

Appendix 4D

Half yearly report

Period ended on 27 January 2018

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")
27 January 2018	28 January 2017

3. Results for announcement to the market

\$A'000

3.1 Revenues from ordinary activities	up	6.82%	to	634,370
3.2 Profit from ordinary activities after tax attributable to members	up	9.36%	to	78,598
3.3 Net profit for the period attributable to members	up	9.36%	to	78,598
3.4 Dividends (distributions)		Amount per security		Franked amount per security
<i>Current period:</i>				
Interim dividend		29.0 cents		29.0 cents
<i>Previous corresponding period:</i>				
Interim dividend		26.0 cents		26.0 cents
3.5 Record date for determining entitlements to the dividends	1 MAY 2018			
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 consolidated half-year financial 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 for the year ended 29 July 2017.</p>			

4. NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$3.29	\$3.30

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

15 May 2018

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 ⁺CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are ⁺CHESS approved)

1 May 2018

Amount per security

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Interim dividend: Current period	29.0 cents	29.0 cents	Nil
Interim dividend: Previous corresponding period	26.0 cents	26.0 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>)	45,776	40,994
Preference securities (<i>each class separately</i>)	-	-
Other equity instruments (<i>each class separately</i>)	-	-
Total	45,776	40,994

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 DIVIDEND.

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 After Tax	Entity Net Profit After Tax
Breville Group Limited	27.5%	\$9,992	\$9,271

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

CONSOLIDATED HALF-YEAR FINANCIAL REPORT
FOR THE 26 WEEK PERIOD 30 JULY 2017 TO
27 JANUARY 2018

This half-year report is to be read in
conjunction with the annual financial report
for the year ended 29 July 2017

PREMIER INVESTMENTS LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED HALF-YEAR FINANCIAL REPORT
FOR THE 26 WEEK PERIOD ENDED
27 JANUARY 2018

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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
David Crean	Deputy Chairman and Non-executive Director
Mark McInnes	Executive Director
Timothy Antonie	Non-executive Director and Lead Independent Director
Lindsay Fox AC	Non-executive Director
Sally Herman	Non-executive Director
Henry Lanzer AM	Non-executive Director
Terrence McCartney	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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SHARE REGISTER

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AUDITORS

Ernst & Young
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Melbourne Victoria 3000

SOLICITORS

Arnold Bloch Leibler
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Melbourne Victoria 3000

DIRECTORS' REPORT

The directors present their report together with the financial report of the consolidated entity consisting of Premier Investments Limited and the entities it controlled, for the 26 week period 30 July 2017 to 27 January 2018 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
David Crean	Deputy Chairman and Non-executive Director
Mark McInnes	Executive Director
Timothy Antonie	Non-executive Director and Lead Independent Director
Lindsay Fox AC	Non-executive Director
Sally Herman	Non-executive Director
Henry Lanzer AM	Non-executive Director
Terrence McCartney	Non-executive Director
Michael McLeod	Non-executive Director
Gary Weiss	Non-executive Director

EARNINGS PER SHARE

	26 WEEKS ENDED 27 JANUARY 2018	26 WEEKS ENDED 28 JANUARY 2017
	CENTS	CENTS
Basic earnings per share	49.81	45.69
Diluted earnings per share	49.47	45.29

DIVIDENDS

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

2017 Final Dividend: 27 cents per share paid on 17 November 2017.

The directors have recommended the following fully franked dividends:

2018 Interim Dividend: 29 cents per share payable on 15 May 2018.

OPERATING AND FINANCIAL REVIEW

Net profit after income tax for the 26 weeks ended 27 January 2018 was \$78.6 million (28 January 2017: \$71.9 million), which represents a 9.4% increase on last year.

Premier Retail was the key contributor to the Group's operating results for the half-year. The retail segment operates a number of specialty retail fashion chains within the specialty retail markets in Australia, New Zealand, Singapore, United Kingdom, Malaysia, Hong Kong and Republic of Ireland.

