PREMIER INVESTMENTS LIMITED

A.C.N. 006 727 966

Annual Report 2015

John Cheston
Managing Director, Smiggle

Solomon Lew
Chairman

Mark McInnes
CEO Premier Retail

FRONT COVER: International model and Brand Ambassador Portmans, Jessica Hart.

Chairman's Report

The Directors of Premier Investments Limited ("Premier") are pleased to submit to shareholders the Annual Report for the financial year ended 25 July 2015 which has again been a year of strong financial performance by your company.

STRONG FINANCIAL PERFORMANCE

Premier reported consolidated underlying net profit before tax (NPBT) of $118.6 million, up 11.9% on the previous financial year despite increasing competition for the consumer dollar and the impact of a weaker Australian Dollar. Premier's reported net profit after tax (NPAT) of $88.1 million represents growth of 20.7% compared with the previous financial year.

The Group consolidated result was underpinned by the strong performance of our core operating business unit, Premier Retail. Under the leadership of Premier Retail CEO, Mark McInnes, the 2015 financial year achieved record results in sales, margins and profit.

Premier Retail's underlying profit before tax (PBT) increased 16.0% to $100.9 million[1], reflecting the momentum created by the growth platforms of Smiggle, Peter Alexander and Online as well as the continued rejuvenation of Premier's Retail's core brands.

Full year sales for the Group increased by 6.4% (second half up 8.3%) to $945.7 million and like for like (LFL) sales increased by 2.2% across the Group with all brands achieving sales growth for the year[2].

Premier Retail underlying earnings before interest and tax (EBIT) was $105.7 million, an increase of 13.9% with underlying EBIT margin up 74bps to 11.2%[3].

GROWTH INITIATIVES DELIVER

During financial year 2015, Premier Retail continued to implement its growth plans driven by the expansion of our online platform, growing Peter Alexander across Australia and New Zealand and the continued roll-out of the unique Smiggle brand and store network across the United Kingdom and Singapore.

In a year of many highlights, your Directors are pleased to particularly note the following achievements for the financial year:

- Peter Alexander sales increased by 14.9% to $140.5 million (up 40% in only two years)
- We opened 14 new Peter Alexander stores including the Brisbane CBD flagship store
- Smiggle achieved global sales of $132.6 million, up 26% on financial year 2014 (second half up 36%)
- We opened 25 new Smiggle stores across Australia, New Zealand, United Kingdom and Singapore including major new stores in internationally renowned shopping centres–ION in Singapore, Westfield London and Bluewater in the United Kingdom
- Total online sales grew 31% on last year (second half up 38%) and we enhanced our international online capabilities through the launch of "dotti.co.nz" and "smiggle.co.uk". Online sales remain on track to achieve the aspiration of 10% of total group sales.

Smiggle has plans to open 16 new stores in the United Kingdom during the first half of the new financial year including the first store in Wales. We will continue to open new stores in the second half of the financial year 2016 including the first store in Scotland as Smiggle progresses towards its objective of 200 stores in the United Kingdom market. The Board remains confident of achieving the objective of 200 stores in the United Kingdom generating sales of $200 million of annual sales within five years.

I was also delighted to recently announce the expansion of the Smiggle footprint in Asia through entry into two new markets, Malaysia and Hong Kong. The objective is to have 50 Smiggle stores operating, between these two markets, within five years.

Peter Alexander will also continue to grow store numbers aiming for between 10 and 15 new stores over next two years in Australia and New Zealand.

[1] Underlying NPBT, underlying PBT and underlying EBIT excludes non-recurring costs in 2015 financial year associated with exit from Jay Jays South Africa joint venture ($1.7m) and in 2014 financial year non-recurring costs associated with Smiggle UK market entry ($3.1m) and supply chain transformation ($4.5m).

[2] Excluding sales to Jay Jays South African joint venture.

[3] South Africa joint venture, underlying EBIT excludes non-recurring costs in 2015 financial year associated with exit from Jay Jays South Africa joint venture ($1.7m) and in 2014 financial year non-recurring costs associated with Smiggle UK market entry ($3.1m) and supply chain transformation ($4.5m).

CORE BRAND TRANSFORMATION

Premier's core brands again reported solid results for the year.

The results reflect returns on carefully targeted investments made in line with the previously announced transformation initiatives: rejuvenation of core apparel brands; gross margin expansion; organisation-wide cost efficiency and; supply chain transformation. The Board is particularly delighted with the significant improvements achieved in the performance and market positioning of the Jay Jays brand.

All seven Premier Retail brands are now operating from the new Australian Distribution Centre which should result in a cost saving of more than $2 million per annum over the first three years. The new distribution centre also has the scale, capacity and technology to handle future growth from online and other multi-channels.

BALANCE SHEET STRENGTH AND DIVIDENDS

At the end of the financial year, Premier's balance sheet reported free cash of $281.6 million and its equity accounted investment in Breville at $209.5 million. The market value of Premier's holding in Breville was $228.9 million at 24 July 2015[4].

The strong balance sheet, the underlying financial performance of Premier Retail and a franking credit pool at 2015 financial year end of $208.2 million, allowed the Board to again increase dividends for the year. The Board declared:

- an interim ordinary dividend of 21 cents per share fully franked in March 2015,
- a special fully franked dividend of 9 cents per share in March 2015 as part of Premier's capital management strategy, and
- a final fully franked ordinary dividend of 21 cents per share in September 2015.

In total the Board declared 51 cents per share fully franked for the financial year (2014: 40 cents per share).

We will continue to leverage our balance sheet capacity to fund the expansion of growth brands, while still retaining a substantial capacity to pursue opportunities that may arise in the future. Your Board will also continue to be disciplined in its approach to investment and will only act where we believe there is a clear and long-term benefit for shareholders.

[4] Based on share price of $6.40 on 24 July 2015.

PREMIER TEAM AND BOARD CHANGES

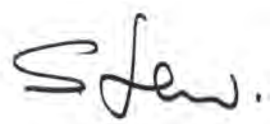
On behalf of the Board and all Shareholders, I would like to thank Premier Retail CEO Mark McInnes, his senior team and our approximately 6,000 dedicated employees across Australia, New Zealand, Singapore and the United Kingdom for delivering another strong result in a challenging environment. I believe we have in place a top class retail team that has enabled us to continue to grow our business in an increasingly competitive environment.

I would also like to thank my fellow directors for their contribution and service over the last year and specifically mention Mr. Frank Jones who retired from the Board in July 2015. Mr. Jones is a former Chairman of the Group and a former Chairman of the Audit and Risk Committee. He was Deputy Chairman from 2008 until his retirement. He has been instrumental in all key events in Premier's history including the original floating of Premier in 1987, the selling of Premier's substantial shareholding in Coles Group Limited and the acquisition of Just Group Limited. He has made a significant contribution to the substantial growth in shareholder wealth for Premier shareholders and has been an invaluable contributor to the Board. Shareholders will have the opportunity to thank Mr. Jones for his contribution at the upcoming Annual General Meeting.

Dr David Crean was appointed Independent Deputy Chairman following Mr Jones' retirement. Dr. Crean has been on the Premier Board as a Non-Executive Independent Director since 2009 and Chairman of the Audit and Risk Committee since August 2010. I am sure you will join me in congratulating Dr. Crean on his appointment.

Finally, thank you to all our shareholders for your continued support and investment. The Premier Board acknowledge that as shareholders, you are the owners of this company and we are committed to acting in your best interests and investing your funds with a focus on long-term sustainable growth and wealth creation.

I encourage all shareholders to attend the annual general meeting on 27 November 2015 and look forward to your participation.



Solomon Lew
Chairman and Non-Executive Director

The Directors

Solomon Lew
Chairman and
Non-Executive Director

Frank W. Jones
FCA, CPA, ACIS
(Resigned 25 July 2015)
Deputy Chairman and
Non-Executive Director

David M. Crean
Deputy Chairman and
Non-Executive Director

Timothy Antonie
Non-Executive Director

Lindsay E. Fox AC
Non-Executive Director

Sally Herman
Non-Executive Director

Henry D. Lanzer AM
B. COM., LLB (Melb)
Non-Executive Director

Mark McInnes
Executive Director

Michael R.I. McLeod
Non-Executive Director

Gary H. Weiss LLM, J.S.D.
Non-Executive Director

Solomon Lew

Mr. Lew was appointed as Non-Executive Director and Chairman of Premier on 31 March 2008. For many years, Mr. Lew has been a director of Century Plaza Investments Pty. Ltd., the largest shareholder in Premier and was previously Chairman of Premier from 1987 to 1994.

Mr. Lew has over 50 years' experience in the manufacture, importation, wholesaling and retailing of textiles, apparel and general merchandise. Mr. Lew's success in the clothing industry has been largely due to his ability to read fashion trends and interpret them in the Australian market and to efficiently and cost-effectively produce quality garments. Property development and the acquisition and disposal of equity investments have proven to be a profitable and consistent activity for Mr. Lew's family entities. He has, through those family entities, made a number of investments in publicly listed companies over the years, including investments in Coles Myer Limited, Colorado Group Limited and Country Road Limited to name a few. Where these investments have been sold, it has resulted in substantial profits.

In December 2013, Mr. Lew was appointed to the Australian Prime Minister's Business Advisory Council.

He was the inaugural Chairman of the Mount Scopus College Foundation and server for 26 years (1987 – 2013). He is a member of the Board of Trustees of the Sport and Tourism Youth Foundation, a life member of The Duke of Edinburgh's Award World Fellowship, a Patron of Opera Australia and a Chairman or director of several philanthropic organisations.

Mr. Lew was a director of Coles Myer Limited from 1985 to 2002, serving as Vice Chairman from 1989, Chairman from 1991 to 1995, Executive Chairman in 1995 and Vice Chairman in 1995 and 1996. He was also a director of the Reserve Bank of Australia from 1992 to 1997.

Frank W. Jones FCA, CPA, ACIS

Mr. Jones is a Fellow of Chartered Accountants Australia and New Zealand and an Associate of CPA Australia and the Governance Institute of Australia. Mr. Jones has extensive experience as a financial and general advisor to some of Australia's leading importing and retailing companies.

Mr. Jones served as Chairman of Premier from 1999 to 2002 and, more recently, from 2007 to 2008. He was a member of the Audit and Risk Committee of Premier until October 2014 and was the Committee's chairman until 31 July 2010. Mr. Jones retired from the Premier Board on 25 July 2015.

