23 March 2012

Premier solid profit before tax of $54.1m for 1H2012 against strong trading headwinds

Interim dividend of 18 cents per share maintained

Key Points

- *A credible profit performance has been achieved notwithstanding the continued difficult retail trading environment.*
  - Premier consolidated 1H net profit after tax (NPAT) of $38.5 million, down 2.4 percent on the previous corresponding period
  - Investment income up 6.0 percent on strong returns from Breville Group stake
  - Premier Retail (The Just Group) EBIT $51.3 million, down 2.3 percent
- *Results demonstrate strategic review initiatives are already gaining traction across the retail business*
  - Strong cost out performance set to continue
  - Just Group's online sales grew by 100 percent, all seven of Just's proprietary brands are online
  - Exceptional performance by Smiggle in Singapore with 5 of the brand's top 10 stores now located in Singapore
  - Peter Alexander to launch online in Singapore in May 2012
  - Further strategic expansion into other Asian markets under active consideration by the Premier Board
  - Dedicated buying, planning and retail teams established for each brand and set to benefit calendar 2012
- *Premier maintains strong balance sheet with $303 million in cash reserves and a reduction of $15 million of debt at Just Group level*
  - Directors have declared a fully franked interim dividend of 18 cents per share
  - Inventories clean and in a strong position
  - Premier uniquely placed to continue to invest for future growth

Premier Investments Limited ("Premier") today reported a profit before tax of $54.1 million and a net profit after tax of $38.5 million for the 26 weeks ended 28 January 2012, down 2.4 percent on the previous corresponding period. Premier Retail's (The Just Group) EBIT declined 2.3 percent whilst Premier's investment revenues increased by 6 percent due to improved returns from Premier's investment in Breville Group Limited.

Premier's Chairman, Mr Solomon Lew said: *"Premier Investments remains uniquely placed to continue to invest in the growth of its business and retail brands. This half Premier maintained its strong balance sheet with $303 million in cash reserves and a reduction of $15 million of debt at*

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the Just Group level. This financial strength underpins Premier's ability to take advantage of new growth opportunities – both organic and otherwise – that present in the market.

"Your Directors are pleased to be able to declare an interim dividend of 18 cents per share, demonstrating our continued confidence in Premier's future growth potential, the ability of its management team and soundness of the underlying business. Our focus remains absolutely on maintaining our consistent track record of delivering compelling value for our shareholders."

In the face of a difficult retail environment, Premier saw a credible contribution from the Just Group and its brands. Just's EBIT was $51.3 million, down 2.3 percent on the previous corresponding period. Notably, our growth brands, Smiggle and Peter Alexander, achieved 18.1 percent and 15.2 percent sales growth respectively. Dedicated buying, planning and retail teams were established for each brand which are set to benefit Just Group during calendar 2012. Just Group maintained solid margins in spite of intense competition and weak consumer demand, with clean inventory. In addition Just Group debt facilities have been refinanced and extended to March 2015.

Premier CEO Retail Mark McInnes commented:

"Our interim results demonstrate the positive impact of the initiatives put in place after the strategic review on the group's financial performance. It's true that retailers in Australia are clearly facing a tough macro environment – weak consumer spending, increased competition, and rising rental and labour costs. These challenges will only continue to test the structure of the retail industry in Australia.

In this context, developing clear proactive tactics to successfully address each of these specific challenges is critical. This has been – and will continue to be – the primary focus for Just's newly invigorated and extended senior management team. It is encouraging to see these initiatives reap some early success. More importantly, we are confident we will see ongoing positive uptick in the group's performance as we further invest in the business and renew our focus on the business fundamentals. We are committed to realising the significant potential that exists across Premier's retail business and within each of its iconic brands."

Despite increasing pressure from our external operating environment, Premier Retail continues to invest in growth.

