

Appendix 4D

Half yearly report

Period ending on 24 January 2015

1. Name of entity

PREMIER INVESTMENTS LIMITED ABN 64 006 727 966

2. Reporting periods

Half-year ended ("Current period")	Half-year ended ("Previous corresponding period")
24 January 2015	25 January 2014

3. Results for announcement to the market

	\$A'000		
3.1 Revenues from ordinary activities	up	4.15%	to 496,982
3.2 Profit from ordinary activities after tax attributable to members	up	9.07%	to 56,831
3.3 Net profit for the period attributable to members	up	9.07%	to 56,831
3.4 Dividends (distributions)	Amount per security	Franked amount per security	
<i>Current period:</i>			
Interim dividend	21.0 cents	21.0 cents	
Special dividend	9.0 cents	9.0 cents	
<i>Previous corresponding period:</i>			
Interim dividend	20.0 cents	20.0 cents	
3.5 Record date for determining entitlements to the dividends	27 APRIL 2015		
3.6 Brief explanation of any of the figures reported above necessary to enable the figures to be understood:			
<p>Please refer to the attached condensed half-year report and investors' presentation accompanying this report.</p> <p>This half yearly report is to be read in conjunction with the most recent annual financial report.</p>			

4. NTA backing

	Current period	Previous corresponding Period
Net tangible asset backing per ordinary security	\$3.17	\$3.06

5. Control gained over entities having material effect

Name of entity (or group of entities) NOT APPLICABLE

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired	\$
Date from which such profit has been calculated	
Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	\$

Loss of control of entities having material effect

Name of entity (or group of entities) NOT APPLICABLE

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	\$
Date from which such profit has been calculated	
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	\$
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$

6. Dividends (in the case of a trust, distributions)

Date the dividends (distribution) are payable

18 May 2015

Record date to determine entitlements to the dividends (distribution) (i.e., on the basis of proper instruments of transfer received by 5.00 pm if securities are not ⁺CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are ⁺CHES approved)

27 April 2015

Amount per security

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Interim dividend: Current period	21.0 cents	21.0 cents	Nil
Special dividend: Current period	9.0 cents	9.0 cents	Nil
Interim dividend: Previous corresponding period	20.0 cents	20.0 cents	Nil

Half yearly report - interim dividends (distribution) on all securities

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities (<i>each class separately</i>)	46,770	31,063
Preference securities (<i>each class separately</i>)	-	-
Other equity instruments (<i>each class separately</i>)	-	-
Total	46,770	31,063

7. The dividend or distribution plans shown below are in operation.

The last date(s) for receipt of election notices for the dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions).

DIVIDEND REINVESTMENT PLAN DOES NOT APPLY TO THE INTERIM DIVIDENDS.

8. Details of aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates and joint venture entities:		Current period \$A'000	Previous corresponding period \$A'000
Name of Associate/Joint Venture entity	Ownership Interest	Entity Net Profit (Loss) After Tax	Entity Net Profit (Loss) After Tax
Just Kor Fashion Group (Pty Ltd)	50%	\$311	\$280
Breville Group Limited	Current period: 27.5% Previous corresponding period: 25.7%	\$8,154	\$8,016

9. Foreign Entities – accounting standards used in compiling the report

Not applicable

10. Description of audit dispute or qualification

Not applicable

PREMIER INVESTMENTS LIMITED
ABN 64 006 727 966
AND CONTROLLED ENTITIES

CONDENSED HALF-YEAR FINANCIAL REPORT
FOR THE PERIOD 27 JULY 2014 TO
24 JANUARY 2015

This half-year report is to be read in
conjunction with the financial report
for the year ended 26 July 2014

PREMIER INVESTMENTS LIMITED AND CONTROLLED ENTITIES

**CONDENSED HALF-YEAR FINANCIAL REPORT
FOR THE 26 WEEK PERIOD ENDED
24 January 2015**

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Corporate information

This half-year financial report covers the consolidated entity comprising Premier Investments Limited and its subsidiaries (the Group).

A description of the Group's operations and its principal activities is included in the review of results and operations and principal activities in the directors' report. The directors' report is unaudited and does not form part of the financial report.