Dr. David M. Crean

Dr. Crean has been an Independent Non-Executive Director of Premier since December 2009, Deputy Chairman since July 2015 and is currently the Chairman of Premier's Audit and Risk Committee (appointed August 2010).

Dr. Crean was Chairman of the Hydro Electric Corporation (Hydro Tasmania) from September 2004 until October 2014 and was also Chairman of the Business Risk Committee at Hydro Tasmania, member of the Audit Committee and Chairman of the Corporate Governance Committee.

Dr. Crean was State Treasurer from August 1998 to his retirement from the position in February 2004. He was also Minister for Employment from July 2002 to February 2004. He was a Member for Buckingham in the Legislative Council from 1992 to February 1999, and then for Elwick until May 2004. From 1989 – 1992 he was the member for Denison in the House of Assembly. From 1993 – 1998 he held Shadow Portfolios of State Development, Public Sector Management, Finance and Treasury.

Dr. Crean is also a Board member of the Linfox Foundation. Dr. Crean graduated from Monash University in 1976 with a Bachelor of Medicine and Bachelor of Surgery.

Timothy Antonie

Mr. Antonie was appointed to the Board of Directors on 1 December 2009. He holds a Bachelor of Economics degree from Monash University and qualified as a Chartered Accountant with Price Waterhouse. He has 20 years' experience in investment banking and formerly held positions of Managing Director from 2004 to 2008 and Senior Adviser in 2009 at UBS Investment Banking, with particular focus on large scale mergers and acquisitions and capital raisings in the Australian retail, consumer, media and entertainment sectors. Mr Antonie is also a non-executive director of Village Roadshow Limited and Breville Group Limited.

Lindsay E. Fox AC

Mr. Fox has extensive experience in all aspects of the transport, distribution and warehousing industries. He is the founder of the Linfox Group of Companies. Today, the Linfox Group operates one of the largest supply chain services businesses with operations in 10 countries. The Linfox Group employs over 23,000 people, operates 4.8 million square metres of warehouses and a fleet of more than 5,000 vehicles and carries out distribution operations for leading companies across the Asia-Pacific region. The Linfox Group includes operations in the areas of transport and logistics, airports, property development and cash management services.

Mr. Fox has extensive involvement in Australian and international circles and, apart from his business interests, is well recognised and active in sport and charity work.

In 2010, Victoria University admitted Mr. Fox to the degree of Doctor of the University honoris causa for his outstanding achievements in the transport industry, for his contribution to the community through his sustained efforts to reduce unemployment and his campaign against youth suicide.

In January 2008, Mr Fox was awarded a Companion of the Order of Australia (AC) for continued service to the transport and logistics industries, to business through the development and promotion of youth traineeships and to the community through a range of philanthropic endeavours.

He was awarded an Officer of the Order of Australia (AO) in 1992 for his contribution to the transport industry and the community and he received a Centenary Medal for services to the transport industry in 2001.

From September 1992 to December 1993, Mr. Fox together with Mr. Bill Kelty introduced a national campaign called 'Work for Australia'. This campaign encouraged companies and local communities to generate jobs for unemployed with the aid of government subsidies and programs. More than 60,000 jobs were pledged through their efforts and Mr. Fox and Mr. Kelty were awarded 'Victorians of the Year' by the Sunday Age.

Sally Herman

Sally Herman is an experienced Non-Executive Director in the fields of financial services, retail, manufacturing and property. She had a successful executive career spanning 25 years in financial services in both Australia and the US, transitioning in late 2010 to a full time career as a Non-Executive Director.

Prior to that, she had spent 16 years with the Westpac Group, running major business units in most operating divisions of the Group as well as heading up Corporate Affairs and Sustainability through the merger with St. George and the global financial crisis.

Ms. Herman now sits on both listed and unlisted Boards, including Breville Group Limited, ME Bank Limited, FSA Group Limited (retired 28 November 2014) and Investec Property Limited. She also Chairs the Board of Urbis Pty. Limited, a leading property advisory firm, and is Chair of an independent girls' school in Sydney.

Ms. Herman holds a BA from the University of NSW and is a Graduate of the Australian Institute of Company Directors.

Henry D. Lanzer AM B. COM., LLB (Melb)

Henry Lanzer AM is Managing Partner of Arnold Bloch Leibler, a leading Australian commercial law firm. Henry has over 30 years' experience in providing legal, corporate finance and strategic advice to some of Australia's leading companies.

Mr. Lanzer is a Director of Just Group Limited, Thorney Opportunities Limited and the TarraWarra Museum of Art and also a Life Governor of the Mount Scopus College Council.

He is also Chairman of the Remuneration and Nomination Committee for Premier Investments Limited.

In June 2015, Henry was appointed as a Member of the Order of Australia.

Mark McInnes

Mr. McInnes is a career retailer with a long track record of success in every role he has occupied. Like many great retailers, Mark started his career from the shop floor as a company cadet for Grace Brothers. Mark has been directly responsible for some of Australia's greatest retail success stories – including as a co-founder of the Officeworks concept which is today Australia's largest office supply superstore.

Prior to joining Premier, Mark led David Jones to its most successful time as a public listed company. Mark spent 13 years at David Jones – 6 years as Merchandise & Marketing Director and 7 years as CEO. From 2003 to 2010, Mark as CEO and Executive Director of David Jones turned the company into a fashion and financial powerhouse, creating in excess of $2 billion of shareholder value.

Mark was appointed CEO of Premier Retail in April 2011, and has set about transforming the company to compete in an industry under great structural pressure. Premier Retail today has a clear path and a clear focus.

In December 2012, Mark was appointed as an Executive Director of Premier Investments Limited. Mark holds an MBA from the University of Melbourne.

Michael R.I. McLeod

Mr. McLeod is a former Executive Director of the Century Plaza Group and has been involved with the Group since 1996 as an advisor in the areas of corporate strategy, investment and public affairs. He has been a Non-Executive Director of Premier Investments Limited since 2002 and was a Non-Executive Director of Just Group Limited from 2007 to 2013. Past experience includes the Australian Board of an international funds manager, chief of staff to a Federal Cabinet Minister and statutory appointments including as a Commission Member of the National Occupational Health and Safety Commission.

He holds a Bachelor of Arts (First Class Honours and University Medal) from the University of New South Wales.

Gary H. Weiss LL.M, J.S.D.

Dr. Weiss holds the degrees of LL.B (Hons) and LL.M (with distinction) from Victoria University of Wellington, as well as a Doctor of Juridical Science (JSD) from Cornell University, New York. Dr. Weiss has extensive international business experience and has been involved in numerous cross-border mergers and acquisitions.

Dr. Weiss is Chairman of Clearview Wealth Limited and Ridley Corporation Limited, Executive Director of Ariadne Australia Limited, and a director of Premier Investments Limited, Pro-Pac Packaging Limited, Tag Pacific Limited, Thorney Opportunities Limited and The Straits Trading Company Limited. He was Chairman of Coats Plc from 2003 until April 2012 and executive director of Guinness Peat Group Plc from 1990 to April 2011 and has held directorships of numerous companies, including Mercantile Investment Company Limited (retired 25 February 2015) Westfield Group, Tower Australia Limited, Australian Wealth Management Limited, Tyndall Australia Limited (Deputy Chairman), Joe White Maltings Limited (Chairman), CIC Limited, Whitlam Turnbull & Co Limited and Industrial Equity Limited.

He has authored numerous articles on a variety of legal and commercial topics.

Strategic Review Premier Retail

Management continued the rigorous implementation of the six key initiatives outlined in the 2011 Strategic Review.

	Focus Area	Status	
1	Rejuvenate and reinvigorate all five core apparel brands.	✓	Continued solid results were achieved in all five core brands in financial year 2015 (FY15). Jay Jays turnaround strategy is on track delivering positive sales growth, whilst Dotti and Portmans achieved a strong second half 2015 (2H15) and Just Jeans and Jacqui E both continued to deliver growth for the year. The group continues to invest in upgrading its existing store network through targeted investment that deliver strong returns to shareholders.
2	Organisation-wide cost efficiency program.	✓	Costs of doing business continue to be well controlled despite strategic investment in growth initiatives, including online, Peter Alexander and Smiggle UK. Store rent declined for established brands in FY15 despite inflationary pressures built into leases. Total store rent increased due to the ongoing growth of Peter Alexander in Australia and New Zealand and Smiggle globally. Salaries continued to be tightly controlled with improved labour productivity for the established brands. During the year, 15 loss making stores were closed, as part of an ongoing program to improve the portfolio profitability. Our new Australian national distribution centre is now complete with all seven brands and online operating out of the Premier Investments owned facility based in Melbourne.
3	Two phase gross margin expansion program.	✓	Premier Retail's gross margin expanded during the year despite the weaker AUD and highly competitive market. Strategies to offset the impact of the weaker AUD have been effectively implemented across all brands and markets. Direct sourcing initiatives continuing to deliver benefits from new suppliers and countries, which combined with our ongoing focus on markdown management is expected to support margin going forward.
4	Expand and grow the internet business.	✓	Total online sales for FY15 were up 31% – well ahead of market growth. The online channel remains extremely profitable. Investment is continuing in technology, people and marketing to achieve our aspirational goal of 10% of total group sales from online sales.
5	Grow Peter Alexander significantly.	✓	Peter Alexander remains on track to achieve the three year strategic growth plan with sales growth of 14.9% in FY15, and almost 40% over the last two years. 14 new stores were opened in FY15, including a new flagship Brisbane CBD store. Peter Alexander is an established destination during key gift giving times which remains a focus alongside delivering unique customer experiences every day in store and online.
6	Grow Smiggle significantly.	✓	Smiggle global sales grew by 26% in FY15, with strong sales growth in all markets. The expansion into the UK continues to be a success with 24 stores and online trading at end of FY15 and a further 16 stores targeted to open by Christmas 2015. The UK market has enormous potential with the personal stationery market valued at $2.4 billion.

