



PREMIER INVESTMENTS LIMITED

ABN 64 006 727 966

Appendix 4D – Half Year Report

The information is given under ASX Listing Rule 4.2A.3

1. Reporting periods

Current Reporting Period: 29 July 2018 to 26 January 2019 (26 weeks)
 Previous Corresponding Period: 30 July 2017 to 27 January 2018 (26 weeks)

2. Results for announcement to the market

		Percentage Change %		Amount A\$'000
2.1 Revenue from Ordinary Activities	up	7.59%	to	682,498
2.2 Profit from ordinary activities after tax attributable to members	up	13.01%	to	88,820
2.3 Net profit for the period attributable to members	up	13.01%	to	88,820
2.4 Dividends				
			Amount per security	Franked amount per security
<i>Interim Dividend</i>				
Current period		33.0 cents		33.0 cents
Previous corresponding period		29.0 cents		29.0 cents
2.5 Record date for determining entitlements to the interim dividend:				31 May 2019
2.6 Brief explanation of the figures reported above necessary to enable the figures to be understood:				
Please refer to the attached Consolidated Half-Year Financial Report and Investor Presentation accompanying this Report.				
This Half-Year Financial Report is to be read in conjunction with the most recent Annual Financial Report for the 52 weeks ended 28 July 2018.				

3. Net tangible assets

	Current Reporting Period	Previous Corresponding Period
Net tangible assets per ordinary security	\$3.48	\$3.29

4. Control gained or lost over entities having a material effect

Not Applicable

5. Dividends

Date the dividends are payable	14 June 2019
Record date to determine entitlements to the dividends	31 May 2019

Amount per security

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Interim Dividend			
Current period	33.0 cents	33.0 cents	Nil
Previous corresponding period	29.0 cents	29.0 cents	Nil

Interim dividends on all securities

	Current Reporting Period \$A'000	Previous Corresponding Period \$A'000
Ordinary securities	52,201	45,849
Preference securities	-	-
Total	52,201	45,849

6. Dividend reinvestment plans in operation

The last date(s) for receipt of election notices for the dividend plans	Not Applicable
Any other disclosures in relation to dividends:	
The dividend reinvestment plan does not apply to the interim dividend.	

7. Associates and joint venture entities

Name of Associate Entity	Current Reporting Period		Previous Corresponding Period	
	Ownership Interest in Associate (%)	Share of Net Profit After Tax \$A'000	Ownership Interest in Associate (%)	Share of Net Profit After Tax \$A'000
Breville Group Limited	28.06%	\$12,209	27.5%	\$9,992

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

Not Applicable

9. Description of audit dispute or qualification

No review dispute or qualification is contained within the attached independent review report for the Half-Year ended 26 January 2019.
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PREMIER INVESTMENTS LIMITED
ABN 64 006 727 966
AND CONTROLLED ENTITIES

CONSOLIDATED HALF-YEAR FINANCIAL REPORT
FOR THE 26 WEEKS 29 JULY 2018 TO
26 JANUARY 2019

This half-year report is to be read in
conjunction with the annual financial report
for the 52 weeks ended 28 July 2018

PREMIER INVESTMENTS LIMITED AND CONTROLLED ENTITIES

CONSOLIDATED HALF-YEAR FINANCIAL REPORT
FOR THE 26 WEEKS ENDED
26 JANUARY 2019

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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
Sylvia Falzon	Non-executive Director
Sally Herman	Non-executive Director
Henry Lanzer AM	Non-executive Director
Terrence McCartney	Non-executive Director
Michael McLeod	Non-executive Director

COMPANY SECRETARY

Kim Davis (resigned 4 February 2019)
Marinda Meyer (appointed 4 February 2019)

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 53
101 Collins Street
Melbourne Victoria 3000
Telephone: (03) 9650 6500
Facsimile: (03) 9654 6665

