



PREMIER INVESTMENTS LIMITED

2017 Full Year Results Overview

25 September 2017



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Jay
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Smiggle

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PREMIER INVESTMENTS LTD FY17 OVERVIEW

1

Premier Investments FY17 overview

- Group profit
 - Underlying net profit before tax \$146.8 million, up 5.8% on FY16^{1,2}
 - Reported net profit after tax \$105.1 million
 - Increased final dividend of 27 cps fully franked (FY16: 25 cps)
 - Total full year dividends of 53 cps fully franked (FY16: 48 cps)
- Premier consolidated balance sheet remains strong
 - Cash on hand of \$170.6 million at end of FY17
 - Inventories clean at year end
 - \$58 million property purchase (over 85% debt funded) will become Melbourne Head Office of Premier Retail in 2H18 to support continued growth. Excluding one-off relocation and make-good costs, the ongoing interest costs on this investment will be less than the current escalating rent expense at the existing head office
 - Balance sheet at end of FY17 shows investment in associate (Breville) as \$216.9 million. The current market value of this investment \$383.8 million³
 - On 29 March 2017 the company made a strategic investment of 10.77% in Myer Holdings Limited (MYR). Balance sheet at end of FY17 shows Available-for-sale financial asset (Myer) of \$67.7 million.
 - Franking credit pool of \$212.3 million

Note:

1. Group result in FY16 excludes non-comparable 53rd week which contributed \$15.2m in sales and \$6.6m in EBIT. FY17 Sales and LFL growth percentage is reported on comparable 52 weeks of FY16
2. PMV underlying EBIT and underlying NPBT excludes make-good and other costs to date regarding the planned Melbourne Head Office move of Premier Retail to Premier Investments owned property incurred during FY17 of \$4.5m (Premier Investments \$2.7m; Premier Retail \$1.8m), non-recurring costs incurred during 1H17 regarding the finalisation of the one-off litigation matter previously reported (1H17 \$3.0m; FY16 \$2.3m) and one-off costs investing in Smiggle Ireland Expansion incurred during FY17 of \$0.2m all included within 'Total expenses' in the statutory accounts
3. Based on share price of \$10.73 on 21 September 2017.



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Premier Investments FY17 overview

- Premier Retail contribution to Premier Investments performance:
 - Record Sales of \$1,092.8 million, up 5.7% on FY16¹
 - Record Underlying EBIT of \$136.0 million, up 7.3% on FY16^{1,2}
 - Record Underlying Profit before tax of \$131.9 million, up 7.6% on FY16^{1,2}
 - FY17 LFL sales up 1.1%¹ on a constant currency basis
 - Smiggle sales up 28.8% on a previous record FY16¹ and up 80% over 2 years
 - Peter Alexander sales up 14.0% on a previous record FY16¹
 - Online sales of \$68.1m up 44.3% on FY16¹, well ahead of market growth
 - Targeted capital investment program continues to drive future growth

Note:

1. Group result in FY16 excludes non-comparable 53rd week which contributed \$15.2m in sales and \$6.6m in EBIT. FY17 Sales and LFL growth percentage is reported on comparable 52 weeks of FY16
2. Premier Retail underlying EBIT and underlying NPBT excludes make-good and other costs to date regarding the planned Melbourne Head Office move of Premier Retail to Premier Investments owned property incurred during FY17 of \$1.8m, non-recurring costs incurred during 1H17 regarding the finalisation of the one-off litigation matter previously reported (1H17 \$3.0m; FY16 \$2.3m) and one-off costs investing in Smiggle Ireland Expansion incurred during FY17 of \$0.2m all included within 'Total expenses' in the statutory accounts



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Premier Investments summarised consolidated income statement

\$m	FY17	FY16
Premier Retail EBIT – underlying (52 weeks)	136.0	126.7
Premier Investments income from associate (BRG)	14.8	13.8
Premier Investments other revenue (Interest, Rent & Other)	6.9	8.7
Premier Investments expenses (ex Premier Retail)	(5.9)	(5.5)
Underlying finance costs	(5.0)	(4.9)
Underlying net profit before tax (52 weeks)	146.8	138.8
Premier Retail EBIT – non comparable 53 rd week in FY16	-	6.6
Expenses incurred on future head office property and related planning		
– Depreciation and other	(1.5)	-
– Finance costs	(1.2)	-
Non-recurring costs (before tax)		
– One-off litigation matter	(3.0)	(2.3)
– One-off head office make-good and relocation	(1.8)	-
– One-off entry into Smiggle Republic of Ireland	(0.2)	-
Reported net profit before tax	139.1	143.1
Income tax expense	(34.0)	(39.2)
Reported net profit after tax	105.1	103.9

2

Premier Investments summarised consolidated balance sheet

\$m	29 Jul 2017	30 Jul 2016
Assets		
Cash and cash equivalents	170.6	283.2
Inventories	140.8	123.6
Property, plant and equipment	214.4	139.2
Other assets	35.4	29.8
Deferred tax assets	35.8	18.9
Available-for-sale financial assets	67.7	-
Investment in associates	216.9	213.4
Intangible assets	855.1	854.8
Total assets	1,736.7	1,662.9
Liabilities		
Interest bearing loans and borrowings	173.5	105.8
Deferred tax liabilities	58.8	57.3
Trade payables, provisions and other liabilities	168.7	161.2
Total liabilities	401.0	324.3
Equity		
Contributed equity	608.6	608.6
Reserves	(30.1)	(2.4)
Retained earnings	757.2	732.4
Total equity	1,335.7	1,338.6

A photograph of three models (two men and one woman) standing together against a plain white background. The man on the left is wearing a black bomber jacket over a light blue button-down shirt. The man in the middle is wearing a dark brown crewneck sweater. The woman on the right is wearing a blue and white striped button-down shirt under a denim jacket, paired with blue jeans. All three are smiling and looking towards the camera. The man in the middle has his arms around the shoulders of the other two models.