To this end, the initiatives that will be a key focus for the business over the coming half-year are:

- **Material Internet Investment and Growth set to Continue**
  - Internet – already Just's largest store – saw 100 percent sales growth in 1H2012
  - All brands and all skus online
  - Dedicated senior leadership team to drive realisation of our aspirational internet sales target of 10 percent of total company sales by 2015
  - New internationally competitive website for Dotti to launch end of Q3, featuring integrated video, outlet, mobile, search and social functionality – all enhanced shopping and social services to be rolled out to all brands
  - Web affiliation and market place review (eBay, ASOS, Shopbop, auction sites) to be completed by end of Q3
  - Peter Alexander to launch dedicated Singapore website ecommerce business in May 2012
  - All brands to be on a world-class platform by Christmas 2012
- **Strategic expansion into Asia**
  - Represents a major and unique growth opportunity for Premier Retail
  - To build on the exceptional performance of Smiggle in the Singaporean market
  - Market studies complete for Korea, Japan, China (including Hong Kong) and Malaysia and all have lucrative personal stationery markets
  - Further expansion for Smiggle Asia is currently being considered by the Premier Board. The market will be updated in Q4

- *Smiggle:*
  - Today 5 of the top 10 stores in the Smiggle network are in Singapore
  - 5 Smiggle stores opened in Summer 2011 to bring the total number of stores in Singapore to seven, with 7-10 more stores to open over the next 12 months
- *Peter Alexander:*
  - Low-risk entry of Peter Alexander into the Singapore market via an online store by May 2012
  - Evaluating opportunity for first store opening in late 2012 / early 2013 in flagship location

- **100 new Smiggle and Peter Alexander stores to open**
  - Accelerated new store growth for high-performing brands, with Smiggle in Australia and New Zealand to open 70-100 new stores over the next three years
  - Peter Alexander to open 30 new stores in the next three years
- **Core fashion brand rejuvenation continues**
  - Dedicated, experienced leadership for each of the brands in the portfolio
  - Ongoing brand and product transformation underway, renewed focus on fashionability
- **Further CODB reductions to improve business resilience**
  - Accelerated cost efficiency programs with 50 CODB projects being implemented
  - New merchandise and non merchandise trading terms effective from January 2012
  - Improved sourcing practices in new markets, with factories that already make for international brands
  - Store rationalisation continues of loss-making and marginal stores
  - To ensure the group is best equipped to win in an increasingly tough trading environment

Outlook and Guidance

Each of the strategic review initiatives and core growth investments are on track and set to benefit Premier's 2H2012 result. However, the short-term headwinds facing Premier's existing retail portfolio remain challenging.

The company reaffirms the bottom end of its full year $80-95 million profit guidance for Just Group EBIT, subject to realising an improvement in Q4 following a difficult Q4 in 2011.

Despite the macro-economic headwinds, the company is making investments in unique material growth opportunities in both Australia and Asia that provide a clear path to long-term success.

Interim Dividend

The Premier Board has declared an interim fully franked dividend of 18 cents per share, representing a return to shareholders of 73 percent of earnings, above the minimum set out in the company's dividend policy. The interim dividend will be payable on 18 May 2012. The dividend will be 100 percent franked. The record date will be 20 April 2012.

Premier Investments Limited

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Appendix 4D

Half yearly report

Period ending on the 28 January 2012

1. Name of entity

PREMIER INVESTMENTS LIMITED
ABN 64 006 727 966

2. Results for announcement to the market

Extracts from this report for announcement to the market (see note 1). $A'000

2.1 Revenues from ordinary activities	down	5.8%	to	448,654
2.2 Profit from ordinary activities after tax attributable to members	down	2.4%	to	38,484
2.3 Net profit for the period attributable to members	down	2.4%	to	38,484

2.4 Dividends (distributions)	Amount per security	Franked amount per security
Interim dividend	18.0 cents	18 .0 cents
Previous corresponding period	18.0 cents	18.0 cents

2.5 Record date for determining entitlements to the dividend: 20 APRIL 2012

2.6 Brief explanation of any of the figures reported above necessary to enable the figures to be understood

If this is a half yearly report it is to be read in conjunction with the most recent annual financial report.