COMPANY WEBSITE

www.premierinvestments.com.au

COMPANY EMAIL

info@premierinvestments.com.au

SHARE REGISTER

Computershare Investor Services Pty. Limited
Yarra Falls
452 Johnston Street
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 financial report of the consolidated entity consisting of Premier Investments Limited and the entities it controlled, for the 26 weeks 29 July 2018 to 26 January 2019 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
Sylvia Falzon	Non-executive Director
Sally Herman	Non-executive Director
Henry Lanzer AM	Non-executive Director
Terrence McCartney	Non-executive Director
Michael McLeod	Non-executive Director

EARNINGS PER SHARE

	26 WEEKS ENDED 26 JANUARY 2019	26 WEEKS ENDED 27 JANUARY 2018
	CENTS	CENTS
Basic earnings per share	56.17	49.81
Diluted earnings per share	55.87	49.47

DIVIDENDS

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

2018 Final Dividend: 33 cents per share paid on 16 November 2018.

The directors have recommended the following fully franked dividends:

2019 Interim Dividend: 33 cents per share payable on 14 June 2019.

OPERATING AND FINANCIAL REVIEW

The Group recorded a net profit after income tax for the 26 weeks ended 26 January 2019 of \$88.8 million (27 January 2018: \$78.6 million) – an increase of 13.01% on the previous corresponding period.

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, Asia and Europe.

For the 26 weeks ended 26 January 2019, the retail segment reported total revenue and other income of \$680.6 million, an increase of 7.89% over the previous corresponding period. Profit before income tax for the retail segment increased by 11.74% to \$111.0 million for the 26 weeks ended 26 January 2019.

The investment segment (excluding the inter-group dividend) reported profit before income tax of \$10.8 million, up 36.31% on the previous corresponding period.

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 21 March 2019 the directors declared an interim ordinary dividend of 33 cents per share fully franked.

AUDITOR'S INDEPENDENCE DECLARATION

Attached on page 21 is a copy of the Auditor's Independence Declaration provided under section 307C of the *Corporations Act 2001* in relation to the review of the half-year report for the 26 weeks 29 July 2018 to 26 January 2019. This auditor's 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 and title.

Solomon Lew

Chairman

21 March 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 26 WEEKS 29 JULY 2018 TO 26 JANUARY 2019

	NOTES	CONSOLIDATED	
		26 WEEKS ENDED 26 JANUARY 2019 \$'000	26 WEEKS ENDED 27 JANUARY 2018 \$'000
Revenue	4	680,201	630,073
Other revenue	4	2,084	3,693
Total revenue		682,285	633,766
Other income	4	213	604
Total revenue and other income		682,498	634,370
Changes in inventories of finished goods		(251,538)	(232,148)
Employee expenses		(157,673)	(143,931)
Operating lease rental expense		(114,580)	(113,388)
Depreciation, impairment and amortisation	5	(15,573)	(13,734)
Advertising and direct marketing		(9,206)	(8,546)
Finance costs	5	(3,996)	(3,721)
Other expenses		(20,306)	(21,606)
Total expenses		(572,872)	(537,074)
Share of profit of associate		12,209	9,992
Profit before income tax		121,835	107,288
Income tax expense	6	(33,015)	(28,690)
Net profit for the period attributable to owners		88,820	78,598
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
Net (loss) gain on cash flow hedges		(4,228)	9,606
Foreign currency translation		3,445	3,176
Net movement in other comprehensive income of associates		1,566	(288)
Income tax on items of other comprehensive income	5	1,270	(2,882)
Other comprehensive income which may be reclassified to profit or loss in subsequent periods, net of tax		2,053	9,612
Items not to be reclassified subsequently to profit or loss:			
Net fair value loss on listed equity investment		(5,749)	(12,825)
Income tax on items of other comprehensive loss	5	1,724	3,736
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods, net of tax		(4,025)	(9,089)
Total other comprehensive (loss) income, net of tax		(1,972)	523
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			
ATTRIBUTABLE TO OWNERS		86,848	79,121
Earnings per share for profit attributable to ordinary equity holders of the parent:			
Basic, profit for the year (cents per share)	9	56.17	49.81
Diluted, profit for the year (cents per share)	9	55.87	49.47