Directors

Solomon Lew	Chairman and Non-executive Director
Frank Jones	Deputy Chairman and Non-executive Director
Mark McInnes	Executive Director
Timothy Antonie	Non-executive Director and Lead Independent Director
David Crean	Non-executive Director
Lindsay Fox	Non-executive Director
Sally Herman	Non-executive Director
Henry Lanzer	Non-executive Director
Michael McLeod	Non-executive Director
Gary Weiss	Non-executive Director

Company Secretary

Kim Davis

Registered office and principal place of business

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Company website

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Company email

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Share register

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Abbotsford Victoria 3067
Enquiries within Australia: 1300 850 505
Enquiries outside Australia: (+61 3) 9415 5000
Website: www.computershare.com.au

Auditors

Ernst & Young
8 Exhibition Street
Melbourne Victoria 3000

Solicitors

Arnold Bloch Leibler
Level 21
333 Collins Street
Melbourne Victoria 3000

Directors' Report

The directors present their report together with the condensed financial report of the consolidated entity consisting of Premier Investments Limited and the entities it controlled, for the period 27 July 2014 to 24 January 2015 and independent review report thereon.

Directors

The names of the company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Solomon Lew	Chairman and Non-executive Director
Frank Jones	Deputy Chairman and Non-executive Director
Mark McInnes	Executive Director
Timothy Antonie	Non-executive Director and Lead Independent Director
David Crean	Non-executive Director
Lindsay Fox	Non-executive Director
Sally Herman	Non-executive Director
Henry Lanzer	Non-executive Director
Michael McLeod	Non-executive Director
Gary Weiss	Non-executive Director

Earnings per share

	26 WEEKS ENDED 24 JANUARY 2015 CENTS	26 WEEKS ENDED 25 JANUARY 2014 CENTS
Basic earnings per share	36.48	33.55
Diluted earnings per share	36.07	33.11

Dividends

During the half-year the following fully franked dividend was paid and declared:

2014 Final Dividend: 20 cents per share paid on 20 November 2014.

The directors have recommended the following fully franked dividends:

2015 Interim Dividend: 21 cents per share payable on 18 May 2015.

2015 Special Dividend: 9 cents per share payable on 18 May 2015.

Operating and financial review

Net profit after income tax for the half-year ended 24 January 2015 was \$56.8 million (2014 half-year: \$52.1 million). The 9.1% increase in comparable net profit after income tax resulted mostly from an improvement in the retail segment (Premier Retail).

As Premier's core business, Premier Retail was the key contributor to the Group's operating results for the half-year. The retail segment reported a 14.4% increase in profit before income tax. Retail segment income increased by 4.8%.

The investment segment (excluding the inter-group dividend) reported a 1% increase in profit before tax.

Directors' Report (continued)

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$'000 (unless otherwise stated) under the option available to the Company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Significant events after the reporting date

On 22 March 2015 the directors declared an interim ordinary dividend of 21 cents per share fully franked, as well as a special dividend of 9 cents per share, fully franked.

Auditors' independence declaration

Attached on page 22 is a copy of the Auditors' Independence Declaration provided under section 307C of the *Corporations Act 2001* in relation to the review of the half-year report for the period 27 July 2014 to 24 January 2015. This auditors' declaration forms part of the Directors' Report.

Signed in accordance with a resolution of the Board of Directors.