3. NTA backing

	Current period	Previous corresponding Period
Net tangible asset backing per +ordinary security	$2.25	$2.42

4. 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 to which the profit (loss) in item 14.2 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	$

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

Date the dividend (distribution) is payable	18 May 2012
+Record date to determine entitlements to the dividend (distribution) (ie, 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)	20 April 2012

Amount per security

			Amount per security	Franked amount per security at % tax (see note 4)	Amount per security of foreign source dividend
	Interim dividend:	Current year	18.0 cents	18.0 cents	Nil
		Previous year	18.0 cents	18.0 cents	Nil

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

	Current period $A'000	Previous corresponding period - $A'000
+Ordinary securities *(each class separately)*	27,944	27,906
Preference +securities *(each class separately)*	-	-
Other equity instruments *(each class separately)*	-	-
Total	**27,944**	**27,906**

6. 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

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)*

7. 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
Profit (loss) from ordinary activities before tax	6	1,315
Income tax on ordinary activities	-	-
Profit (loss) from ordinary activities after tax	6	1,315
Extraordinary items net of tax	-	-
Net profit (loss)	6	1,315
Adjustments	-	-
Share of net profit (loss) of associates and joint venture entities	6	1,315

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

Not applicable

9. Description of audit dispute or qualification

Not applicable

PREMIER INVESTMENTS LIMITED
ABN 64 006 727 966
AND CONTROLLED ENTITIES

CONDENSED HALF-YEAR REPORT FOR THE PERIOD 31 JULY 2011 TO 28 JANUARY 2012

This half-year report is to be read in conjunction with the financial report for the year ended 30 July 2011

PREMIER INVESTMENTS LIMITED AND CONTROLLED ENTITIES

CONDENSED FINANCIAL REPORT
FOR THE PERIOD ENDED
28 January 2012

TABLE OF CONTENTS

Corporate information

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

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

Directors

Solomon Lew	Chairman and Non-executive director
Frank Jones	Deputy Chairman and Non-executive director
Timothy Antonie	Non-executive director
David Crean	Non-executive director
Lindsay Fox	Non-executive director
Sally Herman (appointed 14 December 2011)	Non-executive director
Henry Lanzer	Non-executive director
Michael McLeod	Non-executive director
Gary Weiss	Non-executive director

Company Secretary

Kim Davis

Registered office and principal place of business

101 Collins Street
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Telephone: (03) 9650 6500
Facsimile: (03) 9654 6665

Company website

www.premierinvestments.com.au

Company email

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Share register

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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 condensed financial report of the consolidated entity consisting of Premier Investments Limited and the entities it controlled, for the period 31 July 2011 to 28 January 2012 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
Frank Jones	Deputy Chairman
Timothy Antonie	Non-executive director
David Crean	Non-executive director
Lindsay Fox	Non-executive director
Sally Herman (appointed 14 December 2011)	Non-executive director
Henry Lanzer	Non-executive director
Michael McLeod	Non-executive director
Gary Weiss	Non-executive director

Earnings per Share

	26 WEEKS ENDED 28 JANUARY 2012 CENTS	26 WEEKS ENDED 29 JANUARY 2011 CENTS
Basic earnings per share	24.80	25.43
Diluted earnings per share	24.56	24.98

Dividends

During the half year the following fully franked dividend was paid and declared:
2011 Final Dividend 18 cents per share paid 21 November 2011.

The directors have recommended the following fully franked dividend:
2012 Interim Dividend 18 cents per share payable 18 May 2012.

Operating and financial review

Net profit after income tax for the half-year ended 28 January 2012 was $38.5 million (2011 half-year: $39.4 million). The 2.4% decrease in comparable net profit after income tax resulted from the net impact of an improvement in the investment segment offset by a decrease in the profit for the operating retail segment (Just Group Limited).

The operating retail segment reported a 4.6% decrease in profit before income tax reflecting tougher trading conditions in the retail industry. Sales for the retail segment decreased by 5.7%, however this has been offset by a significant decrease in total expenses of 6.1%.

The investment segment (excluding the inter-group dividend) reported a 3.8% increase in profit before tax.

Directors’ Report (continued)

Rounding

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

Significant events after the reporting date

On the 22nd March 2012 the directors declared an interim ordinary dividend of 18 cents per share fully franked.