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 26 JANUARY 2019

	NOTES	CONSOLIDATED	
		26 JANUARY 2019 \$'000	28 JULY 2018 \$'000
ASSETS			
<i>Current assets</i>			
Cash and cash equivalents	11	183,207	178,618
Trade and other receivables		25,788	21,563
Inventories		166,456	159,313
Other financial instruments	12	8,311	11,973
Other current assets		14,629	15,323
Total current assets		398,391	386,790
Non-current assets			
Property, plant and equipment		230,120	238,167
Intangible assets		826,422	825,949
Deferred tax assets		40,734	36,637
Listed equity investment at fair value	13	34,938	40,687
Investment in associate	14	238,930	223,184
Total non-current assets		1,371,144	1,364,624
TOTAL ASSETS		1,769,535	1,751,414
LIABILITIES			
<i>Current liabilities</i>			
Trade and other payables		103,907	84,558
Income tax payable		15,417	9,947
Provisions		20,203	19,234
Other current liabilities		20,689	21,629
Total current liabilities		160,216	135,368
Non-current liabilities			
Interest-bearing liabilities		137,788	175,684
Deferred tax liabilities		64,794	63,933
Provisions		2,127	2,040
Other financial instruments	12	1,000	425
Other non-current liabilities		26,005	29,030
Total non-current liabilities		231,714	271,112
TOTAL LIABILITIES		391,930	406,480
NET ASSETS		1,377,605	1,344,934
EQUITY			
Contributed equity	15	608,615	608,615
Reserves		(16,834)	(16,009)
Retained earnings		785,824	752,328
TOTAL EQUITY		1,377,605	1,344,934

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

CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE 26 WEEKS 29 JULY 2018 TO 26 JANUARY 2019

	CONSOLIDATED	
	26 WEEKS ENDED 26 JANUARY 2019	26 WEEKS ENDED 27 JANUARY 2018
NOTES	\$'000	\$'000
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>		
Receipts from customers (inclusive of GST)	744,279	700,136
Payment to suppliers and employees (inclusive of GST)	(609,968)	(568,248)
Income taxes paid	(27,549)	(30,379)
Interest received	1,723	1,725
Borrowing costs paid	(3,955)	(3,659)
NET CASH FLOWS FROM OPERATING ACTIVITIES	104,530	99,575
<i>CASH FLOWS USED IN INVESTING ACTIVITIES</i>		
Dividends received from listed equity investment	-	1,777
Dividends received from investment in associate	5,901	5,365
Payment for increase in investment in associate	(7,871)	-
Payment for property, plant and equipment	(7,934)	(22,803)
Payment for trademarks	(483)	(271)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(10,387)	(15,932)
<i>CASH FLOWS USED IN FINANCING ACTIVITIES</i>		
Equity dividends paid	(52,201)	(42,619)
Proceeds from borrowings	69,000	78,000
Repayment of borrowings	(107,000)	(105,000)
NET CASH FLOWS USED IN FINANCING ACTIVITIES	(90,201)	(69,619)
NET INCREASE IN CASH HELD	3,942	14,024
Cash at the beginning of the financial period	178,618	170,631
Net foreign exchange difference	647	866
CASH AT THE END OF THE FINANCIAL PERIOD	11	183,207
	185,521	

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 26 WEEKS 29 JULY 2018 TO 26 JANUARY 2019