Solomon Lew

Chairman

22 March 2015

**Interim Condensed Statement of Comprehensive Income
For the Period 27 July 2014 to 24 January 2015**

CONSOLIDATED			
		26 WEEKS ENDED 24 JANUARY 2015	26 WEEKS ENDED 25 JANUARY 2014
	NOTES	\$'000	\$'000
Continuing operations			
Sale of goods	4	491,359	471,139
Other revenue	4	5,623	6,020
Total Revenue		496,982	477,159
Other income	4	5,477	2,855
Total Income		502,459	480,014
Changes in inventories of finished goods, work in progress and raw materials used		(180,180)	(180,489)
Employee expenses		(118,752)	(110,985)
Operating lease rental expense		(99,090)	(92,974)
Depreciation, impairment and amortisation	5	(10,034)	(10,987)
Advertising and direct marketing		(7,617)	(7,380)
Finance costs	5	(2,798)	(2,796)
Other expenses		(13,789)	(12,585)
Total expenses		(432,260)	(418,196)
Share of profit of associates		8,465	8,296
Profit from continuing operations before income tax		78,664	70,114
Income tax expense	6	(21,833)	(18,011)
Net profit for the period attributable to owners		56,831	52,103
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net gain on cash flow hedges		30,472	6,440
Foreign currency translation		415	1,099
Net movement in other comprehensive income of associates		2,608	524
Income tax on items of other comprehensive income	5	(9,142)	(1,932)
Other comprehensive income for the period, net of tax		24,353	6,131
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS, NET OF TAX		81,184	58,234
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the parent:			
Basic for profit for the year (cents per share)	9	36.48	33.55
Diluted for profit of the year (cents per share)	9	36.07	33.11

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Interim Condensed Statement of Financial Position As at 24 January 2015

CONSOLIDATED			
		24 JANUARY 2015	26 JULY 2014
	NOTES	\$'000	\$'000
Current assets			
Cash and cash equivalents	11	285,983	313,308
Trade and other receivables		14,246	12,155
Inventories		100,984	98,496
Other financial instruments	12	27,377	1,517
Other current assets		6,447	5,215
Total current assets		435,037	430,691
Non-current assets			
Trade and other receivables		1,067	1,004
Property, plant and equipment		118,955	109,028
Intangible assets		854,726	854,572
Deferred tax assets		10,774	12,147
Investments in associates	13	211,449	188,418
Other financial instruments	12	1,562	79
Total non-current assets		1,198,533	1,165,248
TOTAL ASSETS		1,633,570	1,595,939
Current liabilities			
Trade and other payables		62,713	62,520
Interest-bearing liabilities	14	40	100,529
Other financial instruments	12	130	6,798
Provisions		16,362	16,558
Income tax payable		30,341	24,642
Other current liabilities		4,509	4,221
Total current liabilities		114,095	215,268
Non-current liabilities			
Interest bearing liabilities	14	95,353	19,014
Deferred tax liabilities		63,696	52,586
Other financial instruments	12	-	3
Provisions		1,651	1,462
Other non-current liabilities		9,782	9,077
Total non-current liabilities		170,482	82,142
TOTAL LIABILITIES		284,577	297,410
NET ASSETS		1,348,993	1,298,529
EQUITY			
Contributed equity	15	608,615	608,615
Reserves		27,290	2,514
Retained earnings		713,088	687,400
TOTAL EQUITY		1,348,993	1,298,529

The above Statement of Financial Position should be read in conjunction with the accompanying notes

**Interim Condensed Statement of Cash Flows
For the Period 27 July 2014 to 24 January 2015**

CONSOLIDATED			
		26 WEEKS ENDED 24 JANUARY 2015	26 WEEKS ENDED 25 JANUARY 2014
	NOTES	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		544,773	520,856
Payment to suppliers and employees (inclusive of GST)		(477,137)	(451,911)
Income taxes paid		(13,254)	(6,212)
Interest received		5,174	5,311
Borrowing costs paid		(3,043)	(2,552)
NET CASH FLOWS FROM OPERATING ACTIVITIES		56,513	65,492
CASH FLOWS USED IN INVESTING ACTIVITIES			
Payment for investments		(18,096)	-
Dividends received from associates		4,622	4,014
Payment for property, plant and equipment and leasehold premiums		(14,714)	(27,369)
Payment for trademarks		(29)	(58)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(28,217)	(23,413)
CASH FLOWS USED IN FINANCING ACTIVITIES			
Equity dividends paid		(31,143)	(29,499)
Proceeds from borrowings		36,000	40,000
Repayment of borrowings		(60,450)	(48,000)
Payment of finance lease liabilities		(28)	(51)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(55,621)	(37,550)
NET (DECREASE) INCREASE IN CASH HELD		(27,325)	4,529
Cash at the beginning of the financial period		313,308	313,157
CASH AT THE END OF THE FINANCIAL PERIOD	11	285,983	317,686