Subsequent to the reporting date, the Just Group Limited finance facilities have been renegotiated and extended to March 2015, with some revisions to the method by which certain financial undertakings are measured.

Auditors’ independence declaration

Attached on page 19 is a copy of the auditors’ declaration provided under section 307C of the Corporations Act 2001 in relation to the review of the half year report for the period 31 July 2011 to 28 January 2012. This auditors’ declaration forms part of this directors’ report.

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

SLew.

Solomon Lew
Chairman
22nd March 2012

Statement of Comprehensive Income
For the Period 31 July 2011 to 28 January 2012

	NOTES	CONSOLIDATED 26 WEEKS ENDED 28 JANUARY 2012 $'000	26 WEEKS ENDED 29 JANUARY 2011 $'000
Continuing operations			
Sale of goods	4	437,610	464,341
Other revenue	4	11,044	10,440
Total Revenue		448,654	474,781
Other income	4	2,956	3,051
Total Income		451,610	477,832
Changes in inventories of finished goods, work in progress and raw materials used		(170,175)	(180,135)
Employee expenses		(99,535)	(103,980)
Operating lease rental expense		(87,768)	(88,611)
Depreciation, impairment and amortisation	5	(9,998)	(10,761)
Advertising and direct marketing		(4,779)	(7,063)
Finance costs	5	(5,462)	(4,556)
Other expenses		(19,807)	(27,849)
Total expenses		(397,524)	(422,955)
Share of profit of an associate		6	1,315
Profit from continuing operations before income tax		54,092	56,192
Income tax expense	6	(15,608)	(16,762)
Net profit for the period attributable to owners		**38,484**	**39,430**
Other comprehensive income (loss)			
Net gain (loss) on available-for-sale financial assets		(11,374)	36,129
Net gain (loss) on cash flow hedges		10,050	(7,464)
Exchange differences on translation of foreign operations		(203)	(105)
Income tax on items of other comprehensive income		363	(8,540)
Other comprehensive income (loss) for the period, net of tax		(1,164)	20,020
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO OWNERS, NET OF TAX		**37,320**	**59,450**
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the parent:			
Basic for profit for the year (cents per share)		24.80	25.43
Diluted for profit of the year (cents per share)		24.56	24.98
Basic for profit from continuing operations (cents per share)		24.80	25.43
Diluted for profit from continuing operations (cents per share)		24.56	24.98

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

Statement of Financial Position
As at 28 January 2012

		CONSOLIDATED	
	NOTES	28 JANUARY 2012 $'000	30 JULY 2011 $'000
Current assets			
Cash and cash equivalents	11	303,483	307,808
Trade and other receivables		5,928	6,066
Inventories		76,050	73,399
Income tax receivable		1,163	3,829
Other current assets		3,274	3,140
Total current assets		**389,898**	**394,242**
Non-current assets			
Trade and other receivables		2,096	2,360
Available-for-sale financial assets		93,133	104,547
Plant and equipment		80,425	84,777
Intangible assets		854,461	854,480
Deferred tax assets		13,983	19,808
Investment in an associate		1,713	1,754
Total non-current assets		**1,045,811**	**1,067,726**
TOTAL ASSETS		**1,435,709**	**1,461,968**
Current liabilities			
Trade and other payables		44,200	46,306
Interest bearing loans and borrowings		118,447	133,784
Derivative financial instruments		4,631	14,829
Provisions		21,858	25,613
Other current liabilities		6,087	6,293
Total current liabilities		**195,223**	**226,825**
Non-current liabilities			
Interest bearing loans and borrowings		134	6
Deferred tax liabilities		25,352	28,516
Provisions		1,293	1,187
Derivative financial instruments		843	636
Other non-current liabilities		9,501	11,060
Total non-current liabilities		**37,123**	**41,405**
TOTAL LIABILITIES		**232,346**	**268,230**
NET ASSETS		**1,203,363**	**1,193,738**
EQUITY			
Contributed equity	12	608,615	608,615
Reserves		38,630	39,578
Retained earnings		556,118	545,545
TOTAL EQUITY		**1,203,363**	**1,193,738**