	CONSOLIDATED							
	CONTRIBUTED EQUITY	CAPITAL PROFITS RESERVE	PERFORMANCE RIGHTS RESERVE	CASH FLOW HEDGE RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	FAIR VALUE RESERVE	RETAINED EARNINGS	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 29 July 2018	608,615	464	15,734	8,059	2,977	(43,243)	752,328	1,344,934
Restatement on initial application of AASB 15	-	-	-	-	-	-	(3,123)	(3,123)
Restated balance as at 29 July 2018	608,615	464	15,734	8,059	2,977	(43,243)	749,205	1,341,811
Net profit for the period	-	-	-	-	-	-	88,820	88,820
Other comprehensive income (loss)	-	-	-	(2,958)	5,011	(4,025)	-	(1,972)
Total comprehensive income (loss) for the half-year	-	-	-	(2,958)	5,011	(4,025)	88,820	86,848
Transactions with owners in their capacity as owners								
Performance rights issued	-	-	1,147	-	-	-	-	1,147
Dividends paid	-	-	-	-	-	-	(52,201)	(52,201)
Balance as at 26 January 2019	608,615	464	16,881	5,101	7,988	(47,268)	785,824	1,377,605
At 30 July 2017	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 issued	-	-	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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE 26 WEEKS ENDED 26 JANUARY 2019

1 CORPORATE INFORMATION

The condensed consolidated half-year financial report of Premier Investments Limited for the period ended 26 January 2019 was authorised for issue in accordance with a resolution of the directors on 21 March 2019. 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 26 January 2019 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 28 July 2018 and considered together with any public announcements made by Premier Investments Limited during the period ended 26 January 2019 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 equity 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 26 January 2019.

iii. COMPARATIVES

The current reporting period of 29 July 2018 to 26 January 2019, as well as the comparative period of 30 July 2017 to 27 January 2018 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. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Changes in accounting policies, disclosures, standards and interpretations

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 28 July 2018.

AASB 15 Revenue from Contracts with Customers

The Group has adopted AASB 15 *Revenue from Contracts with Customers* from 29 July 2018 which has superseded AASB 118 *Revenue*. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled to in exchange for the transfer of goods to the customer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 26 WEEKS ENDED 26 JANUARY 2019

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

v. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

AASB 15 Revenue from Contracts with Customers (continued)

In accordance with the transition provisions in AASB 15, the Group has adopted AASB 15 using the modified retrospective approach. The impact of adopting the standard on the Group's financial statements has been adjusted in opening retained earnings in the Statement of Changes in Equity as at 29 July 2018 and are described below.

(i) Right of return

Under AASB 15, the Group estimates the value of expected customer returns that will arise as a result of the Group's returns policy, which entitles the customer to a refund of returned unused products within the specified timeframe for the respective brands. At the same time, the Group recognises a right of return asset, being the former carrying amount of the inventory, less any expected costs to recover the goods the Group expects to be returned by customers as a result of the returns policy. Prior to the adoption of AASB 15, no right of return provision was recognised by the Group.

The impact of transition to AASB 15 on the statement of financial position as at 29 July 2018 was to recognise a right of return asset in trade and other receivables of \$0.7 million, recognise a refund liability in deferred revenue of \$2 million in trade and other payables, an increase in deferred tax assets of \$0.4 million and a decrease in retained earnings of \$0.9 million.

(ii) Customer loyalty programmes

The Group operates certain loyalty programmes, which allow customers to accumulate points when products are purchased, and which can be redeemed for free or discounted product once a minimum number of points have been accumulated. In previous reporting periods, a portion of the consideration received from the sale of goods was allocated to the loyalty programme according to the fair value of points issued and recognised in deferred revenue in trade and other payables until the earlier of redemption or expiry. Under AASB 15, loyalty points give rise to a separate performance obligation providing a material right to the customer, therefore a portion of the transaction price is allocated to the loyalty programme based on the relative stand-alone selling prices, resulting in a larger impact on deferred revenue than previously recognised.

As a consequence of transition to AASB 15, the contract liability in relation to the customer loyalty programmes at 29 July 2018 has increased by \$2.4 million, with a corresponding increase in deferred tax assets of \$0.7 million and a decrease in retained earnings of \$1.7 million.