For the 26 weeks ended 27 January 2018, the retail segment reported an increase of 7.0% in sales. Profit before income tax for the retail segment increased by 13.3% to \$99.3 million for the 26 weeks ended 27 January 2018.

The investment segment (excluding the inter-group dividend) reported revenue and other income of \$3.5 million (28 January 2017: \$3.5 million).

ROUNDING

The Company is a company of the kind specified in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016. In accordance with that ASIC instrument, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

DIRECTORS' REPORT (CONTINUED)

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 15 March 2018 the directors declared an interim ordinary dividend of 29 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 30 July 2017 to 27 January 2018. This auditors' declaration forms part of the Directors' Report.

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

A handwritten signature in blue ink, appearing to read 'S Lew.', is positioned above the printed name.

Solomon Lew

Chairman

15 March 2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD 30 JULY 2017 TO 27 JANUARY 2018

	NOTES	CONSOLIDATED	
		26 WEEKS ENDED 27 JANUARY 2018 \$'000	26 WEEKS ENDED 28 JANUARY 2017 \$'000
Revenue from sale of goods	4	630,073	588,613
Other revenue	4	3,693	3,694
Total revenue		633,766	592,307
Other income	4	604	1,557
Total revenue and other income		634,370	593,864
Changes in inventories of finished goods		(232,148)	(211,750)
Employee expenses		(143,931)	(141,624)
Operating lease rental expense		(113,388)	(107,873)
Depreciation, impairment and amortisation	5	(13,734)	(12,954)
Advertising and direct marketing		(8,546)	(7,535)
Finance costs	5	(3,721)	(2,630)
Other expenses		(21,606)	(21,162)
Total expenses		(537,074)	(505,528)
Share of profit of associate		9,992	9,271
Profit before income tax		107,288	97,607
Income tax expense	6	(28,690)	(25,739)
Net profit for the period attributable to owners		78,598	71,868
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
Net gain on cash flow hedges		9,606	1,775
Foreign currency translation		3,176	(1,649)
Net movement in other comprehensive income of associates		(288)	731
Income tax on items of other comprehensive income	5	(2,882)	(558)
Other comprehensive income which may be reclassified to profit or loss in subsequent periods, net of tax		9,612	299
Items not to be reclassified subsequently to profit or loss:			
Net fair value loss on listed investment		(12,825)	-
Income tax on items of other comprehensive loss	5	3,736	-
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods, net of tax		(9,089)	-
Total other comprehensive income, net of tax		523	299
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			
ATTRIBUTABLE TO OWNERS		79,121	72,167
Earnings per share for profit attributable to ordinary equity holders of the parent:			
Basic, profit for the year (cents per share)	9	49.81	45.69
Diluted, profit for the year (cents per share)	9	49.47	45.29

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 27 JANUARY 2018

	NOTES	CONSOLIDATED	
		27 JANUARY 2018 \$'000	29 JULY 2017 \$'000
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	11	185,521	170,631
Trade and other receivables		17,843	23,682
Inventories		140,121	140,755
Other financial instruments	12	106	181
Other current assets		15,042	11,572
Total current assets		358,633	346,821
Non-current assets			
Property, plant and equipment		223,183	214,378
Intangible assets		855,372	855,114
Deferred tax assets		36,722	35,773
Listed investment at fair value	13	54,839	67,665
Investment in associate	14	221,278	216,940
Total non-current assets		1,391,394	1,389,870
TOTAL ASSETS		1,750,027	1,736,691
LIABILITIES			
<i>Current liabilities</i>			
Trade and other payables		85,457	71,528
Other financial instruments	12	12,282	21,651
Income tax payable		10,474	17,936
Provisions		19,740	19,365
Other current liabilities		14,719	12,910
Total current liabilities		142,672	143,390
Non-current liabilities			
Interest-bearing liabilities		146,579	173,475
Deferred tax liabilities		59,945	58,787
Provisions		1,850	1,828
Other financial instruments	12	54	460
Other non-current liabilities		25,024	23,078
Total non-current liabilities		233,452	257,628
TOTAL LIABILITIES		376,124	401,018
NET ASSETS		1,373,903	1,335,673
<i>EQUITY</i>			
Contributed equity	15	608,615	608,615
Reserves		(27,849)	(30,100)
Retained earnings		793,137	757,158
TOTAL EQUITY		1,373,903	1,335,673