PREMIER RETAIL

3

Premier Retail delivers record sales and EBIT

- Record Sales of \$1,092.8 million, up 5.7% on FY16¹
- Record Underlying EBIT of \$136.0 million, up 7.3% on FY16^{1,2}
- Record Underlying Profit before tax of \$131.9 million, up 7.6% on FY16^{1,2}
- FY17 LFL sales up 1.1%¹ on a constant currency basis
- All key growth initiatives continue to deliver
 - Smiggle global sales up 28.8%¹ to \$238.9m delivering highest sales revenue of all brands within Premier Retail
 - Strong global LFL growth
 - 40 new stores opened in Europe and 18 new stores opened across Asia in FY17
 - Peter Alexander delivered a 14.0%¹ increase in sales through very solid LFL growth and the opening of 11 new stores during FY17
 - Online sales of \$68.1m up 44.3%¹ with EBIT margin significantly higher than the group average. The online business has grown from 1.1% of the respective markets' sales in FY11 to 7.1% in FY17
- Record FY17 sales and EBIT were delivered notwithstanding significant external headwinds:
 - Elevated household debt, out-of-cycle mortgage rate hikes, subdued wages growth and soaring energy prices all putting pressure on household discretionary spending in Australia (particularly in Q4)
 - Unseasonably cold October 2016 weather in Australia impacting full price sales of summer apparel products
 - Temporary store closures resulting from November 2016 Earthquake in New Zealand, Hobart Cat & Fiddle building collapse and major redevelopment of Chadstone Shopping Centre in Q1
- Targeted capital investment program continues, with 267 capital investment initiatives across all brands and markets during FY17, including 74 new stores

Note:

1. Group result in FY16 excludes non-comparable 53rd week which contributed \$15.2m in sales and \$6.6m in EBIT. FY17 Sales and LFL growth percentage is reported on comparable 52 weeks of FY16.
2. Premier Retail underlying EBIT and underlying NPBT excludes make-good and other costs to date regarding the planned Melbourne Head Office move of Premier Retail to Premier Investments owned property incurred during FY17 of \$1.8m, non-recurring costs incurred during 1H17 regarding the finalisation of the one-off litigation matter previously reported (1H17 \$3.0m; FY16 \$2.3m) and one-off costs investing in Smiggle Ireland Expansion incurred during FY17 of \$0.2m all included within 'Total expenses' in the statutory accounts.



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Premier Retail performance

\$000	52 weeks to 29 Jul 2017	52 Weeks to 30 Jul 2016 ²	Var LY	53 Weeks to 30 Jul 2016
Sales	1,092,760	1,034,075	+5.7%	1,049,226
<i>LFL sales (constant currency)²</i>	<i>+1.1%</i>	<i>+3.5%</i>		<i>+3.5%</i>
Gross Profit	689,424	660,293	+4.4%	670,280
<i>Gross margin (%)</i>	<i>63.1%</i>	<i>63.9%</i>	<i>-76 bps</i>	<i>63.9%</i>
Employee Expenses ¹	(271,772)	(265,268)	+2.5%	(268,077)
<i>% sales</i>	<i>24.9%</i>	<i>25.7%</i>	<i>-78 bps</i>	<i>25.5%</i>
Rent ¹	(212,672)	(205,712)	+3.4%	(205,712)
<i>% sales</i>	<i>19.5%</i>	<i>19.9%</i>	<i>-43 bps</i>	<i>19.6%</i>
Advertising & Direct Marketing ¹	(13,718)	(11,580)	+18.5%	(11,580)
<i>% sales</i>	<i>1.3%</i>	<i>1.1%</i>	<i>+14 bps</i>	<i>1.1%</i>
Depreciation, Amortisation & Impairment ¹	(25,116)	(23,506)	+6.9%	(23,506)
<i>% sales</i>	<i>2.3%</i>	<i>2.3%</i>	<i>+6 bps</i>	<i>2.2%</i>
Other Costs of Doing Business ¹	(31,646)	(29,541)	+7.1%	(30,123)
<i>% sales</i>	<i>2.9%</i>	<i>2.9%</i>	<i>+4 bps</i>	<i>2.9%</i>
Other income	1,531	2,015		2,015
Underlying EBIT	136,031	126,701	+7.4%	133,297
<i>% sales</i>	<i>12.4%</i>	<i>12.3%</i>	<i>+19 bps</i>	<i>12.7%</i>
Borrowing costs	(4,117)	(4,068)		(4,068)
Underlying Profit before tax	131,914	122,633	+7.6%	129,228

Note:

- Total cost of doing business equates to 50.8% of sales (FY16²: 51.8%) excludes make-good and other costs to date regarding the planned Melbourne Head Office move of Premier Retail to Premier Investments owned property incurred during FY17 of \$1.8m, non-recurring costs incurred during 1H17 regarding the finalisation of the one-off litigation matter previously reported (1H17 \$3.0m; FY16 \$2.3m) and one-off costs investing in Smiggle Ireland Expansion incurred during FY17 of \$0.2m all included within 'Total expenses' in the statutory accounts.
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Record FY17 Sales and EBIT were delivered notwithstanding significant external headwinds:

1. Australian consumer sentiment low

- Elevated household debt, out-of-cycle mortgage rate hikes, subdued wages growth and soaring energy prices all putting pressure on household discretionary spending
- The Westpac Melbourne Consumer Sentiment Index for July 2017 recorded a further decline in confidence, the eighth consecutive month where pessimists have outnumbered optimists. This represents the longest succession of weak readings since the period around the Global Financial Crisis in 2008
- Apparel category has been particularly tough, with retailers across the sector discounting deeper and for longer to remain competitive
- Multiple corporate failures during FY17 in the retail sector highlight the tough retail market conditions

2. Unseasonably cold October 2016 weather in Australia

- 1H17 October 2016 weather was unseasonably cold, on average as much as 6 degrees colder than 1H16 in the southern capital cities
- Late start to warmer weather directly led to gross margin decline as all clothing brands were forced to compete on price with all retailers to clear summer inventory across the critical Christmas quarter

3. Earthquake in New Zealand (14 November 2016)

- 26 of 44 Premier Retail stores in the earthquake impacted area of New Zealand faced temporary closures of up to 12 days
- Lower Hutt, Wellington (Top 5 Shopping Centre in New Zealand) was the most significantly impacted, with the full centre only re-opening in April 2017 nearly 5 months after the earthquake. All 7 Premier Retail brands were impacted by temporary closures and missed significant sales through the Christmas and January trading period
- Consumer sentiment across all of New Zealand was significantly impacted by the earthquake, resulting in a negative step-change in trading momentum felt across all 169 New Zealand stores for the critical Christmas trading period