(iii) Gift cards

The Group recognises a contract liability upon the sale of gift cards and subsequently derecognises the liability when gift card usage or expiry occurs. In previous reporting periods, gift card usage or expiry was calculated according to the Group's analysis of historical non-redemption rates. Upon adoption of AASB 15, gift card breakage is estimated and recognised as revenue in proportion to the pattern of rights exercised by customers. On expiry of the gift card, any unused funds are recognised in full as breakage.

Whilst the Group's accounting treatment remains materially consistent, the adoption of AASB 15 as at 29 July 2018 has resulted in an increase in deferred revenue of \$0.7 million in trade and other payables, an increased deferred tax asset of \$0.2 million and a decrease in retained earnings of \$0.5 million.

Accounting standards issued but not yet effective

AASB 16 Leases

This Standard replaces AASB 117 *Leases and* introduces a new lease accounting model for lessees that require lessees to recognise all leases on balance sheet, except short-term leases and leases of low value assets. Under AASB 16, the present value of operating lease commitments would be shown as a liability on the balance sheet together with an asset representing the right-of-use. In addition, the current operating lease expenses recognised in profit or loss in the statement of comprehensive income will be replaced with amortisation and interest expense. The first application date of the Standard for the Group will be for the financial year ending 25 July 2020.

During the half-year ended 26 January 2019, work has continued regarding establishing an appropriate methodology, collecting and validating the Group's portfolio of lease data to record and calculate the impact of transitioning to AASB 16. Complex implementation areas and areas subject to judgement are currently being evaluated and considered together with the necessary changes to processes and systems to accurately account for leases in accordance with the new standard. This work will continue during the second half of the 2019 financial year to prepare for implementation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE 26 WEEKS ENDED 26 JANUARY 2019

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 26 January 2019. This seasonality reflects the additional retail sales generated during the Christmas trading period each year.

CONSOLIDATED	
26 WEEKS ENDED 26 JANUARY 2019 \$'000	26 WEEKS ENDED 27 JANUARY 2018 \$'000

4 REVENUE AND OTHER INCOME

REVENUE

Revenue from contracts with customers	680,201	630,073
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Revenue from contracts with customers are disaggregated as follows:

Australian market revenue being \$498,775,000; and International market revenue being \$181,426,000.

OTHER REVENUE

Membership program fees	94	113
Sundry revenue	12	13
Interest received	1,978	1,790
Dividends received from listed equity investment	-	1,777
TOTAL OTHER REVENUE	2,084	3,693
TOTAL REVENUE	682,285	633,766

OTHER INCOME

Foreign exchange gains	121	-
Gain on ineffective cash flow hedges	-	94
Royalty and licence fees	55	67
Other	37	443
TOTAL OTHER INCOME	213	604
TOTAL REVENUE AND OTHER INCOME	682,498	634,370

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE 26 WEEKS ENDED 26 JANUARY 2019

CONSOLIDATED	
26 WEEKS ENDED 26 JANUARY 2019 \$'000	26 WEEKS ENDED 27 JANUARY 2018 \$'000

5 EXPENSES

DEPRECIATION, IMPAIRMENT AND AMORTISATION

Depreciation of property, plant and equipment	15,562	13,721
Amortisation of leasehold premiums	11	13
TOTAL DEPRECIATION, IMPAIRMENT AND AMORTISATION	15,573	13,734

FINANCE COSTS

Interest on bank loans and overdraft	3,996	3,721
TOTAL FINANCE COSTS	3,996	3,721

OTHER EXPENSES

Foreign exchange losses	-	712
Net loss on disposal of property, plant and equipment	165	81