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD 30 JULY 2017 TO 27 JANUARY 2018

	CONSOLIDATED	
	26 WEEKS ENDED 27 JANUARY 2018	26 WEEKS ENDED 28 JANUARY 2017
	\$'000	\$'000
	NOTES	
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>		
Receipts from customers (inclusive of GST)	700,136	652,853
Payment to suppliers and employees (inclusive of GST)	(568,248)	(545,310)
Income taxes paid	(30,379)	(26,407)
Dividends received from listed investment	1,777	-
Interest received	1,725	3,690
Borrowing costs paid	(3,659)	(2,282)
NET CASH FLOWS FROM OPERATING ACTIVITIES	101,352	82,544
<i>CASH FLOWS USED IN INVESTING ACTIVITIES</i>		
Proceeds from disposal of property, plant and equipment	-	4
Dividends received from investment in associate	5,365	5,007
Payment for property, plant and equipment	(22,803)	(81,328)
Payment for trademarks	(271)	(113)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(17,709)	(76,430)
<i>CASH FLOWS USED IN FINANCING ACTIVITIES</i>		
Equity dividends paid	(42,619)	(39,358)
Proceeds from borrowings	78,000	117,000
Repayment of borrowings	(105,000)	(87,416)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(69,619)	(9,774)
NET INCREASE (DECREASE) IN CASH HELD	14,024	(3,660)
Cash at the beginning of the financial period	170,631	283,233
Net foreign exchange difference	866	(419)
CASH AT THE END OF THE FINANCIAL PERIOD	11	185,521
		279,154

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 30 JULY 2017 TO 27 JANUARY 2018

	CONSOLIDATED							
	CONTRIBUTED EQUITY	CAPITAL PROFITS RESERVE	PERFORMANCE RIGHTS RESERVE	CASH FLOW HEDGE RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	FAIR VALUE RESERVE	RETAINED PROFITS	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>At 30 July 2017</i>	608,615	464	12,556	(15,281)	(3,661)	(24,178)	757,158	1,335,673
Net profit for the period	-	-	-	-	-	-	78,598	78,598
Other comprehensive income (loss)	-	-	-	6,724	2,888	(9,089)	-	523
Total comprehensive income (loss) for the half-year	-	-	-	6,724	2,888	(9,089)	78,598	79,121
Transactions with owners in their capacity as owners								
Performance rights issue	-	-	1,728	-	-	-	-	1,728
Dividends Paid	-	-	-	-	-	-	(42,619)	(42,619)
Balance as at 27 January 2018	608,615	464	14,284	(8,557)	(773)	(33,267)	793,137	1,373,903
<i>At 31 July 2016</i>	608,615	464	6,346	(10,291)	1,047	-	732,374	1,338,555
Net profit for the period	-	-	-	-	-	-	71,868	71,868
Other comprehensive income (loss)	-	-	-	1,217	(918)	-	-	299
Total comprehensive income (loss) for the half-year	-	-	-	1,217	(918)	-	71,868	72,167
Transactions with owners in their capacity as owners								
Performance rights issue	-	-	3,601	-	-	-	-	3,601
Dividends Paid	-	-	-	-	-	-	(39,358)	(39,358)
Balance as at 28 January 2017	608,615	464	9,947	(9,074)	129	-	764,884	1,374,965

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 JANUARY 2018

1 CORPORATE INFORMATION

The condensed consolidated half-year financial report of Premier Investments Limited for the period ended 27 January 2018 was authorised for issue in accordance with a resolution of the directors on 15 March 2018. 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 consolidated half-year financial report for the period ended 27 January 2018 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 29 July 2017 and considered together with any public announcements made by Premier Investments Limited during the period ended 27 January 2018 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 and listed investments at fair value through other comprehensive income, which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000), unless otherwise stated, as the Company is a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016.

ii. BASIS OF CONSOLIDATION

The consolidated financial reports comprise the financial statements of Premier Investments Limited and its subsidiaries as at 27 January 2018.

iii. COMPARATIVES

The current reporting period of 30 July 2017 to 27 January 2018, as well as the comparative period of 31 July 2016 to 28 January 2017 each represents 26 weeks.