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

**Interim Condensed Statement of Changes in Equity
For the period 27 July 2014 to 24 January 2015**

CONSOLIDATED							
	CONTRIBUTED EQUITY	CAPITAL PROFITS RESERVE	PERFORMANCE RIGHTS RESERVE	CASH FLOW HEDGE RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED PROFITS	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 27 July 2014	608,615	464	3,281	(3,565)	2,334	687,400	1,298,529
Net profit for the period	-	-	-	-	-	56,831	56,831
Other comprehensive income	-	-	-	21,330	3,023	-	24,353
Total comprehensive income for the half-year	-	-	-	21,330	3,023	56,831	81,184
Transactions with owners in their capacity as owners							
Performance rights issue	-	-	423	-	-	-	423
Dividends Paid	-	-	-	-	-	(31,143)	(31,143)
Balance as at 24 January 2015	608,615	464	3,704	17,765	5,357	713,088	1,348,993
At 28 July 2013	608,615	464	2,383	11,440	2,502	674,962	1,300,366
Net profit for the period	-	-	-	-	-	52,103	52,103
Other comprehensive income	-	-	-	4,508	1,623	-	6,131
Total comprehensive income for the half-year	-	-	-	4,508	1,623	52,103	58,234
Transactions with owners in their capacity as owners							
Performance rights issue	-	-	418	-	-	-	418
Dividends Paid	-	-	-	-	-	(29,499)	(29,499)
Balance as at 25 January 2014	608,615	464	2,801	15,948	4,125	697,566	1,329,519

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**Notes to the Condensed Financial Statements
For the period ended 24 January 2015**

1 Corporate Information

The consolidated condensed financial report of Premier Investments Limited for the period ended 24 January 2015 was authorised for issue in accordance with a resolution of the directors on 22 March 2015. Premier Investments Limited is a for profit company incorporated in Australia and limited by shares, which are publicly traded on the Australian Securities Exchange (ASX).

2 Basis of preparation and accounting policies

i. Basis of preparation

The general purpose condensed financial report for the period ended 24 January 2015 has been prepared in accordance with AASB 134 "Interim Financial Reporting" and the *Corporations Act 2001*.

This financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the 52 weeks ended 26 July 2014 and considered together with any public announcements made by Premier Investments Limited during the period ended 24 January 2015 in accordance with the continuous disclosure obligations of the ASX listing rules.

The financial report has been prepared on a historical cost basis, except for other financial instruments which have been measured at fair value.

The amounts contained in this report have been rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

ii. Significant accounting policies

Apart from the changes in accounting policies noted below, the accounting policies and methods of computation are the same as those adopted in the most recent financial report.

iii. Changes in accounting policies and disclosures

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and are effective for the financial year beginning 27 July 2014. New and revised Standards and Interpretations effective for the current half-year that are relevant to the Group include:

- AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities: The Standard addresses inconsistencies in current practice when applying some of the offsetting criteria in AASB 132 *Financial Instruments: Presentation*, and clarifies the meaning of "currently has a legally enforceable right to set-off".
- AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting: The amendments permit the continuation of hedge accounting in specified circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations.
- AASB 1031 Materiality: The revised AASB 1031 is an interim standard that cross-references to other standards and the Framework (issued December 2013) that contain guidance on Materiality.

**Notes to the Condensed Financial Statements
For the period ended 24 January 2015**

2 Basis of preparation and accounting policies (continued)

iii. Changes in accounting policies and disclosures (continued)

- AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments: The standard contains 3 main parts and makes amendments to a number of other Standards and Interpretations. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 *Materiality*, and also makes minor editorial changes to other standards, while Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 *Hedge Accounting* into AASB 9 *Financial Instruments*.
- Interpretation 21 Levies: This interpretation clarifies that a liability to pay a levy is only recognised when the activity that triggers the payment occurs.
- AASB 2014-1 Amendments to Australian Accounting Standards [Part A – Annual Improvements 2010-2012 and 2011-2013 Cycles]: Part A makes various amendments to Australian Accounting Standards arising from the IASB Annual Improvements Process. Key amendments, applicable to the Group, include:
 - AASB 2: Clarifies the definition of ‘vesting conditions’ and ‘market condition’, and introduces definitions for ‘performance condition’ and ‘service condition’
 - AASB 8: requires entities to disclose factors used to identify the entity’s reportable segments when operating segments have been aggregated.
 - AASB 116 and AASB 138: Clarifies that the determination of accumulated depreciation does not depend on the valuation technique and that it is calculated as the difference between gross and net carrying amounts.
 - AASB 124: Defines a management entity providing Key Management Personnel (KMP) services as a related party of the reporting entity. Payments made to a management entity in respect of KMP services should be separately disclosed.

Adoption of these new and revised Standards did not have any effect on the financial position or performance of the Group. The Group has not elected to early adopt any new Standards or amendments issued but not yet effective.

iv. Basis of consolidation

The consolidated financial reports comprise the financial statements of Premier Investments Limited and its subsidiaries as at 24 January 2015.

v. Comparatives

The current reporting period 27 July 2014 to 24 January 2015 represents 26 weeks and the comparative period is 28 July 2013 to 25 January 2014 representing 26 weeks.

3 Seasonality of operations

The financial performance of the consolidated entity is exposed to seasonality in the volume of sales; such that the Group’s financial performance is historically weighted in favour of the period to 24 January. This seasonality is a reflection of the additional retail sales generated during the Christmas trading period each year.

Notes to the Condensed Financial Statements
For the period ended 24 January 2015

	CONSOLIDATED	
	26 WEEKS ENDED 24 JANUARY 2015 \$'000	26 WEEKS ENDED 25 JANUARY 2014 \$'000
4 Revenue		
<i>REVENUE</i>		
Revenue from sale of goods	490,836	468,355
Revenue from sale of goods to associate	523	2,784
TOTAL REVENUE FROM SALE OF GOODS	491,359	471,139
<i>OTHER REVENUE</i>		
Membership program fees	200	275
Sundry Revenue	12	10
<i>Interest</i>		
Other persons	5,328	5,655
Associate	83	80
Total Interest	5,411	5,735
TOTAL OTHER REVENUE	5,623	6,020
TOTAL REVENUE	496,982	477,159
<i>OTHER INCOME</i>		
Amortisation of deferred income	1,875	1,958
Gain on ineffective cash flow hedges	1,791	585
Insurance proceeds	159	-
Royalty and licence fees		
Other persons	65	240
Associate	145	-
Other	1,442	72
TOTAL OTHER INCOME	5,477	2,855
TOTAL INCOME	502,459	480,014

Notes to the Condensed Financial Statements
For the period ended 24 January 2015

	CONSOLIDATED	
	26 WEEKS ENDED 24 JANUARY 2015 \$'000	26 WEEKS ENDED 25 JANUARY 2014 \$'000
5 Expenses		
DEPRECIATION AND IMPAIRMENT OF NON-CURRENT ASSETS		
Depreciation of plant and equipment	9,890	10,677
Depreciation of plant and equipment under lease	24	24
Impairment of plant and equipment	82	250
TOTAL DEPRECIATION AND IMPAIRMENT OF NON-CURRENT ASSETS	9,996	10,951
AMORTISATION OF NON-CURRENT ASSETS		
Amortisation of leasehold premiums	38	36
TOTAL AMORTISATION OF NON-CURRENT ASSETS	38	36
TOTAL DEPRECIATION, IMPAIRMENT AND AMORTISATION	10,034	10,987
FINANCE COSTS		
Finance charges on capitalised leases	7	12
Discount charges on provisions	8	5
Interest charges on bank loans and overdraft	2,783	2,779
TOTAL FINANCE COSTS	2,798	2,796
OTHER EXPENSES		
Foreign exchange losses (gains)	244	(67)
Unrealised foreign exchange (gains) losses – loan to associate	(109)	97
Unrealised foreign exchange (gains) losses – investment in associate	(88)	268
Net loss on disposal of plant and equipment	22	256
DISCLOSURE OF TAX EFFECTS RELATING TO EACH COMPONENT OF OTHER COMPREHENSIVE INCOME		
Cash flow hedges	9,142	1,932
INCOME TAX ON ITEMS OF OTHER COMPREHENSIVE INCOME	9,142	1,932