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

Net deferred tax movement on cash flow hedges	(1,270)	2,882
Net deferred tax movement on listed equity investment at fair value	(1,724)	(3,736)
TOTAL INCOME TAX ON ITEMS OF OTHER COMPREHENSIVE INCOME	(2,994)	(854)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 26 WEEKS ENDED 26 JANUARY 2019

CONSOLIDATED	
26 WEEKS ENDED 26 JANUARY 2019 \$'000	26 WEEKS ENDED 27 JANUARY 2018 \$'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	121,835	107,288
At the Parent Entity's statutory income tax rate of 30% (2018: 30%)	36,551	32,186
Adjustments in respect of current income tax of previous years	(194)	-
Expenditure not allowable for income tax purposes	534	804
Effect of different rates of tax on overseas income	(3,109)	(3,249)
Income not assessable for income tax purposes	(529)	(440)
Other	(238)	(611)
INCOME TAX EXPENSE REPORTED IN THE STATEMENT OF COMPREHENSIVE INCOME	33,015	28,690

7 OPERATING SEGMENTS

REPORTABLE SEGMENTS

Retail

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

Investment

The investments segment represents investments in securities for both long-term and short-term gains, dividend income and interest.

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 26 WEEKS ENDED 26 JANUARY 2019

7 OPERATING SEGMENTS (CONTINUED)

RETAIL		INVESTMENT		ELIMINATIONS		CONSOLIDATED	
26 JANUARY 2019 \$'000	27 JANUARY 2018 \$'000	26 JANUARY 2019 \$'000	27 JANUARY 2018 \$'000	26 JANUARY 2019 \$'000	27 JANUARY 2018 \$'000	26 JANUARY 2019 \$'000	27 JANUARY 2018 \$'000

REVENUE AND OTHER INCOME

Revenue	680,201	630,073	-	-	-	-	680,201	630,073
Other revenue	237	177	49,847	43,516	(48,000)	(40,000)	2,084	3,693
Other income	213	604	-	-	-	-	213	604
Total revenue and other income	680,651	630,854	49,847	43,516	(48,000)	(40,000)	682,498	634,370

Total revenue and other income per the statement of comprehensive income

682,498 634,370

Profit before income

tax expense	111,000	99,339	58,835	47,949	(48,000)	(40,000)	121,835	107,288
Income tax expense							(33,015)	(28,690)

Net profit after tax per the statement of comprehensive income

88,820 78,598

RETAIL		INVESTMENT		ELIMINATIONS		CONSOLIDATED	
26 JANUARY 2019 \$'000	28 JULY 2018 \$'000	26 JANUARY 2019 \$'000	28 JULY 2018 \$'000	26 JANUARY 2019 \$'000	28 JULY 2018 \$'000	26 JANUARY 2019 \$'000	28 JULY 2018 \$'000

ASSETS AND LIABILITIES

Segment assets	527,780	552,218	1,296,467	1,260,913	(54,712)	(61,717)	1,769,535	1,751,414
Segment liabilities	282,451	308,458	111,468	106,637	(1,989)	(8,906)	391,930	406,189
Capital expenditure	8,193	45,854	-	4,927	-	-	8,193	50,781

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE 26 WEEKS ENDED 26 JANUARY 2019

CONSOLIDATED	
26 WEEKS ENDED 26 JANUARY 2019 \$'000	26 WEEKS ENDED 27 JANUARY 2018 \$'000

8 DIVIDENDS PAID

DIVIDEND DECLARED AND PAID DURING THE PERIOD:

Final fully franked dividend for the financial year ended 28 July 2018: 33 cents per share (2017: 27 cents per share)	52,201	42,619
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DIVIDEND PROPOSED AND NOT RECOGNISED AS A LIABILITY:

Interim fully franked dividend for the period ended 26 January 2019: 33 cents per share (2018: 29 cents per share)	52,201	45,849
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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	88,820	78,598
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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	158,141	157,798
- diluted earnings per share	158,967	158,866

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 28 July 2018. A review of indicators of impairment relating to goodwill and brand names was performed as at 26 January 2019. As a result of this review, no indicators of impairment were identified that would require a full impairment test to be performed as at 26 January 2019.