When necessary, comparative figures have been adjusted to conform to changes in presentation in the current period.

iv. 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.

v. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Except as described below, the accounting policies applied by the Group in the half-year consolidated financial report are the same as those applied by the Group in its Annual Financial Report as at, and for, the 52 weeks ended 29 July 2017.

AASB 9 *Financial Instruments*: The Group has elected to early adopt AASB 9 as of the beginning of the financial year, being 30 July 2017. AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 provides a simpler approach to classification and measurement of financial assets compared to the requirements of AASB 139, and introduces a new expected credit-loss impairment model that requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a timelier basis. The nature and effects of the key changes to the Group's accounting policies resulting from the early adoption of AASB 9 are summarised on the following page.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 JANUARY 2018

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

v. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

Classification of financial assets and liabilities

Under AASB 9, the classification of financial assets has been simplified with the effect that certain classification categories that existed under AASB 139 have been removed. Under AASB 9, the method of classification is based on both the entity's business model for managing the financial asset as well as the characteristics of the financial asset's contractual cash flows.

Under AASB 139, loans and receivables were measured at amortised cost, less any provision for actual impairment losses. Under AASB 9, amortised cost applies to instruments for which an entity has a business model to hold the financial asset to collect the contractual cash flows, and the characteristics of the contractual cash flows are that of solely payments of the principal amount and interest.

Under AASB 139, available-for-sale financial assets represented non-derivative financial assets and consisted of an investment in listed securities. Available-for-sale financial assets were measured at fair value at reporting date, with unrealised gains or losses presented in other comprehensive income and accumulated in equity in the fair value reserve, until the investment was derecognised or until the investment was deemed to be impaired, at which time the cumulative gains or losses previously reported in equity were recognised in profit and loss.

Under AASB 9, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-derivative equity instruments not held for trading in other comprehensive income without subsequent reclassification to profit and loss. The Group has elected to classify its listed investment that it holds in this category. This change in accounting policy has been applied retrospectively, with no impact on the Group's retained earnings of previous years.

The adoption of AASB 9 has not had a significant effect on the Group's classification of financial liabilities.

Impairment of financial assets

AASB 9 replaces the 'incurred loss' model in AASB 139 with a more forward-looking 'expected credit loss' model. Under AASB 9, expected credit losses are used as the basis for calculating the impairment allowance. After initial recognition, the impairment allowance is adjusted up or down through profit and loss at each reporting date as the probabilities of recovery deteriorate or improve. Due to the nature of the Group's trade and other receivables, the re-measurement of impairment allowances using the expected credit loss model under AASB 9 has not had an impact on current or prior period impairment allowances.

Hedge accounting

In accordance with AASB 9, the Group has elected to continue to apply the hedge accounting requirements of AASB 139, instead of the requirements of AASB 9. Therefore the adoption of AASB 9 has had no impact on the classification and measurement of hedging instruments for the 26 weeks ended 27 January 2018.

Changes in the accounting policies as a result of the early adoption of AASB 9 have been applied retrospectively. The table on the following page summarises the impact on classification and measurement to the Group's financial assets and financial liabilities on 29 July 2017 as a result of the adoption of AASB 9.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED 27 JANUARY 2018