Brand Performance Premier Retail

peteralexander

Peter Alexander delivered outstanding growth of 14.9% in FY15. Judy Coomber, Managing Director Peter Alexander and Peter Alexander, Creative Director are firmly on track to deliver our three year plan objectives. 14 new stores were opened during the year (10 in Australia and 4 in New Zealand).

smiggle®

Smiggle achieved exceptional growth of 26% in FY15 with strong growth in all markets. Led by John Cheston, Managing Director Smiggle, it has been an exceptional year for the brand with a focus on innovative product which continues to be well received in the established markets and has been embraced by the UK fans. 24 stores plus online were trading in the UK at the end of FY15, with a further 16 targeted to open by Christmas 2015.

dotti

Dotti, led by David Bull, delivered another strong result in a highly competitive market, particularly in the 2H15 via a reinvigorated core merchandise strategy. The brand has a world class digital platform which delivered 29% growth on last year. A New Zealand dedicated website was also launched which has traded ahead of plan since operations commenced. "Dotti Girls" social media program continues to enhance customer engagement.

portmans

Portmans, under the leadership of Jade Holgate, delivered an impressive result in 2H15 through a strong recovery in all apparel categories, particularly seasonal categories of coats and knitwear. The group continues to invest in ensuring our multi-channel capability is world class, with Portmans achieving 41% growth on last year from the online channel. The investment in Jess Hart as Brand Ambassador continues to deliver a strong brand campaign.

JACQUI·E

Jacqui E delivered profit growth in FY15 under Karen Russell's leadership. The focus on product excellence delivered a strong performance in the "pants perfected range", the dress category and with a focus on item work wear jackets. Supported by a strong brand campaign, led by our ambassador Tara Moss, the band continues to build a destination for work wear.

Just Jeans

Under Matthew McCormack's leadership, the brand continues to implement its "Anchored in Denim" strategy that has delivered strong denim growth over the year. The new branded denim ranges (e.g. Guess) have delivered solid results. A new store format will be launched in first half financial year 2016 with the opening of a new Sydney CBD store.

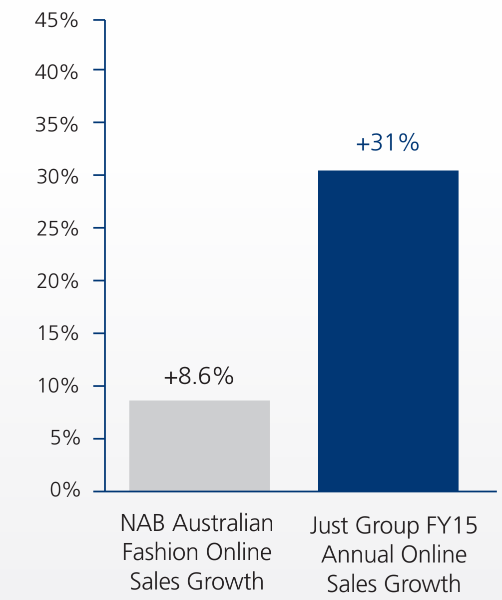
Jay Jays

The Jay Jays turnaround is on track with sales growth throughout FY15. The brand's new store format has been well received in the 6 stores completed in 2H15, with a further 6 stores to be upgraded to the new format in first half financial year 2016.

Internet

Online sales up for the financial year – well ahead of market growth.

ONLINE SALES GROWTH FY15



Note: NAB Online Retail Sales Index – July 2015, published 1 September 2015.
Reported Australian online retail sales in the fashion category grew by 8.6% in the 12 months to July 2015

» All brands significantly outperformed the market. Portmans grew at 41%, Dotti grew at 29% and Just Jeans at 26%. Peter Alexander, our most established online business had growth at 21%

» Online channel remains extremely profitable

» Now trading online in 3 markets with the successful launch of "smiggle.co.uk"

» Successful launch of "dotti.co.nz"

» Investment continuing in technology, people and marketing. The FY15 result has been delivered through new initiatives including:

- Mobile & desktop optimised sites and email program
- Optimised affiliate program acquiring new customers
- Customer re-targeting programs driving repeat visitation and loyalty
- Personalised product and content recommendations driving conversion
- Optimised companywide online events

» Multi channel initiatives continue to provide valuable sales growth and enhanced customer experiences:

- "Store to door" delivering incremental sales
- Ongoing growth of customer databases and personalised content supporting sales growth across all channels
- New Australian distribution centre to support significant further growth.

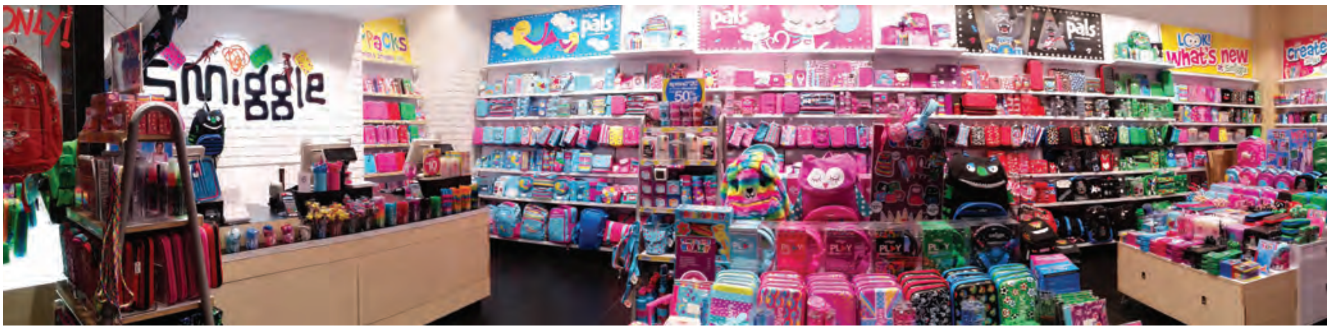
Smiggle International Growth

Continued success in rolling out the Smiggle brand in the United Kingdom, following the launch of the first store at Westfield Stratford in February 2014. The company's plans are well underway.

smiggle®

where a **smile** meets a **giggle**

» 16 new stores in the UK in FY15, with 24 stores operating by the end of FY15
» Launched a dedicated UK online store - smiggle.co.uk
» A further 16 new stores targeted to open by Christmas 2015
» The management team continues to believe that the potential exists for 200 stores across the UK with sales of $200 million over the next five years
» First stores in Wales and Scotland planned to open in financial year 2016
» John Cheston, Managing Director of Smiggle has a proven track record of success in all four countries we operate in.



Peter Alexander Growth

The brand's three year growth plan is well underway delivering 40% growth over the last two financial years, with total sales growth of 14.9% in FY15.

peteralexander

- 14 new stores opened
- 89 stores now operating
- Potential for a further 10-15 new stores across Australia and New Zealand over the next 2 years, with 8 confirmed to open prior to Christmas 2015
- Online sales growth of 21%
- Database growth of 53%, Facebook followers increased by 19%
- New product initiatives include bed linen, bridal, footsies, with continued focus on Childrenswear
- Continued investment in existing store portfolio to support further growth and improve operations, capacity and store appearance.

Our Commitment To Business Sustainability

Premier acknowledges the importance of respecting our stakeholders, including employees, shareholders, customers and suppliers.

PEOPLE	COMMUNITY	ENVIRONMENT	ETHICAL SOURCING
» Attraction and retention » Development » Reward and recognition » Workplace Safety	» Peter Alexander and RSPCA/ PAW JUSTICE » Smiggle Community Partnerships » Support Centre Charity Events	» Packaging Stewardship » Waste and Recycling » Energy efficiency	» Our sourcing models, principles & policies » Our Assurances » Membership of the Alliance for Bangladesh Worker Safety » Our activities in Bangladesh » Ethical Raw Material Procurement

We are committed to a long term goal of delivering sustainable value through the effective use of our resources and relationships. This goal influences how we behave and impacts everything we do.

OUR COMMITMENT TO OUR PEOPLE

Our goal is for Premier to attract, retain and motivate high calibre employees. Our outstanding leadership team have developed and nurtured a culture that supports our success. We value speed, integrity, energy, and results. We have a 'can do' culture in which employees see the difference they make.

TOTAL EMPLOYEES	7,000+
% FEMALE	90%
RETENTION RATE IMPROVEMENT	13%

ATTRACTION AND RETENTION

At the end of the financial year, Premier employed over 6,000 staff across four countries. By Christmas 2015, Premier will employ over 7,000 staff.

Premier believes that it is important to ensure that all team members enjoy a workplace which is free from discrimination; we believe our staff perform the best when they can be themselves at work and so we strongly support gender, age, sexual orientation, disability and cultural diversity at work. In FY2015, 90% of our total team members are woman, who held 68% of the positions in our senior management team. We rely on the passion and commitment of our employees to achieve the results we do. We value and respect our talented people and were pleased to achieve a year on year improved retention rate in Australia of 13% and 9% in New Zealand.

DEVELOPMENT

Premier provides ongoing and regular training opportunities throughout the year to develop and support our future aspiring leaders. This year we held up to 100 training and development workshops led by our People & Culture Managers and Senior Leaders.

REWARD AND RECOGNITION

We recognise and reward outstanding contributions to our group results, both individually and for team performance. Our annual awards in FY15 celebrated a total of 119 employees for their excellent performance and contribution to achieving our goals. In addition, we reward our top stores and staff across all seven brands globally via our annual 'Just Group Excellence Awards'. The top performing Regional Managers, Store Managers and Visual Merchandiser Managers for each of our brands are rewarded publicly amongst their peers for their great leadership and delivery of the FY15 results.

WORKPLACE SAFETY

Premier is committed to the prevention of workplace injury and lost time. We want to create a culture where all employees feel responsible for all aspects of health and safety. 'Play it Safe' has become part of our culture. Workplace safety is considered in all our business decisions, including workplace design and development, supply chain, visual merchandising and store planning. We have clear and measurable performance targets. However, in the event that a work related injury or illness occurs, we are also committed to supporting affected employees to return to work and continuing their career.

We will continue to develop Premier as a great place to work, and a great company in which our team build their careers.

Our Commitment to the Community

Premier has a long history of philanthropic support, particularly with our Peter Alexander and Smiggle brands.

Peter Alexander with Butch on his right and Betty on his lap.

PETER ALEXANDER AND PAW JUSTICE

In 2014, aligned with the growing presence of Peter Alexander in New Zealand, we partnered with the NZ animal charity Paw Justice, and over the last 2 years have raised close to $25,000.
Paw Justice works to stop violent animal abuse; and they have been instrumental in focusing the New Zealand public's attention on the need for reform of animal welfare laws through youth education and advocacy for pets.

PETER ALEXANDER AND THE HARGREAVES ESTATE

Each year Peter dreams up a new and creative way to fundraise through Peter Alexander stores. In FY15, he approached Mr Men & Little Miss author Roger Hargreaves' estate to raise money for animal charities. The limited edition 'Little Miss Hug and Penny the Dog' book featured the Peter Alexander brand ambassador Penny in a story about celebrating equality and promoting acceptance of people's differences. All money raised from the books went directly to the RSPCA in Australia and Paw Justice in New Zealand.