The financial statements for the 52 weeks ended 28 July 2018 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 28 July 2018 financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE 26 WEEKS ENDED 26 JANUARY 2019

10 IMPAIRMENT TESTING (CONTINUED)

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment items are subject to impairment testing at each reporting period. As at 26 January 2019, no impairment expense has been recognised for the period (2018: nil).

CONSOLIDATED	
26 JANUARY 2019 \$'000	28 JULY 2018 \$'000

11 CASH AND CASH EQUIVALENTS

Reconciliation of cash and cash equivalents:

Cash at bank and in hand	50,395	47,020
Short-term deposits	132,812	131,598
TOTAL CASH AND CASH EQUIVALENTS	183,207	178,618

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 is available to measure fair value, maximising the use or 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 26 WEEKS ENDED 26 JANUARY 2019

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>26 January 2019</i>				
<i>FINANCIAL ASSETS</i>				
Listed equity investment at fair value	34,938	-	-	34,938
Derivative financial assets	-	8,311	-	8,311
	34,938	8,311	-	43,249
<i>FINANCIAL LIABILITIES</i>				
Derivative financial liabilities	-	1,000	-	1,000
	-	1,000	-	1,000
<i>28 July 2018</i>				
<i>FINANCIAL ASSETS</i>				
Listed equity investment at fair value	40,687	-	-	40,687
Derivative financial assets	-	11,973	-	11,973
	40,687	11,973	-	52,660
<i>FINANCIAL LIABILITIES</i>				
Derivative financial liabilities	-	425	-	425
	-	425	-	425

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 equity 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 26 WEEKS ENDED 26 JANUARY 2019

13 LISTED EQUITY INVESTMENT AT FAIR VALUE

The listed equity investment comprises a non-derivative equity instrument not held for trading. In accordance with AASB 9, the Group has made the irrevocable election to designate the listed equity investment as 'fair value through other comprehensive income', as it is not held for trading, with only dividends recognised in profit or loss. Accordingly, the investment is accounted for at fair value through other comprehensive income, without subsequent reclassification of gains or losses nor impairment to profit or loss.

The fair value of equity investments in listed securities is determined by reference to quoted market bid prices at the close of business on the reporting date.

14 INVESTMENT IN ASSOCIATE

Premier Investments Limited holds 28.06% (28 July 2018: 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 \$12,209,000 (27 January 2018: \$9,992,000). Dividends received from the investment in associate for the half-year amounted to \$5,901,000 (27 January 2018: \$5,365,000).

CONSOLIDATED	
28 JANUARY 2019 \$'000	28 JULY 2018 \$'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
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Movements in issued shares during the period:

Balance at start of the period	158,099	157,748
Shares issued during the period (i)	85	351
Balance at end of the period	158,184	158,099

(i) 84,812 shares (28 July 2018: 350,978) were issued in relation to the performance rights plan.

16 COMMITMENTS AND CONTINGENCIES

As at 26 January 2019, Just Group Limited has bank guarantees and outstanding letters of credit totalling \$7,957,996 (28 July 2018: \$7,790,046).

17 EVENTS AFTER THE REPORTING DATE

On 21 March 2019 the directors declared an interim ordinary dividend of 33 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 26 January 2019 are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the financial position as at 26 January 2019 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

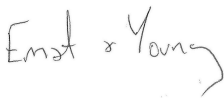
21 March 2019

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

As lead auditor for the review of the half-year financial report of Premier Investments Limited for the half-year ended 26 January 2019, 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
21 March 2019

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 26 January 2019, 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 26 January 2019 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 26 January 2019 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*.

A handwritten signature in grey ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in grey ink that reads 'Rob Perry'.

Rob Perry
Partner
Melbourne
21 March 2019