Notes to the Condensed Financial Statements
For the period ended 24 January 2015

	CONSOLIDATED	
	26 WEEKS ENDED 24 JANUARY 2015 \$'000	26 WEEKS ENDED 25 JANUARY 2014 \$'000

6 Income tax expense

A reconciliation between income tax expense and the product of accounting profit before tax multiplied by the Group's applicable income tax rate is as follows:

Accounting profit before income tax	78,664	70,114
At the Parent Entity's statutory income tax rate of 30% (2014: 30%)	23,599	21,034
Adjustments in respect of current income tax of previous years	(1,303)	-
Expenditure not allowable for income tax purposes	247	53
Income not assessable for income tax purposes	(710)	(3,076)
Income tax expense reported in the Statement of Comprehensive Income	21,833	18,011

7 Segment information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker in assessing the performance of the Group and in determining the allocation of resources. The operating segments are identified by management based on the nature of the business conducted. Discrete financial information about each of these operating businesses is reported to the chief operating decision maker on at least a monthly basis.

The reportable segments are based on aggregate operating segments determined by the similarity of the business conducted, as these are the sources of the Group's major risks and have the most effect on the rate of return.

Types of products and services

Retail

The retail segment represents the financial performance of a number of speciality retail fashion chains.

Investment

The investments segment represents investment in securities for both long-term and short-term gains and interest. This includes a significant investment in an associate, accounted for using the equity method of accounting.

Accounting policies

The accounting policies used by the Group in reporting segments internally is the same as those contained in note 2 of the most recent annual report and in the prior periods.

It is the Group's policy that if items of revenue and expense are not allocated to operating segments then any associated assets and liabilities are also not allocated to the segments. This is to avoid asymmetrical allocations within segments which management believe would be inconsistent.

Notes to the Condensed Financial Statements
For the period ended 24 January 2015

7 Segment information (continued)

The following table presents revenue and profit information for reportable segments for the period ended 24 January 2015 and 25 January 2014.

	RETAIL		INVESTMENT		ELIMINATION		TOTAL	
	24 JANUARY 2015 \$'000	25 JANUARY 2014 \$'000	24 JANUARY 2015 \$'000	25 JANUARY 2014 \$'000	24 JANUARY 2015 \$'000	25 JANUARY 2014 \$'000	24 JANUARY 2015 \$'000	25 JANUARY 2014 \$'000
<i>REVENUE</i>								
Sale of goods	491,359	471,139	-	-	-	-	491,359	471,139
Other revenue	399	488	28,224	27,532	(23,000)	(22,000)	5,623	6,020
Other income	5,287	2,855	190	-	-	-	5,477	2,855
Total Segment income	497,045	474,482	28,414	27,532	(23,000)	(22,000)	502,459	480,014
Total income per the statement of comprehensive income							502,459	480,014
Segment result	67,261	58,809	34,403	33,305	(23,000)	(22,000)	78,664	70,114
Reconciliation of segment net profit before tax to net profit after tax								
Income tax expense							(21,833)	(18,011)
Net profit after tax per the statement of comprehensive income							56,831	52,103
<i>ASSETS AND LIABILITIES</i>								
Segment assets	415,386	378,808	1,290,628	1,279,885	(72,444)	(62,754)	1,633,570	1,595,939
Segment liabilities	236,536	247,203	75,821	68,298	(27,780)	(18,091)	284,577	297,410
Capital expenditure	19,567	48,164	-	-	-	-	19,567	48,164

Notes to the Condensed Financial Statements
For the period ended 24 January 2015

	CONSOLIDATED	
	26 WEEKS ENDED 24 JANUARY 2015 \$'000	26 WEEKS ENDED 25 JANUARY 2014 \$'000

8 Dividends paid

a) Dividend declared and paid during the period

Final fully franked dividend for the financial year ended
26 July 2014: 20 cents per share (2013: 19 cents per share)