In the last financial year we have helped raise close to $110,000 for the RSPCA in Australia and over $19,000 for Paw Justice in New Zealand.

PETER ALEXANDER AND THE RSPCA

As much as Peter Alexander has become famous for his pyjamas, he has also become known for his dogs, and is a huge supporter of animal welfare organisations. Peter Alexander has worked closely for the last 10 years with the RSPCA in Australia, and for the last two years with Paw Justice in New Zealand. Our work has included a variety of fundraising activities which raise awareness for animal charities.

Working with the RSPCA, Peter has raised over $460,000 contributing to RSPCA shelters, which care for more than 140,000 animals every year supporting rescue, rehabilitation and rehoming unwanted, stray and injured animals.
Peter has been awarded the status of RSPCA Ambassador in recognition of his efforts.

PETER HAS RAISED OVER

$479,000

CONTRIBUTING TO RSPCA SHELTERS IN AUSTRALIA AND PAW JUSTICE IN NEW ZEALAND.

SMIGGLE COMMUNITY PARTNERSHIPS

Premier and our Smiggle brand also support a number of children's charities, organisations and educational programs. Plus, countless community fundraising initiatives both locally and abroad, for schools, sporting, and educational events. In last financial year we have donated over $102,000 in products across four countries.

Our Commitment To The Environment

PACKAGING STEWARDSHIP

Premier is committed to managing and reducing the impact our business operations have on the environment. Premier is a signatory to the Australian Packaging Covenant, a voluntary agreement between government and industry which provides companies with the tools to be more involved in reducing their impact on the environment through sustainable packaging design, recycling and product stewardship. Premier has submitted a 5 year Action Plan outlining its objectives in relation to:

1. Optimising packaging to reduce environmental impacts;
2. Increasing the collection and recycling of packaging;
3. Commitment to product stewardship; and
4. Implementation of Sustainable Packaging Guidelines.

All plastic shopping bags used by the group are made using EPI technology designed to control and manage the lifetime of products made from the most common plastics to assist in the breakdown, degrade and subsequent biodegrade process.

WASTE AND RECYCLING

Premier has extensive recycling and sustainable practices across our network of Stores, Distribution Centres and Support Centre. Our Distribution Centres executes on-site recovery systems for recycling used packaging and follows Sustainable Packaging Guidelines. All carton packaging uses recycled content. Cartons are reused to facilitate the replenishment of stock, or where necessary waste packaging is compacted and collected for recycling. We have partnered with Orora, a signatory to the Australian Packaging Covenant, to collect and process in line with their recycling procedures. Orora's recycling business specialises in paper and cardboard, among others, which is then used as the major input at their recycled paper mill, to produce 100% recycled paper.

Our Support Centre recycles all paper and has commenced new co-mingled recycling program for glass and plastics on every floor in our entire building. All paper purchased for our Support Centre, is accredited from The Forest Stewardship Council sources, an international network which promotes responsible management of the world's forests. All necessary printing at our support centre is activated by personalised swipe access only to release print. This initiative has seen a significant reduction in waste paper printing, as it removes entirely non-collection of printouts. For our state management teams we developed a web based retail reporting suite to replace paper based reporting and provided all staff with tablets. This has delivered 2.1 tonne reduction in paper usage. All weekly retail reporting, forms, reference and administrative material is now stored and accessible via mobile technology.

Across our network of stores, reuse is always our first option. Specific initiatives relate to plastic hangers and carton packaging. In store, plastic hangers are first reused, and if there is an oversupply our supplier collects and repackages those hangers for reuse or to be fully recycled. Additionally, all cartons are reused to facilitate movement of stock between our stores. In the balance of instances we will utilise our shopping centre recycling facilities.

ENERGY EFFICIENCY

Premier recognises the importance of energy efficient, low environmental impact lighting systems and since 2012 have adhered to new improved lighting standards to efficiently manage our energy consumption in all of our stores. This has resulted in an investment to our store network and upgrade of 175 stores to LED lighting. This initiative has subsequently meant less heat, thereby reducing the overall heat load on our stores and reduced investment in cooling requirements. In addition this has led to a dramatic reduction in ongoing maintenance and light bulb replacement. This standard has been maintained for all 143 new store fit-outs. Across our existing store network all old bulbs are recycled and we are looking to complete a "like for like" conventional to LED lamp replacement program. For example our Southland Just Jeans Store replaced existing lights with LED lamps and achieved 62% reduction in electricity consumption.

With the active participation of our employees, we believe that our focus on environmental issues will make our business more efficient, drive customer and employee connection, and have a positive impact in the communities in which we operate.

Our Commitment to Ethical Sourcing

Premier commits to the highest standards of ethical conduct and responsible product sourcing practices.

We support this commitment by our models for sourcing products, the principles that back up those models, together with our policies and assurance program.

OUR SOURCING MODELS, PRINCIPLES & POLICIES

We share our customers' full engagement in understanding where products come from, how products are made and the way that people who manufacture those products are treated.

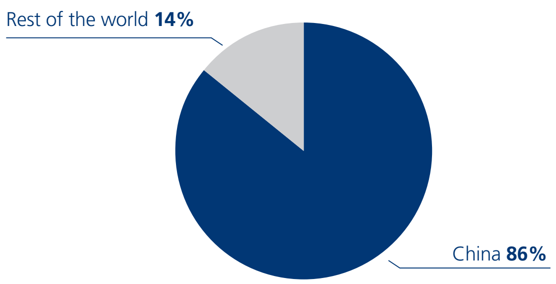
With this in mind, we use the following sourcing models:

» direct sourcing from factories with whom we work in close partnership
» through Li & Fung, the world's largest sourcing company for major retailers and brands around the world

In addition, we work with known established and trusted Australian importers.

We currently source products in the following countries: Bangladesh, China, India, Indonesia, Italy, Korea, Sri Lanka, Taiwan, Vietnam.

SOURCE COUNTRIES (THE JUST GROUP, UNITS)



Our Ethical Sourcing and Supply Code (Code) supports our commitment to sourcing merchandise that is produced according to these principles, regardless of origin.

All suppliers must sign our supply terms and conditions, of which the Code is part, prior to any orders being placed. We will not do business with a supplier who does not comply with the Code.

Among other things, we note that our supply terms and the Code:

» requires compliance with all laws (and/or requires our suppliers to meet higher standards)
» insists on the free association of workers, including the right to collectively bargain and be represented
» requires labour to be voluntary, without workers being required to lodge deposits (eg. for recruitment fees etc.)
» prohibits forced labour (including child labour)
» insists on worker rights such as the right to work in safe, hygienic premises where working hours are not excessive
» requires the payment of the minimum national legal standards or local benchmark standards (whichever is higher), and, in relation to full time workers, sufficient to meet basic needs and to provide discretionary income
» prohibits unauthorised sub-contracting – meaning that we have a fully transparent relationship with our suppliers
» prohibits discrimination on the basis of personal attributes as well as union membership or political affiliations

In each case our model is supported by the following strict sourcing principles:

1. We comply with all laws in the countries we source from and operate.
2. We insist on workers' legal rights – including worker empowerment and free association.
3. We have zero tolerance for child labour.
4. We have zero tolerance for bribery and corruption.
5. We have zero tolerance for animal cruelty.

ASSURANCES WHICH SUPPORT OUR SOURCING PRINCIPLES

Background checks. We conduct thorough and ongoing compliance activities of all suppliers directly and through Li & Fung and qualified audit firms.

Factory inspections. Senior management personally inspect all factories that manufacture for us. We continue factory visits throughout our relationship with our suppliers to ensure our principles are strictly adhered to.

BANGLADESH SOURCING

Background

Bangladesh's economic and social development relies on the expansion and strength of the garment sector, including through investment by international retailers. The garment industry comprises around 80% of all Bangladesh export earnings, is a significant contributor to GDP, and employs over 4 million workers, most of whom are women. Premier currently sources a portion of its Just Jeans and Jay Jays branded products in Bangladesh and we highlight our program in this country in the interest of full transparency.

MEMBERSHIP OF THE ALLIANCE FOR BANGLADESH WORKER SAFETY

Since 2013 we have been a proud signatory to the Alliance for Bangladesh Worker Safety. This is a legally binding five year commitment to work with some of the world's largest apparel retailers including the following companies: Nordstrom, Gap, Target, Sears, J.C. Penney, Hudson's Bay and Macy's.

Together we will invest in worker safety, improved conditions and transparent reporting in a results oriented, measurable and verifiable way.

While much progress has been made by the industry in Bangladesh, challenges remain. To this end, the Alliance's achievements to date include:

- inspection of 100% of member factories (including all of our factories)
- publication on the Alliance website of all factory inspection results, along with corrective action plans for any factories requiring remediation (including all of our factories)
- in partnership with the International Finance Corporation, a $50 million low-cost long-term facility to assist factories to undertake remediation
- an anonymous worker helpline program in over 400 member factories, with completion across all factories expected to take place by January 2016 (including all of our factories)
- Fire and safety training for 1.1 million workers in all member factories (including all of our factories). Plus following the Nepal Earthquake, the Alliance is now integrating earthquake preparedness into their training programs.

Further, the Alliance for Bangladesh Worker Safety collaborates with all parties in country – including the Bangladesh government, NGOs, factory workers and the Accord on Fire & Building Safety in Bangladesh. Both the Alliance and the Accord share common priorities, including a relentless focus on workers generally, as well as building integrity and safety – all supported by financial commitments and good governance.

All initiatives of the Alliance are publicly available at www.bangaladeshworkersafety.org

OUR ACTIVITIES IN BANGLADESH

Our operational processes have included the establishment of our own office in Bangladesh, which we opened in March 2014. Our investment in on the ground infrastructure in Bangladesh, including employing staff at our sourcing office directly, supports our audit and compliance activities in that market with particular focus on social compliance and safety which includes:

1. Senior management personally inspect ALL factories that manufacture for us prior to commencing business. We continue factory visits throughout our relationship with our suppliers to ensure our principles are strictly adhered to. Our Code includes the ability for us to make unannounced visits in Bangladesh for the purposes of our audit and compliance activities.
2. Prior to placing orders with any factory, we also engage independent internationally recognised qualified assessment and audit firms to verify compliance with all local laws and safety conditions, in relation to labour and safety issues including fire and building integrity.
3. During manufacturing, our globally independent audit firm Intertek inspect all orders. To-date we have achieved a 100% inspection rate of all our orders in all of our factories.
4. In addition, if the factories are not member factories of either the Alliance or the Accord, then we will not conduct business with them. Factories must be inspected for compliance with Alliance safety standards before they can be approved by the Alliance for production.