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

Statement of Cash Flows
For the Period 31 July 2011 to 28 January 2012

	NOTES	CONSOLIDATED 26 WEEKS ENDED 28 JANUARY 2012 $'000	26 WEEKS ENDED 29 JANUARY 2011 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		486,283	516,259
Payment to suppliers and employees (inclusive of GST)		(435,251)	(458,674)
Income taxes paid		(10,349)	(5,350)
Interest received		7,764	7,021
Dividends received		2,347	1,675
Borrowing costs paid		(5,296)	(4,104)
NET CASH FLOWS FROM OPERATING ACTIVITIES		45,498	56,827
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of available-for-sale financial assets		15	-
Payment for settlement of Smiggle deferred payable		-	(18,397)
Payment for plant and equipment and leasehold premiums		(6,876)	(13,122)
Payment for trademarks		(21)	(162)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(6,882)	(31,681)
CASH FLOWS FROM FINANCING ACTIVITIES			
Equity dividends paid		(27,911)	(43,408)
Proceeds from borrowings		18,000	40,500
Repayment of borrowings		(33,000)	(37,500)
Payment of finance lease liabilities		(30)	(101)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(42,941)	(40,509)
NET DECREASE IN CASH HELD		(4,325)	(15,363)
Cash at the beginning of the financial period		307,808	316,644
CASH AT THE END OF THE FINANCIAL PERIOD	11	303,483	301,281

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

Statement of Changes in Equity
For the period 31 July 2011 to 28 January 2012

	CONSOLIDATED							
	CONTRIBUTED EQUITY $'000	CAPITAL PROFITS RESERVE $'000	PERFORMANCE RIGHTS RESERVE $'000	CASH FLOW HEDGE RESERVE $'000	FOREIGN CURRENCY TRANSLATION RESERVE $'000	FAIR VALUE RESERVE $'000	RETAINED PROFITS $'000	TOTAL $'000
At 31 July 2011	608,615	464	799	(10,767)	14	49,068	545,545	1,193,738
Net profit for the period	-	-	-	-	-	-	38,484	38,484
Other comprehensive income	-	-	-	7,035	(203)	(7,996)	-	(1,164)
Total comprehensive income for the half-year	-	-	-	7,035	(203)	(7,996)	38,484	37,320
Transactions with owners in their capacity as owners								
Performance rights issue	-	-	216	-	-	-	-	216
Dividends Paid	-	-	-	-	-	-	(27,911)	(27,911)
Balance as at 28 January 2012	608,615	464	1,015	(3,732)	(189)	41,072	556,118	1,203,363
At 1 August 2010	608,615	464	211	(139)	228	26,769	576,347	1,212,495
Net profit for the period	-	-	-	-	-	-	39,430	39,430
Other comprehensive income	-	-	-	(5,225)	(105)	25,350	-	20,020
Total comprehensive income for the half-year	-	-	-	(5,225)	(105)	25,350	39,430	59,450
Transactions with owners in their capacity as owners								
Performance rights issue	-	-	248	-	-	-	-	248
Dividends Paid	-	-	-	-	-	-	(43,408)	(43,408)
Balance as at 29 January 2011	608,615	464	459	(5,364)	123	52,119	572,369	1,228,785

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

Notes to the Financial Statements
For the period ended 28 January 2012

1. Corporate Information

The consolidated condensed financial report of Premier Investments Limited for the period ended 28 January 2012 was authorised for issue in accordance with a resolution of the directors on 22 March 2012. Premier Investments Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Securities Exchange (ASX).

2. Basis of preparation and accounting policies

i. Basis of preparation

The general purpose condensed financial report for the period ended 28 January 2012 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 period ended 30 July 2011 and considered together with any public announcements made by Premier Investments Limited during the period ended 28 January 2012 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 derivative financial instruments and available-for-sale investments, which have been measured at fair value.