	31,143	29,499
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b) Dividends proposed and not recognised as a liability

Interim fully franked dividend for the period ended
24 January 2015: 21 cents per share (2014: 20 cents per share)

	32,739	31,063
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Special fully franked dividend for the period ended
24 January 2015: 9 cents per share (2014: nil)

	14,031	-
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Total Dividends proposed and not recognised as a liability	46,770	31,063
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9 Earnings per share

The earnings and weighted average number of ordinary and potential ordinary shares used in the calculations of earnings per share are as follows:

Net profit after tax	56,831	52,103
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	Number of shares '000	Number of shares '000
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Weighted average number of ordinary shares used in calculating:

- basic earnings per share	155,797	155,282
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- diluted earnings per share	157,564	157,346
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There have been no other conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

**Notes to the Condensed Financial Statements
For the period ended 24 January 2015**

10 Impairment testing

Intangible assets – Goodwill and Brand Names

After initial recognition, goodwill and indefinite-life brand names acquired in a business combination are measured at cost less any accumulated impairment losses. Goodwill and brand names are not amortised but are subject to impairment testing on an annual basis or whenever there is an indication of impairment. Goodwill and brand names were subject to a full annual impairment test as at 26 July 2014. A review of indicators of impairment relating to goodwill and brand names were performed as at 24 January 2015. As a result of this review, no indicators of impairment were identified that would require a full impairment test to be performed as at 24 January 2015.

The financial statements for the 52 weeks ended 26 July 2014 detail the most recent annual impairment tests undertaken for both brand names and goodwill. The Group's impairment tests for goodwill and brand names are based on value in use calculations. The key assumptions used to determine the recoverable amounts for the cash-generating units to which brand names and goodwill relate, are disclosed in these financial statements.

Property, plant and equipment

Property, plant and equipment items are subject to impairment testing at each reporting period. As at 24 January 2015, a net impairment expense of \$82,000 has been recognised (2014: \$250,000).

CONSOLIDATED		
	24 JANUARY 2015 \$'000	26 JULY 2014 \$'000

11 Cash and cash equivalents

Reconciliation of cash and cash equivalents:

Cash at bank and in hand	30,081	27,187
Short-term deposits	255,902	286,121
Balance at end of the period	285,983	313,308

12 Financial instruments

Fair value of financial assets and liabilities

The Group measures financial instruments, such as derivatives, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in either the principal market for the asset or liability, or, in the absence of a principal market, the most advantageous market for the asset or liability, which is accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the Condensed Financial Statements
For the period ended 24 January 2015

12 Financial instruments (continued)

Fair value of financial assets and liabilities (continued)

The Group uses various methods in estimating the fair value of a financial instrument. These methods, based on the lowest level input that is significant to the fair value measurement as a whole, comprise:

- Level 1: The fair value is calculated using quoted prices in active markets.
 Level 2: The fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
 Level 3: The fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of financial instruments as well as the methods used to estimate the fair value are summarised in the table below:

CONSOLIDATED				
	QUOTED MARKET PRICE	VALUATION TECHNIQUE – MARKET OBSERVABLE INPUTS	VALUATION TECHNIQUE – NON MARKET OBSERVABLE INPUTS	TOTAL
	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	\$'000
24 January 2015				
<u>Financial Assets</u>				
Derivative financial assets	-	28,939	-	28,939
	-	28,939	-	28,939
<u>Financial Liabilities</u>				
Derivative financial liabilities	-	130	-	130
	-	130	-	130
26 July 2014				
<u>Financial Assets</u>				
Derivative financial assets	-	1,596	-	1,596
	-	1,596	-	1,596
<u>Financial Liabilities</u>				
Derivative financial liabilities	-	6,801	-	6,801
	-	6,801	-	6,801

There were no transfers between Level 1 and Level 2 during the period.

At the reporting date, the fair value of cash and cash equivalents, trade and other receivables and trade and other payables approximates their carrying values. The carrying value of interest bearing liabilities is assumed to approximate the fair value, being the amount at which the liability could be settled in a current transaction between willing parties.