As noted; the Alliance has conducted fire safety training at all factories we source from and all employed staff have received this training.
We are fully engaged in this process with a committed and responsible work program in Bangladesh.

ETHICAL RAW MATERIAL PROCUREMENT

Our sourcing commitment is supported by the following initiatives relating to fibre procurement:

- Rabbit angora
  We confirm that we will not source products containing rabbit angora until we can be completely confident that the ethical standards of rabbit angora farming are assured and independently audited.
- Cotton
  We will not source cotton harvested in Uzbekistan. We will maintain this position until the government of Uzbekistan ends the practice of forced child and adult labour in its cotton sector. To this end, we recently signed the Pledge against Child and Adult Forced Labour in Uzbek Cotton.
- Azo Dyes
  We have voluntarily adopted the EU standard whereby we prohibit the manufacture and sale of goods which contain prohibited levels of the specific aromatic amines originating from a small number of azo dyes.
- Sandblasted denim
  The harmful practice of 'sandblasting' denim with silica based powders has been discontinued in our business since 2011.

Our Business

CODE OF CONDUCT

Premier acknowledges the importance of respecting our stakeholders, including team members, shareholders, customers and suppliers. We also know that by respecting and working with the communities in which we operate we can make an impact.

Our Code of Conduct outlines our legal, moral and ethical obligations which are underpinned by the behaviours we expect of all of our stakeholders.

The principles ensure that we:

» Foster a culture in which all stakeholders including customers, shareholders and fellow team members are treated with respect
» Comply with the law and Premier policies
» Protect company assets, information and reputation
» Provide a safe workplace for our team members and visitors
» Develop a culture where professional integrity and ethical behaviour is valued.

As part of this focus, team members are regularly required to complete the Code of Conduct training. In addition, we have an Advisory Line telephone service for all issues and complaints under this Code.

SHRINKAGE

Shrinkage is the loss of merchandise that can be attributed to product theft or through administrative handling process. Premier has a shrinkage reduction strategy in place with processes and education aimed at reducing these losses. In the last financial year, Premier delivered the fifth consecutive year of improved shrinkage results and we will continue to maintain this focus into the future.

Premier Investments Limited

A.C.N. 006 727 966

Financial Report

For the Period

27 July 2014 To 25 July 2015

Contents

DIRECTORS' REPORT

The Board of Directors of Premier Investments Limited (A.B.N. 64 006 727 966) has pleasure in submitting its report in respect of the financial year ended 25 July 2015.

The directors present their report together with the consolidated financial report of Premier Investments Limited (the "Company") and its controlled entities (the "Group") for the period 27 July 2014 to 25 July 2015, together with the independent audit report to the members thereon.

DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of the report are as follows. Directors were in office for this entire period unless otherwise stated.

Solomon Lew ***Chairman and Non-Executive Director***

Mr. Lew was appointed as Non-Executive Director and Chairman of Premier on 31 March 2008. For many years, Mr. Lew has been a director of Century Plaza Investments Pty. Ltd., the largest shareholder in Premier and was previously Chairman of Premier from 1987 to 1994.

Mr. Lew has over 50 years' experience in the manufacture, importation, wholesaling and retailing of textiles, apparel and general merchandise. Mr. Lew's success in the clothing industry has been largely due to his ability to read fashion trends and interpret them in the Australian market and to efficiently and cost-effectively produce quality garments. Property development and the acquisition and disposal of equity investments have proven to be a profitable and consistent activity for Mr. Lew's family entities. He has, through those family entities, made a number of investments in publicly listed companies over the years, including investments in Coles Myer Limited, Colorado Group Limited and Country Road Limited to name a few. Where these investments have been sold, it has resulted in substantial profits.

In December 2013, Mr. Lew was appointed to the Australian Prime Minister's Business Advisory Council.

He was the inaugural Chairman of the Mount Scopus College Foundation and server for 26 years (1987 – 2013). He is a member of the Board of Trustees of the Sport and Tourism Youth Foundation, a life member of The Duke of Edinburgh's Award World Fellowship, a Patron of Opera Australia and a Chairman or director of several philanthropic organisations.

Mr. Lew was a director of Coles Myer Limited from 1985 to 2002, serving as Vice Chairman from 1989, Chairman from 1991 to 1995, Executive Chairman in 1995 and Vice Chairman in 1995 and 1996. He was also a director of the Reserve Bank of Australia from 1992 to 1997.

Frank W. Jones **FCA, CPA, ACIS** ***Deputy Chairman and Non-Executive Director (Resigned 25 July 2015)***

Mr. Jones is a Fellow of Chartered Accountants Australia and New Zealand and an Associate of CPA Australia and the Governance Institute of Australia. Mr. Jones has extensive experience as a financial and general advisor to some of Australia's leading importing and retailing companies.

Mr. Jones served as Chairman of Premier from 1999 to 2002 and, more recently, from 2007 to 2008. He was a member of the Audit and Risk Committee of Premier until October 2014 and was the Committee's chairman until 31 July 2010. Mr. Jones retired from the Premier Board on 25 July 2015.

Dr. David M. Crean ***Deputy Chairman (appointed 25 July 2015) and Non-Executive Director***

Dr. Crean has been an Independent Non-Executive Director of Premier since December 2009, Deputy Chairman since July 2015 and is currently the Chairman of Premier's Audit and Risk Committee (appointed August 2010).

Dr. Crean was Chairman of the Hydro Electric Corporation (Hydro Tasmania) from September 2004 until October 2014 and was also Chairman of the Business Risk Committee at Hydro Tasmania, member of the Audit Committee and Chairman of the Corporate Governance Committee.

Dr. Crean was State Treasurer from August 1998 to his retirement from the position in February 2004. He was also Minister for Employment from July 2002 to February 2004. He was a Member for Buckingham in the Legislative Council from 1992 to February 1999, and then for Elwick until May 2004. From 1989 – 1992 he was the member for Denison in the House of Assembly. From 1993 – 1998 he held Shadow Portfolios of State Development, Public Sector Management, Finance and Treasury.

Dr. Crean is also a Board member of the Linfox Foundation. Dr. Crean graduated from Monash University in 1976 with a Bachelor of Medicine and Bachelor of Surgery.

Mark McInnes ***Executive Director***

Mr. McInnes is a career retailer with a long track record of success in every role he has occupied. Like many great retailers, Mark started his career from the shop floor as a company cadet for Grace Brothers. Mark has been directly responsible for some of Australia's greatest retail success stories – including as a co-founder of the Officeworks concept which is today Australia's largest office supply superstore.

Prior to joining Premier, Mark led David Jones to its most successful time as a public listed company. Mark spent 13 years at David Jones – 6 years as Merchandise & Marketing Director and 7 years as CEO. From 2003 to 2010, Mark as CEO and Executive Director of David Jones turned the company into a fashion and financial powerhouse, creating in excess of $2 billion of shareholder value.

Mark was appointed CEO of Premier Retail in April 2011, and has set about transforming the company to compete in an industry under great structural pressure. Premier Retail today has a clear path and a clear focus.

In December 2012, Mark was appointed as an Executive Director of Premier Investments Limited. Mark holds an MBA from the University of Melbourne.

Timothy Antonie ***Non-Executive Director and Lead Independent Director***

Mr. Antonie was appointed to the Board of Directors on 1 December 2009. He holds a Bachelor of Economics degree from Monash University and qualified as a Chartered Accountant with Price Waterhouse. He has 20 years' experience in investment banking and formerly held positions of Managing Director from 2004 to 2008 and Senior Adviser in 2009 at UBS Investment Banking, with particular focus on large scale mergers and acquisitions and capital raisings in the Australian retail, consumer, media and entertainment sectors. Mr Antonie is also a non-executive director of Village Roadshow Limited and Breville Group Limited.

DIRECTORS' REPORT
(CONTINUED)

Lindsay E. Fox AC ***Non-Executive Director***

Mr. Fox has extensive experience in all aspects of the transport, distribution and warehousing industries. He is the founder of the Linfox Group of Companies. Today, the Linfox Group operates one of the largest supply chain services businesses with operations in 10 countries. The Linfox Group employs over 23,000 people, operates 4.8 million square metres of warehouses and a fleet of more than 5,000 vehicles and carries out distribution operations for leading companies across the Asia-Pacific region. The Linfox Group includes operations in the areas of transport and logistics, airports, property development and cash management services.

Mr. Fox has extensive involvement in Australian and international circles and, apart from his business interests, is well recognised and active in sport and charity work.

In 2010, Victoria University admitted Mr. Fox to the degree of Doctor of the University *honoris causa* for his outstanding achievements in the transport industry, for his contribution to the community through his sustained efforts to reduce unemployment and his campaign against youth suicide.

In January 2008, Mr Fox was awarded a Companion of the Order of Australia (AC) for continued service to the transport and logistics industries, to business through the development and promotion of youth traineeships and to the community through a range of philanthropic endeavours.

He was awarded an Officer of the Order of Australia (AO) in 1992 for his contribution to the transport industry and the community and he received a Centenary Medal for services to the transport industry in 2001.

From September 1992 to December 1993, Mr. Fox together with Mr. Bill Kelty introduced a national campaign called 'Work for Australia'. This campaign encouraged companies and local communities to generate jobs for unemployed with the aid of government subsidies and programs. More than 60,000 jobs were pledged through their efforts and Mr. Fox and Mr. Kelty were awarded 'Victorians of the Year' by the Sunday Age.

Sally Herman ***Non-Executive Director***

Sally Herman is an experienced Non-Executive Director in the fields of financial services, retail, manufacturing and property. She had a successful executive career spanning 25 years in financial services in both Australia and the US, transitioning in late 2010 to a full time career as a Non-Executive Director.

Prior to that, she had spent 16 years with the Westpac Group, running major business units in most operating divisions of the Group as well as heading up Corporate Affairs and Sustainability through the merger with St.George and the global financial crisis.

Ms. Herman now sits on both listed and unlisted Boards, including Breville Group Limited, ME Bank Limited, FSA Group Limited (retired 28 November 2014) and Investec Property Limited. She also Chairs the Board of Urbis Pty. Limited, a leading property advisory firm, and is Chair of an independent girls' school in Sydney. Ms. Herman holds a BA from the University of NSW and is a Graduate of the Australian Institute of Company Directors.