4. Hobart Cat & Fiddle building collapse (27 July 2016)

- 4 Premier Retail brands faced temporary store closures
- Just Jeans lost one month's trade re-opening on 29 August 2016
- Dotti lost over five months' trade re-opening on 5 January 2017, and missed critical Christmas trading period
- Portmans and Jacqui E faced significant structural damage. Jacqui E was forced to relocate and only re-opened in June 2017. Portmans remained closed for the entire FY17 year and is scheduled to re-open in September 2017

5. Chadstone Redevelopment (Q1 1H17)

- All 7 Premier Retail brands faced temporary closures and were significantly disrupted in Q1 during the major redevelopment at Chadstone Shopping Centre
- Since re-opening in Q2, the investment in 1H17 in Flagship stores for all 7 brands at Chadstone in the prime new shopping precinct is delivering **exceptional** results, well above the same period last year in the old locations

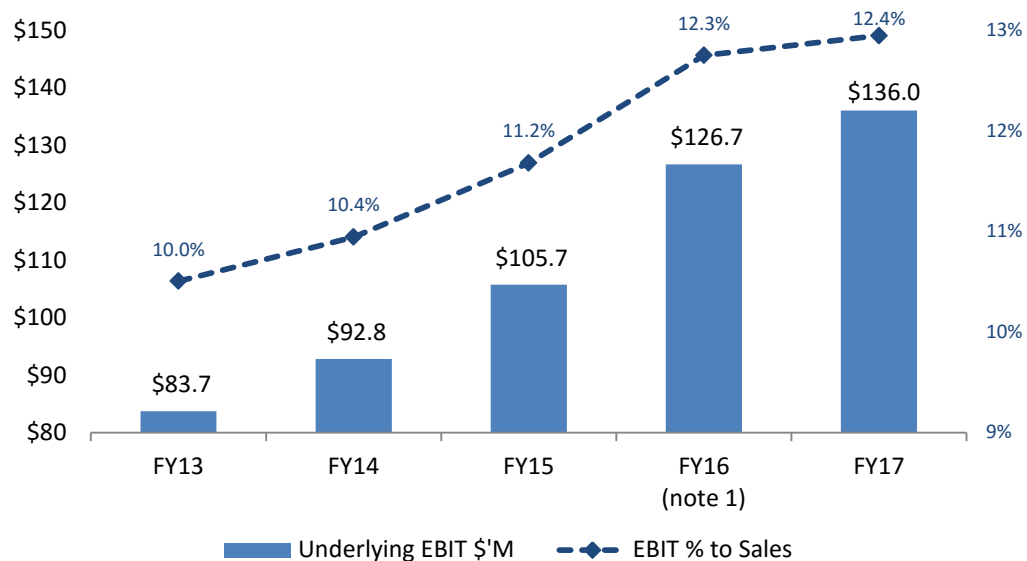


5

Premier Retail FY17 EBIT: strong growth continues

- 6 consecutive years of EBIT growth
- EBIT % to Sales up 19 bps
- Key Gross Margin and CODB strategies delivering

Underlying EBIT – 5 Year History



Note:

1. Group result in FY16 excludes non-comparable 53rd week which contributed \$15.2m in sales and \$6.6m in EBIT



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Gross Margin Strategies continue to deliver

- Key long term foreign currency hedging policies allowing for merchandise planning
- Direct sourcing initiatives continued to deliver benefits from new and existing suppliers
- Sourcing from new geographies continues
- Investing in better merchants, delivering better product
- Ongoing focus on disciplined execution of markdown management
- Significant growth from higher margin brands Smiggle and Peter Alexander

CODB Focus continues to deliver

- CODB **decreased by** 101 bps as a percentage of sales to 50.8% in FY17¹
- Costs continue to be well controlled despite structural inflationary pressures
- Investment will continue to be focussed in strategic growth initiatives, including Smiggle's international growth markets (Europe and Asia), Peter Alexander and Online

Note:

1. Refer page 9 for CODB details

CODB – Store Profitability Focus

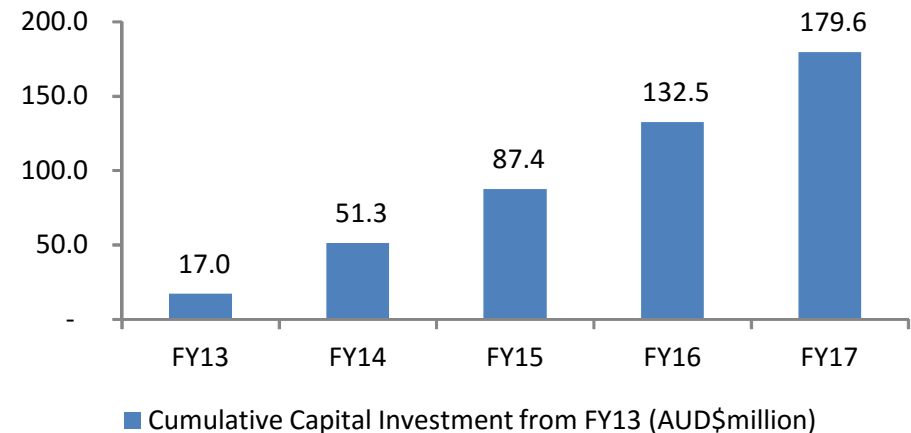
- Focus on strategic growth initiatives has resulted in the opening of 234 highly profitable new Smiggle and Peter Alexander stores globally in the last 5 years, with 143 of these new stores opened outside of Australia
- Premier Retail closed 8 stores during FY17, a total of 86 stores closed over the last 5 years, as part of the ongoing program to close unprofitable stores
- As consumers continue to shift their spending from physical stores to online, the focus continues on individual store profitability to drive shareholder returns. Where landlords do not continue to invest in overall shopping experiences and/or adjust their rent expectations in line with the performance of their own centres and the major shift in consumer behaviour, further store closures may be necessary
- As a direct result of unrealistic rent expectations, after over 30 years trading and generating over \$5m sales in FY17, Premier Retail will close its Just Jeans and Portmans Melbourne Flagship stores in the Bourke Street Mall in October 2017 as part of the ongoing program to close unprofitable stores