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

v. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

	CLASSIFICATION UNDER AASB 139	CLASSIFICATION UNDER AASB 9	CARRYING AMOUNT UNDER AASB 139	CARRYING AMOUNT UNDER AASB 9	IMPACT ON RETAINED EARNINGS AS AT 30 JULY 2017
<i>FINANCIAL ASSETS</i>					
Listed investment	Available-for-sale	Fair value through other comprehensive income	67,665	67,665	-
Trade and other receivables	Loans and receivables	Amortised cost	23,682	23,682	-
Cash and cash equivalents	Loans and receivables	Amortised cost	170,631	170,631	-
<i>FINANCIAL LIABILITIES</i>					
Interest bearing liabilities	Other financial liabilities	Other financial liabilities	173,475	173,475	-
Trade and other payables	Other financial liabilities	Other financial liabilities	71,528	71,528	-

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 27 January 2018. This seasonality is a reflection of the additional retail sales generated during the Christmas trading period each year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE PERIOD ENDED 27 JANUARY 2018

CONSOLIDATED	
26 WEEKS ENDED 27 JANUARY 2018 \$'000	26 WEEKS ENDED 28 JANUARY 2017 \$'000

4 REVENUE AND OTHER INCOME

REVENUE

Revenue from sale of goods	630,073	588,613
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OTHER REVENUE

Membership program fees	113	128
Sundry revenue	13	21
Interest received	1,790	3,545
Dividends received from listed investment	1,777	-
TOTAL OTHER REVENUE	3,693	3,694
TOTAL REVENUE	633,766	592,307

OTHER INCOME

Foreign exchange gains	-	432
Gain on ineffective cash flow hedges	94	-
Royalty and licence fees	67	23
Other	443	1,102
TOTAL OTHER INCOME	604	1,557
TOTAL REVENUE AND OTHER INCOME	634,370	593,864

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 JANUARY 2018

CONSOLIDATED	
26 WEEKS ENDED 27 JANUARY 2018 \$'000	26 WEEKS ENDED 28 JANUARY 2017 \$'000

5 EXPENSES

DEPRECIATION, AMORTISATION AND IMPAIRMENT OF NON-CURRENT ASSETS

Depreciation of property, plant and equipment	13,721	12,338
Impairment of property, plant and equipment	-	602
Amortisation of leasehold premiums	13	14
TOTAL DEPRECIATION AMORTISATION AND IMPAIRMENT OF NON-CURRENT ASSETS	13,734	12,954

FINANCE COSTS

Interest on bank loans and overdraft	3,721	2,630
TOTAL FINANCE COSTS	3,721	2,630

OTHER EXPENSES

Loss on ineffective cash flow hedges	-	190
Foreign exchange losses	712	-
Net loss on disposal of property, plant and equipment	81	241

DISCLOSURE OF TAX EFFECTS RELATING TO EACH COMPONENT OF OTHER COMPREHENSIVE INCOME

Net deferred income tax movement on cash flow hedges	2,882	558
Net deferred income tax movement on listed investment at fair value	(3,736)	-
TOTAL INCOME TAX ON ITEMS OF OTHER COMPREHENSIVE INCOME	(854)	558

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 JANUARY 2018

CONSOLIDATED	
26 WEEKS ENDED 27 JANUARY 2018 \$'000	26 WEEKS ENDED 28 JANUARY 2017 \$'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	107,288	97,607
At the Parent Entity's statutory income tax rate of 30% (2017: 30%)	32,186	29,282
Adjustments in respect of current income tax of previous years	-	(1,324)
Expenditure not allowable for income tax purposes	804	891
Effect of different rates of tax on overseas income	(3,249)	(2,054)
Income not assessable for income tax purposes	(2,354)	(2,331)
Other	1,303	1,275
INCOME TAX EXPENSE REPORTED IN THE STATEMENT OF COMPREHENSIVE INCOME	28,690	25,739

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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 JANUARY 2018

7 SEGMENT INFORMATION (CONTINUED)

The following table presents revenue and profit information for reportable segments for the periods ended 27 January 2018 and 28 January 2017.