Henry D. Lanzer AM **B.COM., LLB (Melb)** ***Non-Executive Director***

Henry Lanzer AM is Managing Partner of Arnold Bloch Leibler, a leading Australian commercial law firm. Henry has over 30 years' experience in providing legal, corporate finance and strategic advice to some of Australia's leading companies.

Mr. Lanzer is a Director of Just Group Limited, Thorney Opportunities Limited and the TarraWarra Museum of Art and also a Life Governor of the Mount Scopus College Council.

He is also Chairman of the Remuneration and Nomination Committee for Premier Investments Limited.

In June 2015, Henry was appointed as a Member of the Order of Australia.

Michael R.I. McLeod ***Non-Executive Director***

Mr. McLeod is a former Executive Director of the Century Plaza Group and has been involved with the Group since 1996 as an advisor in the areas of corporate strategy, investment and public affairs. He has been a Non-Executive Director of Premier Investments Limited since 2002 and was a Non-Executive Director of Just Group Limited from 2007 to 2013. Past experience includes the Australian Board of an international funds manager, chief of staff to a Federal Cabinet Minister and statutory appointments including as a Commission Member of the National Occupational Health and Safety Commission.

He holds a Bachelor of Arts (First Class Honours and University Medal) from the University of New South Wales.

Dr. Gary H. Weiss LL.M, J.S.D. ***Non-Executive Director***

Dr. Weiss holds the degrees of LL.B (Hons) and LL.M (with distinction) from Victoria University of Wellington, as well as a Doctor of Juridical Science (JSD) from Cornell University, New York. Dr. Weiss has extensive international business experience and has been involved in numerous cross-border mergers and acquisitions.

Dr. Weiss is Chairman of Clearview Wealth Limited and Ridley Corporation Limited, Executive Director of Ariadne Australia Limited, and a director of Premier Investments Limited, Pro-Pac Packaging Limited, Tag Pacific Limited, Thorney Opportunities Limited and The Straits Trading Company Limited. He was Chairman of Coats Plc from 2003 until April 2012 and executive director of Guinness Peat Group Plc from 1990 to April 2011 and has held directorships of numerous companies, including Mercantile Investment Company Limited (retired 25 February 2015) Westfield Group, Tower Australia Limited, Australian Wealth Management Limited, Tyndall Australia Limited (Deputy Chairman), Joe White Maltings Limited (Chairman), CIC Limited, Whitlam Turnbull & Co Limited and Industrial Equity Limited.

He has authored numerous articles on a variety of legal and commercial topics.

COMPANY SECRETARY

Kim F. Davis ***Non-Executive Alternate Director (resigned as alternate director 25 July 2015)***

Mr. Davis was retired as Alternate Director for Mr. Jones on 25 July 2015. Mr. Davis has been the Company Secretary of Premier Investments Limited for 21 years. Prior to holding this position, Mr Davis had 15 years' experience within the accounting industry as a tax and financial advisor.

DIRECTORS' REPORT
(CONTINUED)

PRINCIPAL ACTIVITIES

The consolidated entity operates a number of specialty retail fashion chains within the specialty retail fashion markets in Australia, New Zealand, Singapore and the United Kingdom. The Group also has significant investments in listed securities and money market deposits.

DIVIDENDS

		CENTS	$'000
Final Dividend recommended for 2015		21.00	32,840
Dividends paid in the year:	Interim for the half-year	21.00	32,823
	Special for the half-year	9.00	14,067
Final for 2014 shown as recommended in the 2014 report		20.00	31,143

OPERATING AND FINANCIAL REVIEW

Group Overview:

The Company acquired a controlling interest in Just Group Limited ("Just Group"), a listed company on the Australian Securities Exchange in August 2008. Subsequent to the acquisition, Just Group delisted from the Australian Securities Exchange. Just Group is a leading speciality fashion retailer in Australia, New Zealand, Singapore and the United Kingdom. Just Group has a portfolio of well-recognised retail brands, consisting of Just Jeans, Jay Jays, Jacqui E, Portmans, Dotti, Peter Alexander and Smiggle. Currently, these seven unique brands are trading from more than 1,000 stores across four countries and online. Smiggle United Kingdom completed its first full year of operations, with 24 stores operating in the United Kingdom at the end of the 2015 financial year.

The Group's emphasis is on a range of brands that provide diversification through breadth of target demographic and sufficiently broad appeal to enable a national footprint. Over 90% of the product range is designed, sourced and sold under its own brands. There is a continuing investment in these brands to ensure they remain relevant to changing customer tastes and remain at the forefront of their respective target markets.

Group Operating Results:

The Group's reported revenue from the sale of goods, total income and net profit after income tax for the 52 week period ended 25 July 2015 (2014: 52 week period ended 26 July 2014) are summarised below:

	2015 $'000	2014 $'000	% CHANGE
Revenue from the sale of goods	947,662	892,570	6.2%
Total interest income	9,828	11,139	(11.8%)
Total other income and revenue	4,379	2,383	83.8%
Total income	961,869	906,092	6.2%
Net profit after income tax	88,102	73,000	20.7%

OPERATING AND FINANCIAL REVIEW (CONTINUED)

Group Operating Results (continued):

Retail Segment:

As Premier's core business, Just Group was the key contributor to the Group's operating results for the financial year. Key financial indicators for the retail segment are highlighted below:

RETAIL SEGMENT	2015 $'000	2014 $'000	% CHANGE
Sale of goods	947,662	892,570	6.2%
Total segment revenue	952,191	895,387	6.3%
Expense associated with disposal of asset held for sale	1,724	-	
Segment net profit before income tax	98,958	79,299	24.8%
Capital expenditure	36,526	48,164	

The Retail Segment contributed $99.0 million to the Group's net profit before income tax, up 24.8% on the prior financial year. Growth in sales, combined with gross margin expansion contributed to the improvement in segment profit before income tax. The increase in profit before income tax is a reflection of the Group's continued efforts to transform its core brands, the implementation of its organisation-wide cost efficiency program, as well as the focus on its growth initiatives, both locally and internationally.

The increase in sales is as a result of all brands reporting positive sales growth for the year. In addition, the Retail Segment delivered growth of 31% in online sales, with the Group now trading in three online markets, with the successful launch of a dedicated Smiggle UK online store – *www.smiggle.co.uk*.

During the financial year, the Retail Segment incurred non-recurring expenses of $1.7 million associated with the Group's disposal of its 50% interest in its joint venture, Just Kor Fashion Group (Pty) Ltd, which is involved in the retailing of the Jay Jays concept in South Africa. The non-recurring expenses comprised an impairment loss of $765,000 on revaluing its investment previously classified as held for sale at fair value and other expenses of $959,000 associated with the sale of the investment. The commercial terms of the sale were agreed before year-end, with settlement of the fair value amount completed in August 2015.

The Group incurred an impairment loss of $765,000 on revaluing its investment classified as held for sale at fair value. Other expenses associated with the sale of the investment amounted to $959,000.

GROUP PERFORMANCE

The Group is pleased to report that despite tough economic conditions, it continued to generate strong returns to shareholders. The dividends declared for the year reaffirm the confidence the Directors have in the future performance and underline Premier's commitment to enhancing shareholder value through capital management and business investment.

	2015	2014	2013	2012	2011
Closing share price at end of financial year	$13.43	$9.34	$7.68	$4.88	$5.54
Basic earnings per share (cents)	56.5	47.0	112.4	44.0	26.1
Dividend paid per share (cents)	50.0	39.0	37.0	36.0	36.0
Return on equity (%)	6.6%	5.6%	13.4%	5.5%	3.4%
Net debt/equity ratio (%)	(13.2%)	(14.9%)	(16.2%)	(13.7%)	(14.6%)

SHARES ISSUED DURING THE FINANCIAL YEAR

A total of 665,201 shares (2014: 454,396) were issued during the year pursuant to the Group's Performance Rights Plan.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group during the financial year ended 25 July 2015.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 17 September 2015, the Directors of Premier Investments Limited declared a final dividend in respect of the 2015 financial year. The total amount of the dividend is $32,840,000 (2014: $31,143,000) which represents a fully franked dividend of 21 cents per share (2014: 20 cents per share). The dividend has not been provided for in the 25 July 2015 financial statements.

During August 2015, Just Jeans Group Pty Ltd, a subsidiary of Premier Investments Limited, completed the sale of a 50% interest in a joint venture entity, Just Kor Fashion Group (Pty) Ltd, a company incorporated in South Africa. The full settlement, representing the fair value of the investment in Just Kor Fashion Group (Pty) Ltd was received subsequent to year-end. Refer to note 11 of the financial statements for further details.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Certain likely developments in the operations of the Group and the expected results of those operations in financial years subsequent to the period ended 25 July 2015 are referred to in the preceding operating and financial review. No additional information is included on the likely developments in the operations of the economic entity and the expected results of those operations as the Directors reasonably believe that the disclosure of such information would be likely to result in unreasonable prejudice to the economic entity if included in this report, and it has therefore been excluded in accordance with section 299(3) of the *Corporations Act 2001*.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's operations are not subject to any significant environmental obligations or regulations.

DIRECTORS' REPORT
(CONTINUED)

SHARE OPTIONS

Unissued Shares:

As at the date of this report, there were 1,365,510 unissued ordinary shares under options/performance rights (1,365,510 at the reporting date). Refer to the remuneration report for further details of the options outstanding.

Shares Issued as a Result of the Exercise of Options:

A total of 665,201 shares (2014: 454,396) were issued as a result of the exercise of options during the financial year and to the date of this report.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

To the extent permitted by law, the company indemnifies every person who is or has been a director or officer of the company or of a wholly-owned subsidiary of the company against liability for damages awarded or judgments entered against them and legal defence costs and expenses, arising out of a wrongful act, incurred by that person whilst acting in their capacity as a director or officer provided there has been no admission, or judgment, award or other finding by a court, tribunal or arbitrator which establishes improper use of position, or committing of any criminal, dishonest, fraudulent or malicious act.