6

Premier Retail investing in growth

- Investment in rapid growth of Smiggle continues in international markets
- Investment continues in Peter Alexander new stores, refurbishments, refits, upsizing and back-of-house
- Significant investment continues in all online platforms including the rapid international and local expansion of our online capability as consumer spending continues to increase online
- Targeted store upgrades and refurbishments continue in core brand network where landlords are also investing in improving the overall shopping experience, including significant investment in Chadstone Flagship stores in FY17
- In FY17, 64.5% of capital investment in Australia and New Zealand stores has been funded via landlord contributions
- The group will continue to invest to underpin future growth

5 Year Cumulative Capital Investment



Note: Capital invested reflects the total of the group spend including any landlord contributions

6

Premier Retail investing in growth

Premier Retail continues to invest in new stores, upgrades and refurbishments to deliver sustainable sales growth: 267 stores received capital investment, including 74 new stores in FY17



- 38 new stores opened in the United Kingdom
- 2 new stores opened in the Republic of Ireland
- 10 new stores opened in Malaysia
- 6 new stores opened in Hong Kong
- 2 new stores opened in Singapore
- 1 full store refit in Australia - Chadstone Flagship
- 1 store refurbished in existing location in Australia
- 3 stores received POS upgrades



Smiggle Chester (UK) - Opened March 2017



- 6 new stand-alone stores opened in Australia
- 5 new Myer concession stores opened in Australia
- 4 stores were upsized and refurbished in Australia, including Chadstone Flagship
- 109 stores received VM fixture upgrades across Australia and New Zealand
- 34 stores received store fixture upgrades across Australia and New Zealand



Peter Alexander Watergardens - Opened April 2017



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Premier Retail investing in growth

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- 3 stores relocated and refurbished in Australia, including Chadstone Flagship
- 5 stores refurbished in existing locations in Australia



- 3 stores relocated and refurbished in Australia, including Chadstone Flagship
- 6 stores refurbished in existing locations across Australia and New Zealand



- 2 new stores opened in Australia
- 5 stores relocated and refurbished in Australia, including Chadstone Flagship
- 8 stores refurbished in existing locations across Australia and New Zealand

dotti

- 3 new stores opened in Australia
- 3 stores relocated and refurbished in Australia, including Chadstone Flagship
- 3 stores refurbished in existing locations in Australia

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- 2 stores relocated and refurbished in Australia, including Chadstone Flagship
- 3 stores refurbished in existing locations in Australia



Dotti Mandurah – Opened July 2017



Jay Jays Mandurah – Opened July 2017



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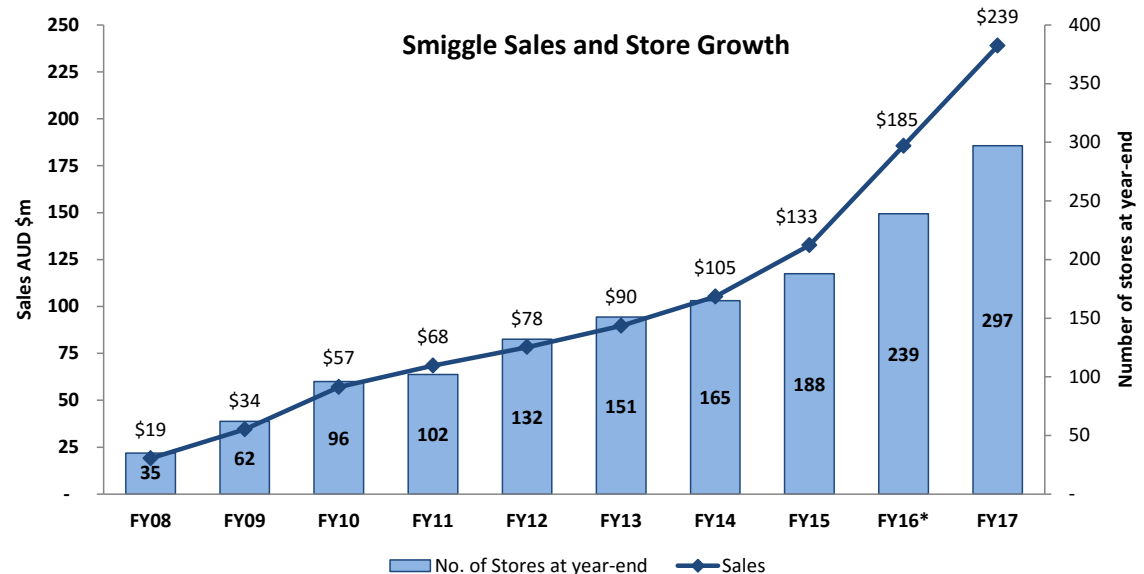


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Smiggle: sales planned to exceed \$400 million by FY20

- Sales of \$238.9m, up 28.8% on FY16¹
- Another record year for the brand underpinned by strong global LFL growth and 58 new stores opened globally
- Smiggle becomes the highest turnover brand in Premier Retail
- Smiggle planning to open 100 - 120 new stores in existing markets over the next two years
- In addition, Smiggle today announces entry into Continental Europe with first stores to open in the Netherlands and Belgium in CY18
- **Smiggle sales planned to exceed \$400 million by FY20**



Notes:

* FY16 excludes non-comparable 53rd week of sales. FY17 Sales growth percentage is reported on comparable 52 weeks of FY16

- Another strong LFL and total sales performance in FY17 across all channels
- Strong sales growth across both online and stores
- Refurbishments in key flagship destinations have been highly successful, with further targeted investments to continue. Potential for additional store openings where the opportunity is right
- 2 new stores have opened in 1H18 and are trading ahead of expectations
- In August 2017, Smiggle opened global store number 300 (Midland Gate, WA, Australia)



Singapore

- Another strong LFL and total sales performance in FY17
- Business in Singapore remains buoyant with strong demand from both locals and regional tourists; the regional travellers continue to provide insight on which markets the brand could enter next
- 2 new stores opened in FY17
- The opportunity still exists for a further 2-3 store openings across FY18 and FY19 in Singapore

Hong Kong

- Following a successful launch into the market in May 2016 there are now 10 stores trading ahead of expectations
- The brand has been well received by locals and tourists, including mainland Chinese, with encouraging sales results and strong momentum building
- 2 confirmed stores to open in 1H18, including another flagship store, TMT Mall which recently opened in September 2017
- Targeting a further 5 stores to open before end 2H18
- Smiggle reaffirms the Hong Kong expansion plan to have 25-35 stores within five years of launch