RETAIL		INVESTMENT		ELIMINATIONS		TOTAL	
27 JANUARY 2018 \$'000	28 JANUARY 2017 \$'000	27 JANUARY 2018 \$'000	28 JANUARY 2017 \$'000	27 JANUARY 2018 \$'000	28 JANUARY 2017 \$'000	27 JANUARY 2018 \$'000	28 JANUARY 2017 \$'000

REVENUE AND OTHER INCOME

Sale of goods	630,073	588,613	-	-	-	-	630,073	588,613
Other revenue	177	184	43,516	39,510	(40,000)	(36,000)	3,693	3,694
Other income	604	1,557	-	-	-	-	604	1,557

Total Segment revenue and other income	630,854	590,354	43,516	39,510	(40,000)	(36,000)	634,370	593,864
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Total revenue and other income per the statement of comprehensive income **634,370** **593,864**

Segment profit before income tax **99,339** **87,662** **47,949** **45,945** **(40,000)** **(36,000)** **107,288** **97,607**

Income tax expense (28,690) (25,739)

Net profit after tax per the statement of comprehensive income **78,598** **71,868**

27 JANUARY 2018 \$'000	29 JULY 2017 \$'000	27 JANUARY 2018 \$'000	29 JULY 2017 \$'000	27 JANUARY 2018 \$'000	29 JULY 2017 \$'000	27 JANUARY 2018 \$'000	29 JULY 2017 \$'000
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ASSETS AND
LIABILITIES

Segment assets 513,644 499,031 1,291,519 1,301,128 (55,136) (63,468) 1,750,027 1,736,691

Segment liabilities 278,224 305,959 107,021 112,513 (9,121) (17,454) 376,124 401,018

Capital expenditure 22,148 45,040 1,388 58,485 - - 23,536 103,525

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 JANUARY 2018

CONSOLIDATED	
26 WEEKS ENDED 27 JANUARY 2018 \$'000	26 WEEKS ENDED 28 JANUARY 2017 \$'000

8 DIVIDENDS PAID

DIVIDEND DECLARED AND PAID DURING THE PERIOD

Final fully franked dividend for the financial year ended 29 July 2017: 27 cents per share (2016: 25 cents per share)	42,619	39,358
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DIVIDEND PROPOSED AND NOT RECOGNISED AS A LIABILITY

Interim fully franked dividend for the period ended 27 January 2018: 29 cents per share (2017: 26 cents per share)	45,776	40,994
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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	78,598	71,868
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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	157,798	157,312
- diluted earnings per share	158,866	158,696

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 half-year financial report.

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 29 July 2017. A review of indicators of impairment relating to goodwill and brand names was performed as at 27 January 2018. As a result of this review, no indicators of impairment were identified that would require a full impairment test to be performed as at 27 January 2018.

The financial statements for the 52 weeks ended 29 July 2017 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 the 29 July 2017 financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 27 JANUARY 2018

10 IMPAIRMENT TESTING (CONTINUED)

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment items are subject to impairment testing at each reporting period. As at 27 January 2018, no impairment expense has been recognised for the period (2017: \$602,000).

CONSOLIDATED	
27 JANUARY 2018 \$'000	29 JULY 2017 \$'000

11 CASH AND CASH EQUIVALENTS

Reconciliation of cash and cash equivalents:

Cash at bank and in hand	55,503	33,623
Short-term deposits	130,018	137,008
TOTAL CASH AND CASH EQUIVALENTS	185,521	170,631

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.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: The fair value is calculated using quoted prices in active markets for identical assets or liabilities.
- 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 (unobservable inputs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 27 JANUARY 2018

12 FINANCIAL INSTRUMENTS (CONTINUED)

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

The following table provides the fair value measurement hierarchy of the Group's financial assets and liabilities:

	CONSOLIDATED			
	LEVEL 1 \$'000	LEVEL 2 \$'000	LEVEL 3 \$'000	TOTAL \$'000
<i>27 January 2018</i>				
<i>FINANCIAL ASSETS</i>				
Listed investment	54,839	-	-	54,839
Derivative financial assets	-	106	-	106
	54,839	106	-	54,945
<i>FINANCIAL LIABILITIES</i>				
Derivative financial liabilities	-	12,336	-	12,336
	-	12,336	-	12,336
<i>29 July 2017</i>				
<i>FINANCIAL ASSETS</i>				
Listed investment	67,665	-	-	67,665
Derivative financial assets	-	181	-	181
	67,665	181	-	67,846
<i>FINANCIAL LIABILITIES</i>				
Derivative financial liabilities	-	22,111	-	22,111
	-	22,111	-	22,111

There have been no transfers between Level 1, Level 2 and Level 3 during the period.