The officers include the Directors, as named earlier in this report, the Company Secretary and other officers, being the executive senior management team. Details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors, and Officers, liability insurance contracts are not disclosed as such disclosure is prohibited under the terms of the contracts.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

INTERESTS IN SHARES AND RIGHTS OF THE COMPANY

At the date of this report, the interests of the Directors in the shares and rights of the company were:

Mr. S. Lew	4,437,699 ordinary shares**
Mr. F.W. Jones	207,592 ordinary shares *(resigned 25 July 2015)*
Mr. L.E. Fox	2,577,014 ordinary shares
Ms. S. Herman	8,000 ordinary shares
Mr. H.D. Lanzer	27,665 ordinary shares
Mr. M.R.I. McLeod	28,186 ordinary shares
Dr. G. H. Weiss	6,000 ordinary shares
Mr. M. McInnes	400,000 ordinary shares, and 400,000 performance rights

**Mr. Lew is an associate of Century Plaza Investments Pty. Ltd. and Metrepark Pty. Ltd (Associated Entities). The Associated Entities, collectively, have a relevant interest in 59,804,731 shares in the company. However, Mr. Lew does not have a relevant interest in the shares of the company held by the Associated Entities.

DIRECTORS' REPORT
(CONTINUED)

DIRECTORS' MEETINGS

The number of meetings of the Board of Directors during the financial year, and the number of meetings attended by each director were as follows:

	BOARD MEETINGS		AUDIT AND RISK COMMITTEE		REMUNERATION AND NOMINATION COMMITTEE	
DIRECTOR	MEETINGS HELD WHILE A DIRECTOR	NUMBER ATTENDED	MEETINGS ATTENDED AS COMMITTEE MEMBER	NUMBER ATTENDED	MEETINGS ATTENDED AS COMMITTEE MEMBER	NUMBER ATTENDED
Mr. S. Lew	6	6	-	-	3	3
Mr. F. W. Jones	6	6	1	4	-	-
Mr. M. McInnes	6	6	-	-	-	-
Mr. T. Antonie	6	6	3	4	-	-
Dr. D. Crean	6	6	4	4	-	-
Mr. L. E. Fox	6	6	-	-	-	-
Ms. S. Herman	6	6	3	4	-	-
Mr. H. D. Lanzer	6	6	-	2	3	3
Mr. M. R. I. McLeod	6	6	-	-	-	-
Dr. G. H. Weiss	6	6	1	1	3	3

ROUNDING

The company is a company of the kind specified in Australian Securities and Investment Commission's class order 98/0100. In accordance with that class order amounts in the financial statements and the Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

AUDITOR INDEPENDENCE

The Directors received the declaration on page 34 from the auditor of Premier Investments Limited.

NON-AUDIT SERVICES

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that independence was not compromised.

Details of non-audit services provided by the entity's auditor, Ernst & Young, can be found in Note 25 of the Financial Report.

REMUNERATION REPORT (AUDITED)

This remuneration report for the 52 weeks ended 25 July 2015 outlines the remuneration arrangement of the Group in accordance with the requirements of the *Corporations Act 2001 (Cth), as amended* (the Act) and its Regulations. This information has been audited as required by section 308 (3C) of the Act.

The remuneration report is presented under the following headings:

1. Introduction
2. Remuneration Governance
3. Executive remuneration arrangements:-
   A. Remuneration principles and strategy
   B. Approach to setting remuneration
   C. Fixed remuneration objectives
   D. Details of incentive plans
4. Executive remuneration outcomes (including link to performance)
5. Executive service agreements
6. Non-Executive Director remuneration arrangements
7. Remuneration of Key Management Personnel
8. Additional disclosures relating to Rights and Shares
9. Additional disclosure relating to transactions and balances with Key Management Personnel

1. INTRODUCTION

The remuneration report details the remuneration arrangement for Key Management Personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly including any director (whether executive or otherwise) of the parent

The table below outlines the KMP of the Group during the 52 weeks ended 25 July 2015. Unless otherwise indicated, the individuals were KMP for the entire financial year.

For the purposes of this report, the term "executive" refers to executive KMP's named in this report.

KEY MANAGEMENT PERSONNEL

(i) Non-Executive Directors

Mr. S. Lew	Chairman and Non-Executive Director
Mr. F.W. Jones	Deputy Chairman and Non-Executive Director *(Resigned: 25 July 2015)*
Dr. D. Crean	Deputy Chairman *(appointed: 25 July 2015)* and Non-Executive Director
Mr. T. Antonie	Non-Executive Director and Lead Independent Director
Mr. L.E. Fox	Non-Executive Director
Ms. S. Herman	Non-Executive Director
Mr. H.D. Lanzer	Non-Executive Director
Mr. M.R.I. McLeod	Non-Executive Director
Dr. G.H. Weiss	Non-Executive Director

REMUNERATION REPORT (AUDITED) (CONTINUED)

1. INTRODUCTION (CONTINUED)

KEY MANAGEMENT PERSONNEL (CONTINUED)

(ii) Executive Directors

Mr. M. McInnes	Executive Director and Chief Executive Officer Premier Retail

(iii) Executives

Mr. K.F. Davis	Company Secretary and Non-Executive Alternate Director *(resigned as alternate director: 25 July 2015)*
Mr. A. Gardner	Chief Financial Officer, Just Group Limited
Ms. C. Garnsey	Core Brand Director, Just Group Limited

Other than noted above, there were no changes to key management personnel after the reporting date and before the date the financial report was authorised for issue.

2. REMUNERATION GOVERNANCE

Remuneration and Nomination Committee

The remuneration and nomination committee ("Committee") of the Board of Directors of the Group comprises three Non-Executive Directors. The Committee has delegated decision-making authority for some matters related to the remuneration arrangements for KMP and is required to make recommendations to the Board on other matters.

Specifically, the Board approves the remuneration arrangements of the Chief Executive Officer Premier Retail ("CEO Premier Retail") and other executives, including awards made under the short-term incentive ("STI") and long-term incentive ("LTI") plans, following recommendations from the Committee. The Board also sets the aggregate remuneration for Non-Executive Directors (which is subject to shareholder approval) and Non-Executive Director fee levels. The Committee approves, having regard to recommendations made by the CEO Premier Retail, the level of the Group STI pool.

The Committee meets regularly. The CEO Premier Retail attends certain committee meetings by invitation, where management input is required. The CEO Premier Retail is not present during discussions relating to his own remuneration arrangements.

Further information relating to the Committee's role, responsibilities and membership can be seen at www.premierinvestments.com.au.

Use of remuneration advisors

The Committee seeks, from time to time, external remuneration advice to ensure it is fully informed when making remuneration decisions. Remuneration advisors are engaged by, and report directly to, the Committee.

During the 2015 financial year, the Committee approved the engagement of Ernst & Young to provide a remuneration report regarding appropriate comparator groups for remuneration benchmarking and remuneration mix for the Group LTI scheme.

Both Ernst & Young and the Committee are satisfied that the advice received from Ernst & Young is free from undue influence from the KMP to whom the remuneration report apply.

The remuneration report was provided to the Committee as an input into decision making only. The Committee considered the report findings, along with other factors, in making its remuneration decisions.

The fees paid to Ernst & Young for the remuneration report findings were $53,251.

REMUNERATION REPORT (AUDITED) (CONTINUED)

2. REMUNERATION GOVERNANCE (CONTINUED)

Remuneration Report approval at 2014 Annual General Meeting (AGM)

The Remuneration Report for the 52 weeks ended 26 July 2014 received positive shareholder support at the 2014 AGM with proxies of 91% voting in favour.

3. EXECUTIVE REMUNERATION ARRANGEMENTS

3A. Remuneration principles and strategy

The Group's executive remuneration strategy is designed to attract, motivate and retain high performing individuals and align the interests of executives with shareholders.

The Group operates mainly in the Retail Industry, with revenues earned in its traditional markets of Australia and New Zealand, whilst currently increasing its revenues from international markets. The industry in Australia and New Zealand has seen significant structural change over recent years from changes in technology, increased international competitors entering the Australian and New Zealand Retail Industry and significant changes in the general consumer sentiment. At the same time, the market for skilled and experienced executives in the industry has become increasingly competitive and international in nature.

The Board believes that, given these structural changes and growth of the Group's international business, it is critical and in the best interest of shareholders to attract and retain the best possible executive team by offering appropriate remuneration packages.

The diagram on the following page illustrates how the Group's remuneration strategy aligns with the strategic direction and links remuneration outcomes to performance.

REMUNERATION REPORT (AUDITED) (CONTINUED)

3. EXECUTIVE REMUNERATION ARRANGEMENTS (CONTINUED)

3A. Remuneration principles and strategy (continued)

Group Objective
To be recognised as a leader in our industry and build long-term value for our shareholders

Remuneration strategy linkages to Group objective	
Align the interests of executives with shareholders • The remuneration framework incorporates "at-risk" components, through STI and LTI plans. • Performance is assessed against a suite of financial and non-financial measures relevant to the success of the Group and generating returns for shareholders.	Attract, motivate and retain high performing individuals • The remuneration offering is competitive for companies of a similar industry, size and complexity. • Longer-term remuneration encourages retention and multi-year performance focus.

Component	Vehicle	Purpose	Link to performance
Fixed remuneration	• Comprises base salary, superannuation contributions and other benefits	• To provide competitive fixed remuneration set with reference to role, market and experience.	• Group and individual performance are considered during regular reviews.
STI	• Paid in cash	• Rewards executives for their contribution to achievement of Group and business unit outcomes.	• Underlying earnings before interest and tax of each business segment are the key financial metrics. • Linked to other internal financial and non-financial measures.
LTI	• Awarded in performance rights	• Rewards executives for their contribution to the creation of shareholder value over the longer term.	• Vesting of grants is dependent on both the Total Shareholder Return ("TSR") performance being positive (absolute measure) and relative to a peer group (relative measure).
Discretionary Bonus	• Awarded by way of cash or performance rights	• Rewards executives in exceptional circumstances linked to long term shareholder outcomes.	• Granted at the discretion of the Board of Directors upon recommendation of the Committee. It is the intention that discretionary bonuses only be given in exceptional circumstances when in the best interests of the Group. No discretionary bonuses were paid or issued during the 2015 or 2014 financial years.

REMUNERATION REPORT (AUDITED) (CONTINUED)

3. EXECUTIVE REMUNERATION ARRANGEMENTS (CONTINUED)

3B. Approach to setting remuneration

For the financial year ended 25 July 2015, the executive remuneration framework comprised fixed remuneration, STI and LTI as outlined below.

The Group aims to reward executives with a level and mix of remuneration appropriate to their position and responsibilities, while being competitive and linked to shareholder value creation.

3C. Fixed remuneration objectives

Fixed remuneration is reviewed by the Committee. The process consists of a review of the Group, business unit and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices. The Committee has access to external advice independent of management.