Malaysia

- Following a successful launch into the market in April 2016 there are now 11 stores trading well ahead of expectations
- 2 confirmed sites to open in 1H18 with potential for 4 further stores to open in 2H18
- The brand has been well received by locals and tourists, with very encouraging sales results and strong momentum building
- Strong operational team in market, capably managed and lead by the Smiggle Singapore team
- Well ahead of previous guidance to open 15-25 stores over the next five years in Malaysia



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Smiggle: UK continues to trade ahead of expectations

- 102 stores trading in the UK at the end of FY17
- Another year of strong LFL and total sales growth
- Despite FY17 being characterised by the uncertainty of Brexit, this was a year of records for the brand in the UK
- 38 new stores opened during FY17, including the key locations of London Kings Road, Liverpool One, Edinburgh Princes Street (Scotland), Glasgow Fort (Scotland) and first store in Northern Ireland
- The UK became the brand's largest market for Smiggle sales in 2H17
- Online continues to exceed expectations and ongoing investment in the UK transactional website continues
- In 1H17 Smiggle UK was awarded the prestigious Retailer of the Year 2016 (British Council of Shopping Centres) and Fastest Growing Shopping Centre Retailer for 2016 (Retail Week)
- Smiggle UK remains on track to open a further 30-40 stores in FY18
- A number of key sites to open in 1H18 prior to the key Christmas period including Southampton West Quay, Glasgow Buchanan Galleries (Scotland), Manchester Trafford Centre and Oxford Westgate
- Strong start to 1H18 in the key back-to-school period



Glasgow Fort, April 2017

Smiggle Eurozone successful launch

Republic of Ireland

- Smiggle's first Eurozone country, Republic of Ireland, launched successfully in 2H17
- 2 stores opened in Dublin and both trading well ahead of expectations
- A further 2 stores confirmed to open in 1H18, with potential for another 2 stores to open ahead of the critical Christmas period
- A further 4 stores planned to open in 2H18
- 1H18 has opened ahead of expectations during the key back- to-school period
- Reaffirm the market has potential for 15-20 stores within 3 years



Dundrum Dublin – May 2017

7

Smiggle to enter Continental Europe

- Smiggle announces further growth by entering into Continental Europe
- Smiggle to open first stores in the Netherlands and Belgium during calendar year 2018

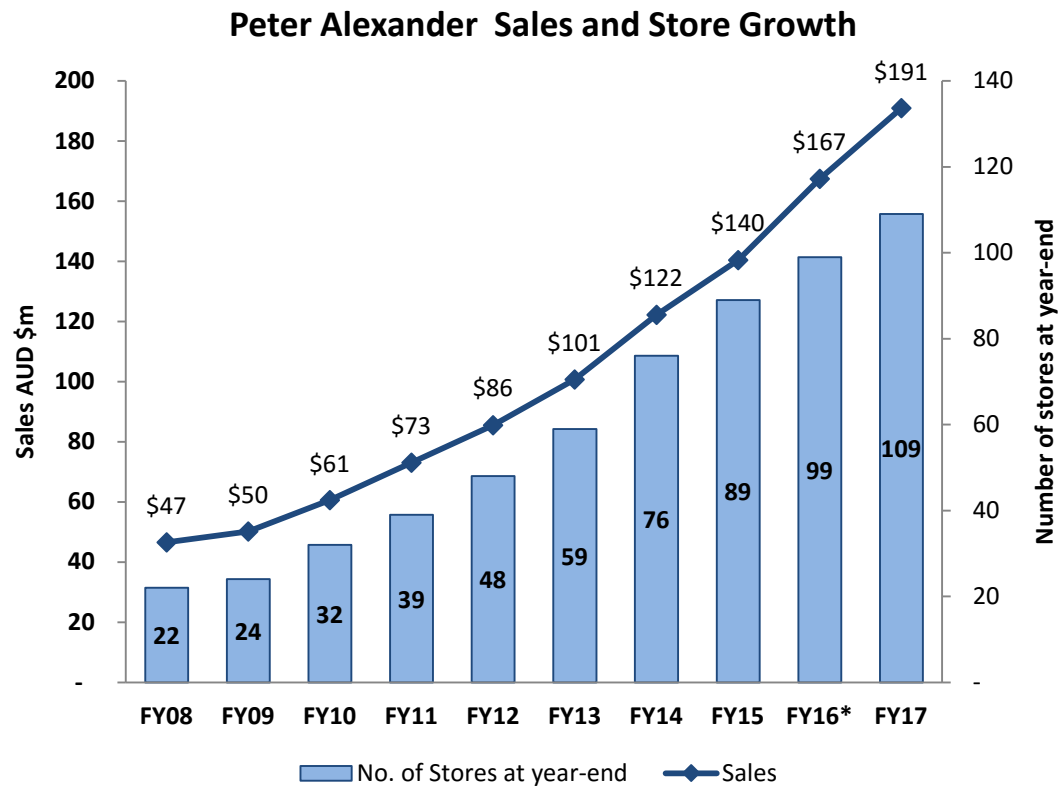
Why the Netherlands and Belgium?

- Combined personal stationery market of USD\$1.7 billion*
- In depth in market evaluation has been completed along with thorough desktop research
- The brand's presence in the UK with a highly successful online business has given valuable insight into interest from other European countries, with significant orders placed from both the Netherlands and Belgium
- A high percentage of English spoken, coupled with high levels of shopping centre penetration in both countries
- Exciting opportunity exists to grow into new countries whilst leveraging the high calibre management and infrastructure already in place in the UK. This includes the utilisation of both the UK distribution centre and online platform, as the brand has successfully done in the Republic of Ireland. This is a highly profitable strategy
- The entry into the Eurozone via the Republic of Ireland has provided important insights for further European expansion plans
- Smiggle sees the opportunity to open 40-50 stores over the next 4-5 years across the two countries combined



**source: Conlumino report, Nov 2015, Stationery & Cards Retailing in Netherlands, Forecast 2017; Conlumino report, Nov 2015, Stationery & Cards Retailing in Belgium, Forecast 2017*

Peter Alexander performing strongly



Notes:

* FY16 excludes non-comparable 53rd week of sales. FY17 Sales growth percentage is reported on comparable 52 weeks of FY16



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Peter Alexander performing strongly

