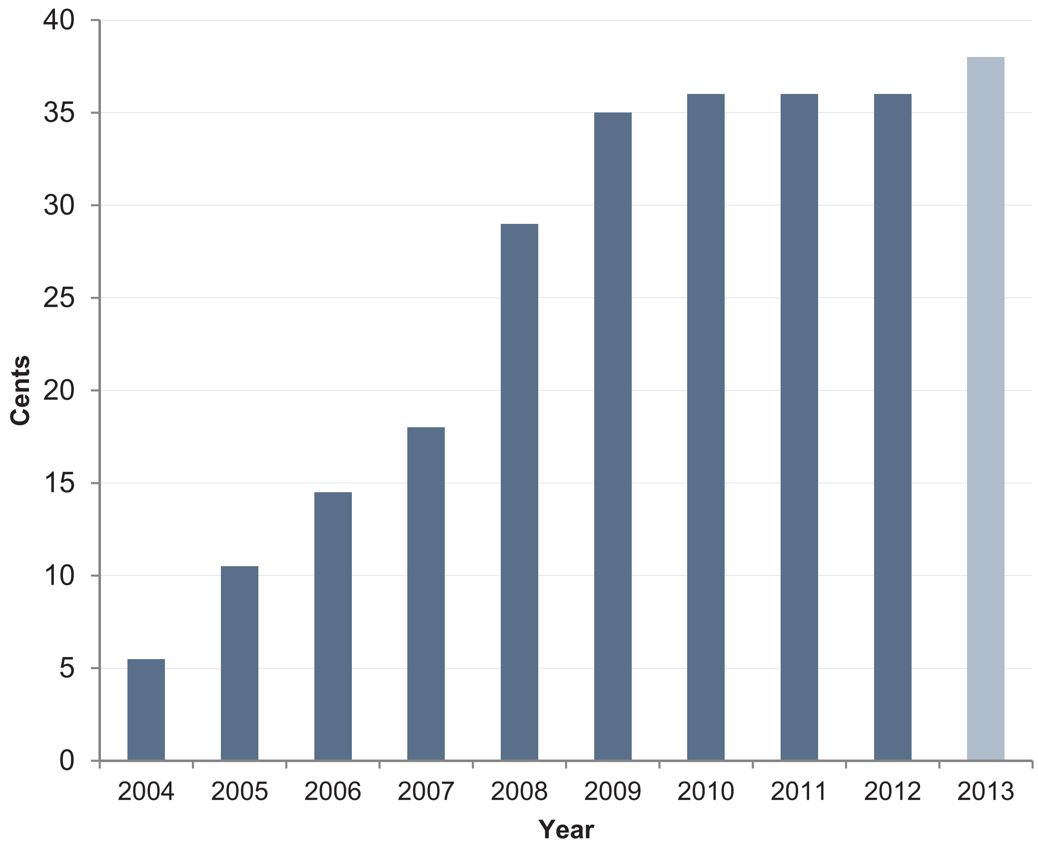
2 Financial and Operational Review

- Solid profit result in difficult trading environment
  - Net profit after tax of $174.5 million (LY: $68.3 million) following the requirement to begin equity accounting for Premier's 25.7% investment in Breville Group from 1 March 2013 – delivering a one-off after-tax benefit of $105.2 million
  - Pro forma net profit before tax of $101.8 million, up 3.8% on pcp
  - Premier Retail (The Just Group) delivering solid returns to Premier – profit before tax of $76.7 million, up 9.6% on pcp despite a flat sales environment
  - Strong contribution from online, Peter Alexander, Smiggle and Dotti
  - Smiggle expansion into Asia highly successful
  - Further growth initiatives unveiled
- Premier year end balance sheet strengthened
  - Year end cash on hand of $313.2 million, up $19.0 million
  - Premier Retail debt of $102.0 million, down $21.0 million
  - Balance sheet at year end shows investment Breville as $184.1 million – current market value of approximately $268 million
  - Franking credit pool of approximately $214.0 million
  - Maintenance of strong dividend returns to loyal shareholders

2 Sustained commitment to shareholders

Ordinary dividends



- Sustained strong shareholder returns, rewarding shareholders with real wealth creation
- Total FY2013 fully franked dividend of 38 cents per share, up two cents on previous year
- Reaffirms Directors' confidence in Premier's performance