Notes to the Condensed Financial Statements
For the period ended 24 January 2015

12 Financial instruments (continued)

Fair value of financial assets and liabilities (continued)

Derivative financial instruments

Derivative financial instruments are used by the Group in the normal course of business in order to hedge exposure to fluctuations in foreign exchange rates in accordance with the Group's financial risk management policies. The majority of the Group's inventory purchases are denominated in US Dollars, and in order to protect against exchange rate movements, the Group has entered into forward exchange contracts to purchase US Dollars.

These contracts are hedging highly probable forecasted purchases and they are timed to mature when payments are scheduled to be made. The forecast purchases are expected to occur between 1 and 18 months from 24 January 2015.

Derivative financial instruments are initially recognised in the statement of financial position at cost and subsequently remeasured to their fair value. Accordingly, the carrying amounts of forward exchange contracts approximate their fair values at the reporting date.

Forward currency contracts are measured based on observable spot exchange rates, the yield curves of the respective currencies as well as the currency basis spread between the respective currencies.

13 Investments in associates

During the half-year, Premier Investments Limited increased its shareholding in Breville Group Limited from 25.7% to 27.5%. Premier Investments accounts for its investment in Breville Group Limited using the equity method of accounting.

Premier's share of profit after tax of its associates for the period was \$8,465,000 (2014: \$8,296,000). Dividends received from investment in associates for the half-year amounted to \$4,622,000 (2014: \$4,014,000).

14 Interest bearing liabilities

During September 2014, the Group's core debt facility relating to its unsecured bank loans was refinanced for a further three years.

Notes to the Condensed Financial Statements
For the period ended 24 January 2015

	CONSOLIDATED	
	24 JANUARY 2015 \$'000	26 JULY 2014 \$'000
15 Contributed equity		
Ordinary shares – issued	608,615	608,615
Total contributed equity	608,615	608,615
	NUMBER OF SHARES '000	NUMBER OF SHARES '000
<i>Movements in issued shares during the period:</i>		
Balance at start of the period	155,714	155,260
Shares issued during the period (i)	186	454
Balance at end of the period	155,900	155,714

(i) 185,201 shares (2014: 454,396) were issued in relation to the performance rights plan.

16 Commitments and contingencies

As at 24 January 2015, Just Group Limited has bank guarantees totalling \$3,139,466 (2014: \$2,709,703) and outstanding letters of credit of \$386,389 (2014: \$3,346,194).

Under the terms of the shareholder agreement, Just Kor Fashion Group (Pty) Ltd, the Group's associate operating in South Africa, has the right to call on its shareholders for additional funding of up to ZAR 15.0 million each (approximately AUD \$1.6 million). The consolidated entity has not provided for this obligation in this financial report.

17 Events after the reporting date

On 22 March 2015 the directors declared an interim ordinary dividend of 21 cents per share fully franked, as well as a special dividend of 9 cents per share, fully franked.

Directors' Declaration

In accordance with a resolution of the directors of Premier Investments Limited we state that:

In the opinion of the directors:

- (a) The financial statements and notes of the consolidated entity for the half-year ended 24 January 2015 are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the financial position as at 24 January 2015 and the performance for the period ending on that date of the consolidated entity;
 - (ii) Complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the board



Solomon Lew

Chairman

22 March 2015



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Auditor's Independence Declaration to the Directors of Premier Investments Limited

In relation to our review of the half-year financial report of Premier Investments Limited for the period 27 July 2014 to 24 January 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in black ink, appearing to read 'Ernst & Young', with a stylized flourish underneath.

Ernst & Young

A handwritten signature in black ink, appearing to read 'B Simonis', with a stylized flourish underneath.

Brent Simonis
Partner
22 March 2015

Report on the Half-Year Financial Report

We have reviewed the accompanying condensed half-year financial report of Premier Investments Limited, which comprises the consolidated statement of financial position for the period 27 July 2014 to 24 January 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position for the period 27 July 2014 to 24 January 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Premier Investments Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Premier Investments Limited is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position for the period 27 July 2014 to 24 January 2015 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



Brent Simonis
Partner
Melbourne
22 March 2015