- Sales up 14.0% with strong total and LFL sales in both Australia and New Zealand¹
- Celebrated 30 years of Peter Alexander Sleepwear
- Excellent results from Christmas, Easter and Mother's Day trading periods continuing to cement brand as a key gifting destination
- 6 new stores opened: Pacific Fair, Greenwood Plaza, Macarthur Square, Noosa, Watergardens and Woden - all trading ahead of expectations
- 5 new Myer concessions opened in 2H17: Highpoint, Doncaster, Geelong, Chatswood and Pacific Fair
- Chadstone, Spencer Street and Warringah stores relocated and refurbished to a larger format store with significantly more revenue
- Ongoing success of Brisbane Airport store heralds opportunities in more airport locations, with 2 confirmed for 1H18
- Strong performance from Myer concessions with significant growth from improved customer awareness of brand driving double digit like for like growth
- Online continues to deliver exceptional growth both in dollars and as a percentage of the total mix
- Investment in key product categories and continued trial of new categories providing strong results for the brand – e.g. Plus Size



Notes:

1. FY17 Sales growth percentage is reported on comparable 52 weeks of FY16

Peter Alexander 2020 Growth Plan

Sales planned to exceed \$250 million by FY20

- Targeting 40 new stores over next three years - 8 New stores and 4 New Myer concessions already confirmed to open in 1H18
- 12 existing stores identified to be upsized or refurbished by 2020
- Expansion of outlet stores with engineered product to manage seasonal relevance
- Continued investment and growth from online
- 3 key merchandise initiatives – launch of Bath & Body, P.A. Plus Size expansion and Childrenswear expansion



- 3 key merchandise initiatives – Bath & Body, P.A. Plus Size expansion and Childrenswear expansion

Bath & Body

- Natural extension of the Peter Alexander brand
- Trial of selected gift lines for Christmas 2017
- Full offer launched in the lead up to Mother's Day 2018
- 45 options with investment in a dedicated fixture
- Available both in store and online

Childrenswear expansion

- Childrenswear has grown over 5 fold since 2013
- April 2018 will launch an expanded Children's 'Play' offer online featuring casual day wear and expanded gifting offer
- Potential to pilot a stand alone store which is dedicated to Childrenswear

P.A. Plus Size expansion

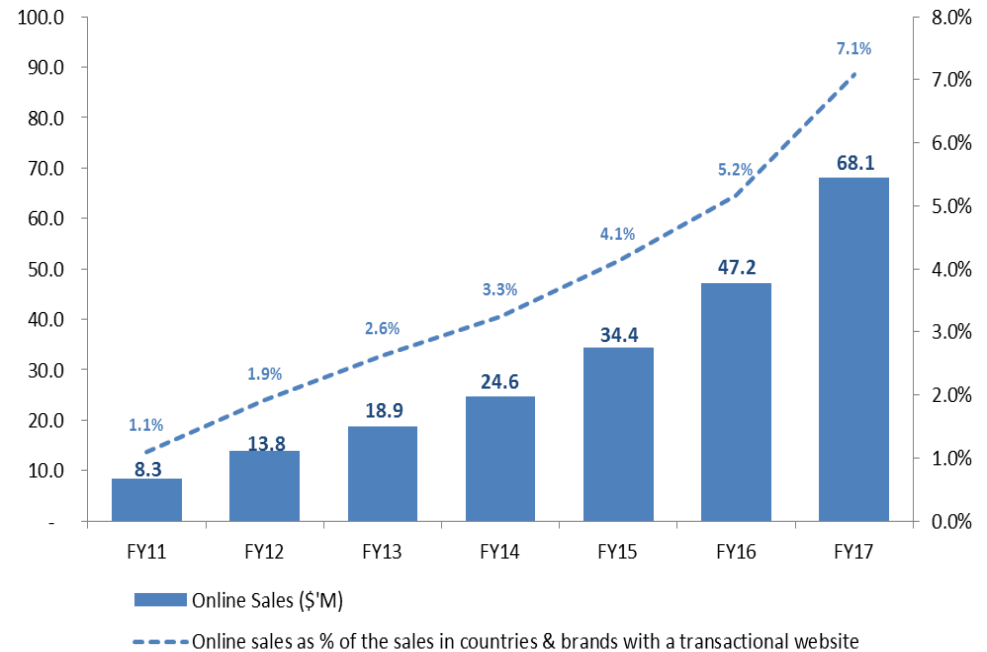
- Plus Size category launched 2 years ago with a capsule of 15 options
- Growth and acceptance of the category has been outstanding
- Online makes up a significantly higher portion of P.A. Plus sales
- December 2017 will launch an expanded offer growing the number of options from 30 currently to 70
- Limited number of stores will also have the enhanced offer



9

Online – delivering a world class platform and customer experience

- Online sales of \$68.1m up 44.3% on FY16¹ – well ahead of market growth of 0.7%² for the 12 months ended July 2017
- The online business has grown from 1.1% of the respective markets' sales in FY11 to 7.1% in FY17
- Investment continues in technology, people and new marketing initiatives to deliver a world class platform and customer experience
- 2013 investment in centralised and specifically customised Australian Distribution Centre servicing 100% order fulfilment of 100% of Premier Retail products in Australia
- Online channel continues to deliver significantly higher EBIT margin than the Group average
- All global sites continuing to deliver strong growth with all brands outperforming the market
- Online sales now expected to exceed the original target of \$100m sooner than 2020



Note:

1. FY16 excludes non-comparable 53rd week of sales. FY17 Sales growth percentage is reported on comparable 52 weeks of FY16
2. NAB Online Retail Sales Index – July 2017, published 12 September 2017, reported Australian online retail sales in the fashion category grew by 0.7% in the 12 months to July 2017

Smiggle achieves significant growth

- Record year for Smiggle with global sales of \$238.9m up 28.8% (total sales up 80% over 2 years)¹
- 58 new stores opened globally in FY17 - more than one new Smiggle store opened around the globe per week for the second consecutive year
- In FY17 Smiggle became the highest turnover brand in Premier Retail
- Highly successful entry in FY17 into the Eurozone with the opening of first stores in the Republic of Ireland
- Smiggle planning to open 100 - 120 new stores in existing markets over the next two years
- In addition, Smiggle today announces entry into Continental Europe with first stores to open in the Netherlands and Belgium in CY18
- Investigations are continuing in potential new high value countries of size and scale
- John Cheston (Managing Director: Smiggle) continues to lead a strong and focused management team growing a truly unique global brand
- ***Smiggle sales planned to exceed \$400 million by FY20***