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

ii. Significant accounting policies

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

iii. Changes in accounting policy

The following amending Standards have been adopted from 31 July 2011. Adoption of these Standards did not have any effect on the financial position or performance of the Group:

- AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards: The amendments simplify and clarify the intended meaning of the definition of a related party and provide partial exemption from disclosure requirements for government related entities. The adoption of the amendments did not have any impact on the financial position or performance of the Group.
- AASB 1054 Australian Additional Disclosures and AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project: The standard relocates all Australian specific disclosures from other standards to one place and revises certain disclosures to other areas. The adoption of this Standard did not have any impact on the financial position or performance of the Group.
- AASB 2010-4 Further improvements to the Australian Accounting Standards arising from the Annual Improvements Project: Key amendments include the clarification of content of the statement of changes in equity (AASB 101), financial instrument disclosures (AASB 7) and significant events and transactions in interim reports (AASB 134).
- AASB 2010-5 Amendments to Australian Accounting Standards: The amendment makes numerous editorial amendments to a range of Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRS by the IASB.

The Group has not elected to early adopt any new Standards or amendments issued but not yet effective.

Notes to the Financial Statements
For the period ended 28 January 2012

2. Basis of preparation and accounting policies (continued)

iv. ***Basis of consolidation***

The consolidated financial reports comprise the financial statements of Premier Investments Limited and its subsidiaries as at 28 January 2012.

v. ***Comparatives***

The current reporting period 31 July 2011 to 28 January 2012 represents 26 weeks and the comparative period is 1 August 2010 to 29 January 2011 representing 26 weeks.

3. Seasonality of operations

The financial performance of the consolidated entity is exposed to seasonality in the volume of sales; such that the company's financial performance is historically weighted in favour of the period to 28 January. This seasonality is a reflection of the additional retail sales generated during the Christmas trading period each year.

	CONSOLIDATED	
	26 WEEKS ENDED 28 JANUARY 2012 $'000	26 WEEKS ENDED 29 JANUARY 2011 $'000
4 Revenue		
REVENUE		
Revenue from sale of goods	433,823	458,385
Revenue from sale of goods to associate	3,787	5,956
Total revenue from sale of goods	437,610	464,341
OTHER REVENUE		
Membership program fees	243	201
Dividends received – other persons	2,347	1,675
Interest		
Other persons	8,360	8,443
Associate	94	121
Total Interest	8,454	8,564
TOTAL OTHER REVENUE	11,044	10,440
TOTAL REVENUE	448,654	474,781
OTHER INCOME		
Amortisation of deferred income	2,093	2,568
Insurance claims	427	-
Other	436	483
TOTAL OTHER INCOME	2,956	3,051
TOTAL INCOME	451,610	477,832

Notes to the Financial Statements
For the period ended 28 January 2012

	NOTES	CONSOLIDATED 26 WEEKS ENDED 28 JANUARY 2012 $'000	CONSOLIDATED 26 WEEKS ENDED 29 JANUARY 2011 $'000

5 Expenses

DEPRECIATION AND IMPAIRMENT OF NON-CURRENT ASSETS			
Depreciation of plant and equipment		9,919	10,093
Depreciation of plant and equipment under lease		17	79
Impairment of plant and equipment		-	566
Impairment of available-for-sale financial assets		24	-
TOTAL DEPRECIATION AND IMPAIRMENT OF NON-CURRENT ASSETS		9,960	10,738
AMORTISATION OF NON-CURRENT ASSETS			
Amortisation of leasehold premiums		38	23
TOTAL AMORTISATION OF NON-CURRENT ASSETS		38	23
TOTAL DEPRECIATION, IMPAIRMENT AND AMORTISATION		9,998	10,761
FINANCE COSTS			
Finance charges on capitalised leases		19	28
Discount charges on provisions		258	-
Interest charges on bank loans and overdraft		5,185	4,528
TOTAL FINANCE COSTS		5,462	4,556
OTHER EXPENSES			
Foreign exchange losses		62	21
Unrealised foreign exchange loss – loan to associate		264	196
Unrealised foreign exchange loss – investment in associate		48	247
Loss on ineffective cash flow hedge		62	1,106
Net loss on disposal of plant and equipment		39	461
DISCLOSURE OF TAX EFFECTS RELATING TO EACH COMPONENT OF OTHER COMPREHENSIVE INCOME			
Disclosing of tax effects relating to each component of other comprehensive income			
Available-for-sale financial assets		(3,378)	10,779
Cash flow hedges		3,015	(2,239)
INCOME TAX ON ITEMS OF OTHER COMPREHENSIVE INCOME		(363)	8,540