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 and interest 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.

The fair value of the listed investment at the reporting date is determined by reference to quoted market bid prices in active markets.

Foreign exchange 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.

Interest rate swaps are measured based on forward interest rates from observable yield curves at the end of the respective reporting period, and contract interest rates, which have been discounted at a rate that incorporates the credit risk of the counterparties.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 27 JANUARY 2018

13 LISTED INVESTMENT

The listed investment comprises a non-derivative equity instrument not held for trading which was classified as an available-for-sale financial asset under AASB 139. Under AASB 139, the financial asset was measured at fair value as at the reporting date, with unrealised gains or losses recognised directly in other comprehensive income, until the investment was derecognised or until the investment was deemed to be impaired, at which time the cumulative gain or loss previously reported in equity was recognised in profit and loss.

On early adoption of AASB 9, the Group has made the irrevocable election to designate the listed investment as 'fair value through other comprehensive income', as it is not held for trading, with only dividends recognised in profit and loss. Accordingly, the investment will be accounted for at fair value through other comprehensive income, without subsequent reclassification of gains or losses to profit and loss. This change in accounting policy has been applied retrospectively, with no impact on the prior period financial position or performance of the Group. Dividends received from this investment for the period ended 27 January 2018 have been recognised in profit and loss.

14 INVESTMENT IN ASSOCIATE

Premier Investments Limited holds 27.5% (29 July 2017: 27.5%) of Breville Group Limited, a company incorporated in Australia whose shares are quoted on the ASX. Premier accounts for its investment in Breville Group Limited using the equity method of accounting.

Premier's share of profit after tax of its associate for the period was \$9,992,000 (28 January 2017: \$9,271,000). Dividends received from the investment in associate for the half-year amounted to \$5,365,000 (28 January 2017: \$5,007,000).

CONSOLIDATED	
27 JANUARY 2018	29 JULY 2017
\$'000	\$'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	157,748	157,164
Shares issued during the period (i)	101	584
Balance at end of the period	157,849	157,748

(i) 100,978 shares (2017: 584,305) were issued in relation to the performance rights plan.

16 COMMITMENTS AND CONTINGENCIES

As at 27 January 2018, Just Group Limited has bank guarantees and outstanding letters of credit totalling \$7,695,513 (29 July 2017: \$6,497,749).

17 EVENTS AFTER THE REPORTING DATE

On 15 March 2018 the directors declared an interim ordinary dividend of 29 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 27 January 2018 are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the financial position as at 27 January 2018 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

A handwritten signature in blue ink, appearing to read 'S Lew'.

Solomon Lew

Chairman

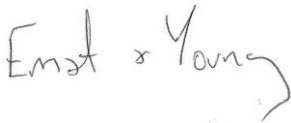
15 March 2018

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

As lead auditor for the review of Premier Investments Limited for the half-year ended 27 January 2018, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Premier Investments Limited and the entities it controlled during the financial period.



Ernst & Young



Rob Perry
Partner
15 March 2018

Independent Auditor's Review Report to the Members of Premier Investments Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Premier Investments Limited and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 27 January 2018, the consolidated statement of comprehensive income, 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 policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 27 January 2018 and of its consolidated financial 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*.

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 control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

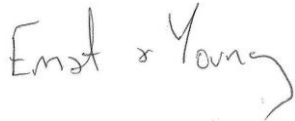
Auditor's Responsibility

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, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 27 January 2018 and its consolidated financial 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 the Group, 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Premier Investments Limited, would be in the same terms if given to the directors as at the time of this auditor's report.



Ernst & Young



Rob Perry
Partner
Melbourne
15 March 2018