Notes:

1. FY17 Sales growth percentage is reported on comparable 52 weeks of FY16

Peter Alexander performing strongly

- Peter Alexander sales up 14.0% to \$190.9m with strong total and LFL sales growth¹
- Peter Alexander's 2020 growth plan announced today – **annual sales planned to exceed \$250m by FY20**
 - Targeting 40 new stores to open over the next three years
 - 12 existing stores identified to be upsized and refurbished by 2020
 - Continued investment and growth from online
 - Extension of Peter Alexander brand into Bath & Body category
 - Significant expansion of P.A. Plus Size and Childrenswear
- Strong and focused management team led by Judy Coomber (Managing Director: Peter Alexander) and Peter Alexander (Creative Director: Peter Alexander)

Online strategy delivering

- Sales for the year up 44.3% to \$68.1m - well ahead of market growth^{1,2}
- The online business has grown from 1.1% of the respective markets' sales in FY11 to 7.1% in FY17
- Online channel extremely profitable with EBIT margin significantly above group average
- Significant investment continues in technology, people and marketing to deliver world class platform and online customer experience to maximise growth
- Strong and focused management team led by Georgia Chewing (Group General Manager: Internet and Marketing) continuing to grow and innovate the business
- **Online sales now expected to exceed the original target of \$100m sooner than 2020**

Note:

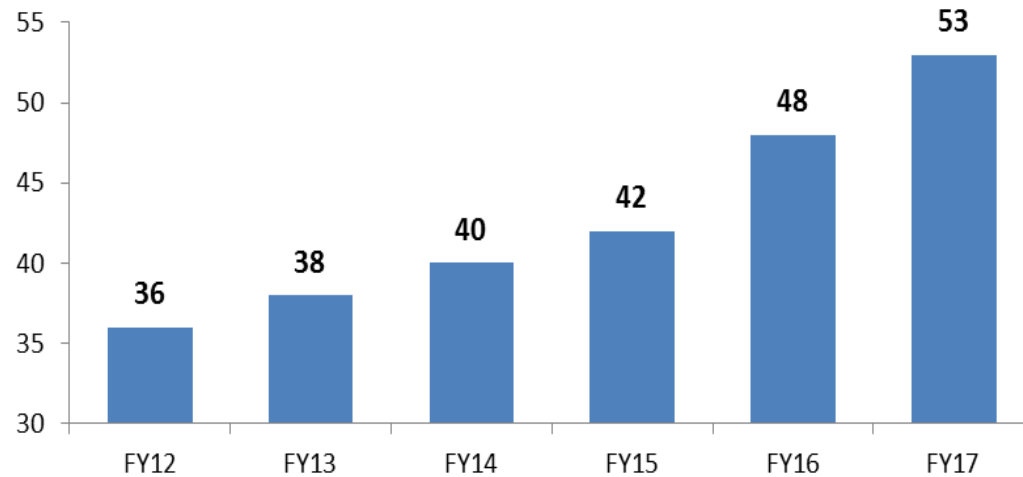
1. FY17 Sales growth percentage is reported on comparable 52 weeks of FY16
2. NAB Online Retail Sales Index – July 2017, published 12 September 2017, reported Australian online retail sales in the fashion category grew by 0.7% in the 12 months to July 2017



DIVIDENDS

- The Premier Board has declared an increased final dividend of 27 cps fully franked, up 8.0% (FY16 Final: 25 cps)
- Total full year ordinary dividends of 53 cps fully franked, up 10.4% (FY16: 48 cps)

Premier Investments Full Year Ordinary Dividends per share (cents) fully franked





PREMIER RETAIL
Appendix A:
Brand by Brand performance

Highlights

- Record year with sales growth of 28.8%¹ to \$238.9m (total sales up 80% over 2 years)
- Record year underpinned by strong global LFL growth
- 58 stores opened across Europe and Asia with more than 50% of stores outside of Australia
- Online success in both Australia and UK is ahead of expectations and through ongoing targeted investment has become a significant driver of revenue and profit
- Smiggle planning to open 100 - 120 new stores in existing markets over the next two years
- In addition, Smiggle today announces entry into Continental Europe with first stores to open in the Netherlands and Belgium in calendar year 2018
- **Smiggle sales planned to exceed \$400 million by FY20**

Overview of Results

Sales	\$238.9m
Var LY	+28.8% ¹

Store movements	Jul 16	Open	Close ²	Jul 17
Australia	129	-	-	129
New Zealand	23	-	-	23
Singapore	18	2	-	20
UK	64	38	-	102
Malaysia	1	10	-	11
Hong Kong	4	6	-	10
Ireland	-	2	-	2
	239	58	-	297



Notes:

1. FY17 Sales growth percentage is reported on comparable 52 weeks of FY16
2. Store movements table reflects permanent store closures only, and does not include temporary store closures impacting trading results during FY17

Highlights

- Peter Alexander sales up 14.0%¹ to \$190.9m with strong total and LFL sales growth
- Peter Alexander's 2020 growth plan announced: **annual sales planned to exceed \$250m by FY20**
 - Targeting 40 new stores to open over the next three years
 - 12 existing stores identified to be upsized and refurbished by 2020
 - Continued investment and growth from online
 - Extension of Peter Alexander brand into Bath & Body category
 - Significant expansion of P.A. Plus Size and Childrenswear

Overview of Results

Sales	\$190.9m
Var LY	+14.0% ¹

Store movements	Jul 16	Open	Close ²	Jul 17
Australia	74	6	-	80
New Zealand	15	-	1	14
Myer Concession	10	5	-	15
	99	11	1	109

Notes:

1. FY17 Sales growth percentage is reported on comparable 52 weeks of FY16
2. Store movements table reflects permanent store closures only, and does not include temporary store closures impacting trading results during FY17



Highlights

- Solid sales growth of 1.5%¹ compared to domestic market competitors
- Investment in flagship store at Chadstone which opened in October 2016 delivering positive results
- FY17 Sales were negatively impacted by one-off temporary store closures including the relocation at Chadstone, earthquake impacted Lower Hutt (NZ) and building collapse at Cat & Fiddle (Hobart)
- 3 stores were closed in FY17 as part of the ongoing program to close unprofitable stores
- Investment in new retail store format continues to deliver positive results
- Differentiation through the international branded denim business where investment in width of range, instock of sizes and personal service continues to deliver a great competitive advantage
- Investment in Ashley Hart & Stenmark twins as brand ambassadors continues