Notes to the Financial Statements
For the period ended 28 January 2012

6 Income Tax

	CONSOLIDATED	
	26 WEEKS ENDED 28 JANUARY 2012 $'000	26 WEEKS ENDED 29 JANUARY 2011 $'000
A reconciliation between 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	54,092	56,192
At the Parent Entity's statutory income tax rate of 30%. (2011: 30%)	16,228	16,858
Prior year adjustments	-	11
Expenditure not allowable for income tax purposes	403	288
Income not assessable for income tax purposes	(1,023)	(395)
Income tax expense reported in the Statement of Comprehensive Income	15,608	16,762

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 company 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 dividend income and interest. This includes available for sale financial instruments.

Accounting policies

The accounting policies used by the Group in reporting segments internally are the same as those contained in note 2 to the accounts and in the prior periods except as detailed below:

Income tax expense
Income tax expense is calculated based on the segment operating net profit using the Group's effective income tax rate.

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 Financial Statements
For the period ended 28 January 2012

7 Segment Information (continued)

The following table presents revenue and profit information for reportable segments for the period ended 28 January 2012 and 29 January 2011.

	RETAIL		INVESTMENT		ELIMINATION		TOTAL	
	28 JANUARY 2012 $'000	29 JANUARY 2011 $'000	28 JANUARY 2012 $'000	29 JANUARY 2011 $'000	28 JANUARY 2012 $'000	29 JANUARY 2011 $'000	28 JANUARY 2012 $'000	29 JANUARY 2011 $'000
REVENUE								
Sale of goods	437,610	464,341	-	-	-	-	437,610	464,341
Other revenue	487	458	27,557	38,950	(17,000)	(28,968)	11,044	10,440
Other income	2,956	3,051	-	-	-	-	2,956	3,051
Total Segment revenue	441,053	467,850	27,557	38,950	(17,000)	(28,968)	451,610	477,832
Total revenue per the statement of comprehensive income							451,610	477,832
Segment result	45,667	48,074	25,425	37,086	(17,000)	(28,968)	54,092	56,192
Reconciliation of segment net profit after tax to net profit before tax								
Income tax expense							(15,608)	(16,762)
Net profit after tax per the statement of comprehensive income							38,484	39,430

	28 JANUARY 2012 $'000	30 JULY 2011 $'000	28 JANUARY 2012 $'000	30 JULY 2011 $'000	28 JANUARY 2012 $'000	30 JULY 2011 $'000	28 JANUARY 2012 $'000	30 JULY 2011 $'000
ASSETS AND LIABILITIES								
Segment assets	319,399	334,117	1,173,810	1,178,923	(57,500)	(51,072)	1,435,709	1,461,968
Segment liabilities	211,849	248,417	33,456	26,783	(12,959)	(6,970)	232,346	268,230
Capital expenditure	5,778	18,975	-	-	-	-	5,778	18,975

Notes to the Financial Statements
For the period ended 28 January 2012

	CONSOLIDATED	
	28 JANUARY 2012 $'000	29 JANUARY 2011 $'000
8 Dividends paid		
a) Dividends declared and paid during the period		
Final fully franked dividend for the financial year ended 30 July 2011: 18 cents per share (2011: 28 cents per share)	27,911	43,408
b) Dividend proposed and not recognised as a liability		
Interim fully franked dividend for the period ended 28 January 2012: 18 cents per share (2011: 18 cents per share)	27,944	27,906

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	38,484	39,430
	Number of shares 000	Number of shares '000
Weighted average number of ordinary shares used in calculating:		
- basic earnings per share	155,158	155,030
- diluted earnings per share	156,690	157,877

There have been no other conversions to, calls of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

Notes to the Financial Statements
For the period ended 28 January 2012

10 Impairment testing

INTANGIBLE ASSETS

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 full impairment testing at 30 July 2011. Due to difficult trading conditions in the retail industry, management decided to perform an update to the impairment testing to reflect current market conditions and updated cash flow projections as at 28 January 2012.