2 Premier retail performance

- Premier Retail continues to progress its six-point EBIT transformation plan
- Emphasis now shifting more heavily into growth and investment

Core	Growth
• Rejuvenation of core apparel brands • Organisation-wide cost efficiency program • Gross margin expansion program	• Expansion and growth of internet businesses • Grow Peter Alexander significantly • Grow Smiggle significantly

2 Premier retail performance

Smiggle

Embarks on major UK expansion

- Extensive market research
- UK market for personal stationery is valued at $2.4 billion p.a.
- Capacity for more than 200 Smiggle stores over the next five years
- Sales potential of more than $200m per year
- Smiggle to open first store in UK in February 2014
- Agreed terms for 3 additional stores
- Final negotiations for 4 further stores
- At least 8 stores operating in the UK by end of 2014 Financial Year


Smiggle draws up 200-shop plan

Stationery retailer to debut at Westfield Stratford City and to open 50 UK stores a year – and agree 10 by today

BY KAT SPYBEY

2 Premier retail performance

peteralexander

Targets more than 40% growth

- 6 to 8 new stores in high value centres each year over the next three years
- Flagship CBD locations in Melbourne, Sydney and Brisbane
- Dedicated childrenswear growth strategy
- On-line growth including the launch of mobile
- Exclusive Myer relationship, including 10 womenswear concession stores

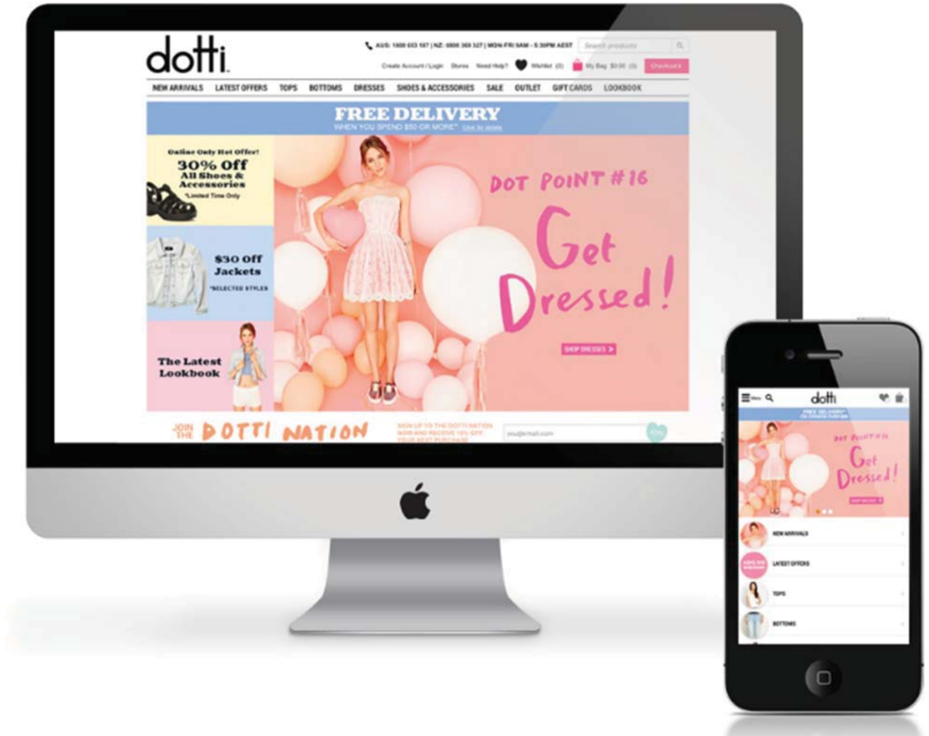
2 Premier retail performance

Premier supply chain aligned with online / offshore

- New Singapore distribution centre
- New Zealand distribution centre reconfigured
- New national distribution centre for Australia
- Strategic role of supply and distribution in an environment where multi-channel sales are vital to long term success

All brands focused on online growth and investment

- All brands and SKUs are available online
- World-class platform integrating online and mobile sites
- Online sales growth of 37% in FY13
- Aspiration to achieve 10% of sales online




smiggle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Resolutions

1. Financial statements and report

2. Remuneration report

3. Election of Directors