Overview of Results

Sales	\$216.4m
Var LY	+1.5% ¹

Store movements	Jul 16	Open	Close ²	Jul 17
Australia	200	-	3	197
New Zealand	45	-	-	45
	245	-	3	242



Notes:

1. FY17 Sales growth percentage is reported on comparable 52 weeks of FY16
2. Store movements table reflects permanent store closures only, and does not include temporary store closures impacting trading results during FY17

Highlights

- LFL Sales were stronger than overall sales and the brand delivered a seventh consecutive year of improved gross margins
- 3 stores were closed in FY17 as part of the ongoing program to close unprofitable stores
- Investment in flagship store at Chadstone which opened in October 2016 continues to deliver positive results
- Focus on disciplined execution of markdown management in a highly competitive market leaving a clean inventory position at end of FY17

Overview of Results

Sales	\$158.9m			
Var LY	-1.6% ¹			
Store movements	Jul 16	Open	Close²	Jul 17
Australia	176	2	2	176
New Zealand	35	-	1	34
	211	2	3	210

Notes:

1. FY17 Sales growth percentage is reported on comparable 52 weeks of FY16
2. Store movements table reflects permanent store closures only, and does not include temporary store closures impacting trading results during FY17



Highlights

- FY17 Sales were negatively impacted by one-off temporary store closures including the relocation at Chadstone, earthquake impacted Lower Hutt (NZ) and building collapse at Cat & Fiddle (Hobart)
- Investment in flagship store at Chadstone which opened in October 2016 delivering positive results
- Strong Online sales growth continues
- Successful implementation of new direct sourcing channel continues to enhance margin
- Focus on disciplined execution of markdown management in a highly competitive market leaving a clean inventory position at end of FY17

Overview of Results

Sales	\$110.4m
Var LY	-3.6% ¹

Store movements	Jul 16	Open	Close ²	Jul 17
Australia	95	3	-	98
New Zealand	21	-	-	21
	116	3	-	119

Notes:

1. FY17 Sales growth percentage is reported on comparable 52 weeks of FY16
2. Store movements table reflects permanent store closures only, and does not include temporary store closures impacting trading results during FY17



Highlights

- Nicole Naccarella appointed as the new Group General Manager of Jacqui E (joined the business in June 2017). Nicole has deep Womenswear product development experience which will be of significant benefit to lead a revitalised Jacqui E product team in FY18
- FY17 Sales were negatively impacted by one-off temporary store closures including the relocation at Chadstone, earthquake impacted Lower Hutt (NZ) and building collapse at Cat & Fiddle (Hobart)
- Investment in flagship store at Chadstone which opened in November 2016 continues to deliver positive results
- Focus on disciplined execution of markdown management in a highly competitive market leaving a clean inventory position at end of FY17
- Jacqui E announced a new Brand Ambassador in July 2017: Rachel Hunter: style hunter, super-model and mum

Overview of Results

Sales	\$65.7m			
Var LY	-6.2% ¹			
Store movements	Jul 16	Open	Close²	Jul 17
Australia	77	-	-	77
New Zealand	20	-	-	20
	97	-	-	97

Notes:

1. FY17 Sales growth percentage is reported on comparable 52 weeks of FY16

2. Store movements table reflects permanent store closures only, and does not include temporary store closures impacting trading results during FY17



Highlights

- Portmans leadership team has been completely revitalised and renewed with the appointment of Linda Levy as the new Group General Manager of Portmans effective April 2017
- Return to positive LFL Sales during the last 7 weeks from mid-July giving the brand renewed momentum into FY18
- After delivering strong sales growth of 7.1% in FY16, sales in FY17 were down 8.6%¹ in a challenging year
- FY17 Sales were negatively impacted by one-off temporary store closures including the relocation at Chadstone, earthquake impacted Lower Hutt (NZ) and building collapse at Cat & Fiddle (Hobart)
- Georgia Fowler announced as the new brand ambassador
- Focus on disciplined execution of markdown management in a highly competitive market leaving a clean inventory position at end of FY17

Overview of Results

Sales	\$111.5m			
Var LY	-8.6% ¹			
Store movements	Jul 16	Open	Close ²	Jul 17
Australia	91	-	1	90
New Zealand	13	-	-	13
	104	-	1	103

Notes:

1. FY17 Sales growth percentage is reported on comparable 52 weeks of FY16
2. Store movements table reflects permanent store closures only, and does not include temporary store closures impacting trading results during FY17



Overview of Premier's non-IFRS financial information

- IFRS financial information is financial information that is presented in accordance with all relevant accounting standards
- Non-IFRS financial information is financial information that is presented other than in accordance with all relevant accounting standards. For example: EBIT, underlying, non-comparable 53rd week, like for like sales, cash generated, one-off, non-recurring
- Any non-IFRS financial information is clearly labelled to differentiate it from reported/IFRS financial information
- Premier provides reconciliations on the face of the slides and in the footnotes of the presentation in order to allow the reader of the presentations to clearly reconcile between the IFRS and non-IFRS financial information
- Premier management believes that the presentation of additional non-IFRS information in its results presentations provides readers of these documents with a greater understanding into the way in which management analyses the business as well as meaningful insights into the financial condition or Premier's overall performance
- The Australian Securities and Investments Commission (ASIC) acknowledges the relevance of non-IFRS financial information in providing "meaningful insight" as long as it does not mislead the reader

Forward looking statements

- Any forward looking statements contained in this document have been based on expectations at the date of this document about future events. The forward looking statements included in this document may be identified by use of the forward looking words such as believe, aim, expect, planned or other similar words. Similarly, statements that describe Premier's objectives, plans, goals or expectations are, or may be, forward looking statements. Nothing contained in this document is, or may be relied on as, a promise or representation as to the accuracy or likelihood of fulfilment of any forward looking statements, except to the extent required by law. You are therefore cautioned not to place undue reliance on any such forward looking statements
- Subject to any obligations under the Corporations Act or the ASX listing rules, Premier does not give any undertaking to update or revise any forward looking statements after the date of this document to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based