1) Impairment testing of Goodwill

The recoverable amount of the cash-generating unit (CGU) has been determined based upon a value in use calculation. Cash flow projections have been updated to reflect management's current assessment of financial estimates covering a five year period. The post-tax discount rate applied to these cash flow projections is 10.5% (30 July 2011: 11.3%). All other assumptions remained consistent with those disclosed in the financial statements for the 52 weeks ended 30 July 2011. As a result of the updated analysis, management did not identify an impairment loss for the CGU to which goodwill is allocated.

A material adverse change in forecast sales volumes or EBITDA could have the potential to give rise to a circumstance where the recoverable amount may be materially lower than the carrying amount.

2) Impairment testing of Brand names

The recoverable amounts of Brand names acquired in a business combination are determined on an individual Brand basis based upon a value in use calculation. The value in use calculation has been determined based upon a relief from royalty method. The impairment testing performed at 30 July 2011 has been updated with management's current assessment of financial estimates covering a five year period. The post-tax discount rate applied to the cash flow projections for each of the CGU's is 9.5% (30 July 2011: 10.2%). All other assumptions remained consistent with those disclosed in the financial statements for the 52 weeks ended 30 July 2011. As a result of the updated analysis, management did not identify an impairment loss for the CGU's to which brand names are allocated.

Management have considered the possible change in expected growth rates applied to individual brands within the CGU's each of which have been subject to sensitivities. A material adverse change in forecast sales volumes or EBITDA could have the potential to give rise to circumstances where the recoverable amount may be materially lower than the carrying amount.

	CONSOLIDATED	
	28 JANUARY 2012 $'000	30 JULY 2011 $'000
11 Cash and cash equivalents		
Reconciliation of cash and cash equivalents:		
Cash at bank and in hand	31,943	31,802
Short-term deposits	271,540	276,006
Balance at end of the period	303,483	307,808

Notes to the Financial Statements
For the period ended 28 January 2012

	CONSOLIDATED	
	28 JANUARY 2012 $'000	30 JULY 2011 $'000
12 Issued Capital		
Ordinary shares – issued	608,615	608,615
Total contributed equity	608,615	608,615

	NUMBER OF SHARES '000	NUMBER OF SHARES '000
Movements in issued shares during the half year		
Balance at start of the period	155,062	155,030
Shares issued during the year	181	32
Balance at end of the period	155,243	155,062

13 Commitments and contingencies

Just Group Limited has bank guarantees totalling $1,685,848 (2011:$1,186,060).

Under the terms of the shareholder agreement, Just Kor Fashion Group (Pty) Ltd, the Group's associate operating in South Africa, has the right to call on its shareholders for additional funding of up to ZAR 15.0 million each (approximately AUD $1.80 million). The consolidated entity has not provided for this obligation in this financial report.

14 Events after the reporting date

On the 22 March 2012 the directors declared an interim ordinary dividend of 18 cents per share fully franked.

Subsequent to the reporting date, the Just Group Limited finance facilities have been renegotiated and extended to March 2015, with some revisions to the method by which certain financial undertakings are measured.

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 are in accordance with the Corporations Act 2001, including:

- (i) Giving a true and fair view of the financial position as at 28 January 2012 and the performance for the period ending on that date of the consolidated entity;
- (ii) Comply 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

22nd March 2012

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

In relation to our review of the interim financial report of Premier Investments Limited for the half-year ended 28 January 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Glenn Carmody
Partner
22 March 2012

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To the Members of Premier Investments Limited

Review Report on Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Premier Investments Limited, which comprises the statement of financial position as at 28 January 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 28 January 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Premiers Investments Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

a) giving a true and fair view of the consolidated entity's financial position as at 28 January 2012 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Ernst & Young

Glenn Carmody
Partner
Melbourne
22 March 2012