During the 2011 financial year, the Board reviewed the structural issues and opportunities facing the Group and the industry in which it operates. The Board made a key strategic decision to appoint Mr. McInnes as CEO of Premier Retail. Mr. McInnes has a long track record of success in every role he has occupied. He was directly responsible for some of Australia's greatest retail success stories – including as co-founder of the Officeworks concept. Prior to being appointed as CEO of Premier Retail, Mr. McInnes led David Jones to its most successful time as a public listed company. From 2003 to 2010, he was CEO and executive Director of David Jones turning David Jones into a fashion and financial powerhouse, creating in excess of $2 billion of shareholder value. The Board believes that Mr. McInnes' remuneration package is appropriate for an executive of his skills and experience.

3D. Detail of incentive plans

Short-term incentive (STI)

The Group operates an annual STI program available to executives and awards a cash incentive subject to the attainment of clearly defined Group and business unit measures.

Who participates?	Executives
How is STI delivered?	Cash
What is the STI opportunity?	Executives have a STI opportunity of earning between 0% and 100% of fixed remuneration.
What are the performance conditions for each financial year?	Actual STI payments awarded to each executive depend on the extent to which specific targets set are met. The targets consist of key performance indicators ("KPI's") covering financial and non-financial, Group and business unit measures of performance. The financial performance measures were chosen as they represent the key drivers for the short-term success of the business and provide a framework for delivering long-term value.

REMUNERATION REPORT (AUDITED) (CONTINUED)

3. EXECUTIVE REMUNERATION ARRANGEMENTS (CONTINUED)

3D. Detail of incentive plans (continued)

Short-term incentive (STI) (continued)

What are the performance conditions for each financial year? (continued)	The non-financial component of the STI plan is measured with reference to an assessment against a range of measures. The measures (and their intended objectives) are as follows: • *Market and competitive positioning*: to focus on preserving the Group's market share. • *Customer service*: to focus on the retention of existing customers. • *Implementation of key growth initiatives:* to focus on the Group's growth objectives. • *Safety*: to focus on continuous improvement in safety performance. • *Leadership / team contribution*: to focus on the growth and development of our talent as a means of leadership succession. Mr. McInnes' STI performance condition is based on the annual growth of Premier Retail's Earnings Before Interest and Taxation ("EBIT"). Ms. Garnsey's and Mr. Gardner's primary performance condition is the achievement of specific targets and growth in Premier Retail underlying EBIT, and within their functional areas of accountability they have specific financial and non-financial measures which must be achieved. Refer to page 25 for a reconciliation between underlying EBIT and reported segment results
How is performance assessed?	After the end of the financial year and after consideration of performance against KPI's: • the remuneration committee recommends the amount of STI to be paid to the CEO Premier Retail for board approval, and • for the other executives, the remuneration committee will seek recommendations from the CEO Premier Retail as appropriate.

Long-term incentive (LTI)

LTI grants are made to executives in order to align remuneration with the creation of shareholder value over the long term.

Generally the rights are granted annually and are eligible to vest three years from the date of the grant, with the exception of grants given to Mr. Mark McInnes and Ms. Colette Garnsey. The performance rights issued to Mr. McInnes on 10 May 2011 are eligible to vest in three tranches; on 4 April 2014, 4 April 2015 and 4 April 2016.

The performance rights issued to Ms. Colette Garnsey on 18 April 2013 were issued to replace vesting performance rights that she was entitled to in her previous employment. The performance rights issued to Ms. Garnsey are eligible to vest in three tranches on 20 June 2015, 20 June 2016 and 20 June 2017.

During the 2015 financial year, the Group engaged the services of Ernst & Young to report on the LTI plan against market comparables including aspects such as the number of participants, allocation methodology, award vehicle, performance and vesting period, performance measures including the possibility of an absolute test based on earnings, peer group for TSR testing and re-testing.

REMUNERATION REPORT (AUDITED) (CONTINUED)

3. EXECUTIVE REMUNERATION ARRANGEMENTS (CONTINUED)

3D. Detail of incentive plans (continued)

Long-term incentive (LTI) *(continued)*

Following on from the Ernst & Young review, the Committee, having regard for shareholder outcomes, the structure of Premier Investments Limited and market segment, made the following changes to the plan:

- allocation to be done on face value, and
- no re-testing allowed.

<table>
<tr>
<td>What were the performance conditions for the 2014 and 2015 financial year grants?</td>
<td>
The Group uses TSR as the performance measure for the LTI plan applying both an absolute and relative test.
The absolute test requires that over the testing period, the TSR needs to be positive. If the TSR is negative over the testing period then the Performance Rights lapse.
If the TSR is positive, the Group then uses a relative TSR compared to a peer group.
The peer group chosen for comparison is the S&P/ASX200 Industrials, excluding overseas and resource companies. This peer group was chosen as it reflects the Group's competitors for capital and talent.
The Group's performance against the measure is determined according to Premier Investment Limited's ranking against the companies in the TSR peer group over the performance period. The vesting schedule is as follows:
<table>
<tr><th>Target</th><th>Conversion ratio of rights to shares available to vest under the TSR Performance Condition</th></tr>
<tr><td>Below 50th percentile</td><td>0%</td></tr>
<tr><td>50th percentile</td><td>25%</td></tr>
<tr><td>Between 50th and 62.5th percentile</td><td>Pro Rata</td></tr>
<tr><td>62.5th percentile</td><td>50%</td></tr>
<tr><td>Between 62.5th and 75th percentile</td><td>Pro Rata</td></tr>
<tr><td>75th percentile and above</td><td>100%</td></tr>
</table>
The absolute positive TSR was selected to ensure that absolute wealth creation is always aligned between shareholders and executives.
Relative TSR was selected as the LTI performance measure as TSR provides an alignment between comparative shareholder return and reward for executives.
</td>
</tr>
<tr>
<td>How is performance assessed?</td>
<td>
TSR performance is calculated by an independent external adviser at the end of each performance period.
Section 8, “Additional disclosures relating to rights and shares” provides details of performance rights granted, vested, exercised and lapsed during the year.
</td>
</tr>
</table>

REMUNERATION REPORT (AUDITED) (CONTINUED)

3. EXECUTIVE REMUNERATION ARRANGEMENTS (CONTINUED)

3D. Detail of incentive plans (continued)

Long-term incentive (LTI) (continued)

When does the LTI vest?	The performance rights generally will vest over a period of three years subject to meeting performance measures. The testing period for Mr. McInnes and Ms. Garnsey are detailed on page 20. The performance rights issued in the 2015 financial year have no opportunity to re-test. The rights issued prior to the 2015 financial year are re-tested a year later if the TSR when first tested is between the 40th and 50th percentile.
How are grants treated on termination?	Generally, all outstanding unvested rights are forfeited upon an executive resigning from the Group. In the event of Mr. McInnes resigning such that his contractual notice period would expire within a 14 day period prior to a particular vesting date, those performance rights issued on 10 May 2011 to Mr. McInnes which would have been eligible to vest on that vesting date will be unaffected by the resignation. All other outstanding unvested rights are forfeited.
May participants enter into hedging arrangements?	Executives are prohibited from entering into transactions to hedge or limit the economic risk of the securities allocated to them under the Performance Rights Plan, either before vesting or after vesting while the securities are held subject to restriction. Executives are only able to hedge securities that have vested and continue to be subject to a trading restriction and a seven-year lock, with the prior consent of the Board. No employees have any hedging arrangements in place.
Are there restrictions on disposals?	Once rights have been allocated, disposal of performance shares is subject to restrictions whereby board approval is required to sell shares granted within seven years under this plan.
Do participants receive distributions or dividends on unvested LTI grants?	Participants do not receive distributions or dividends on unvested LTI grants.

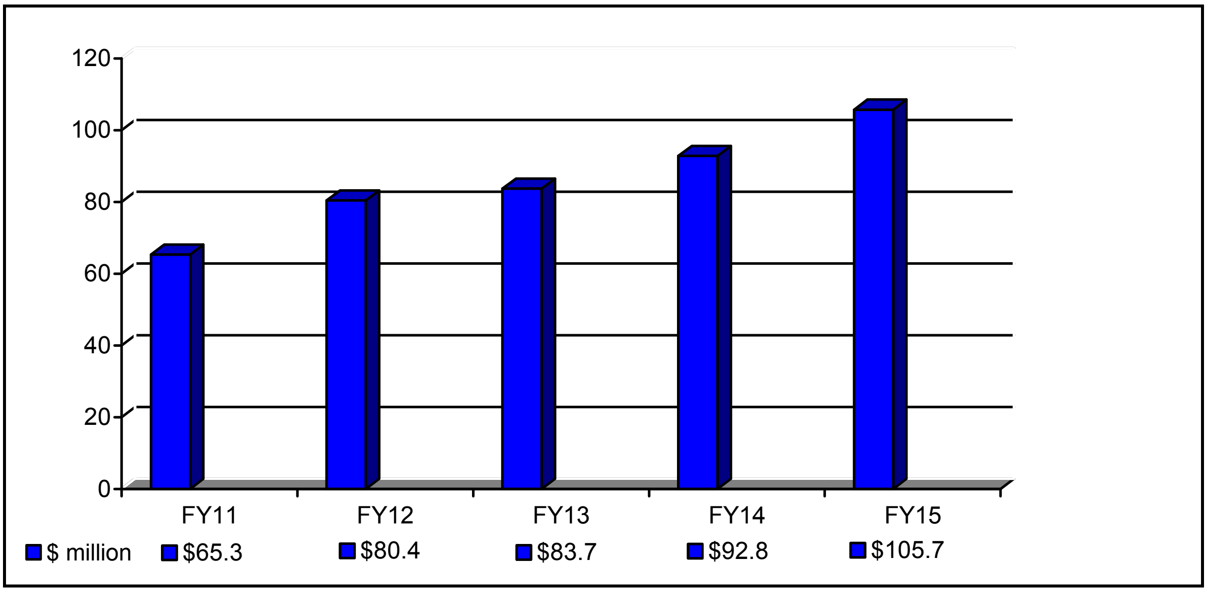
REMUNERATION REPORT (AUDITED) (CONTINUED)

4. EXECUTIVE REMUNERATION OUTCOMES (INCLUDING LINK TO PERFORMANCE)

Group performance and its link to STI

The financial performance measures driving STI payment outcomes are primarily Premier Retail Underlying Earnings before Interest and Taxation (EBIT) and annual Premier Retail Underlying EBIT growth. The following chart shows Premier Retail underlying EBIT for the five years since the appointment of Mr. McInnes as CEO Premier Retail.

Premier Retail Underlying EBIT



Note: The term underlying EBIT is not an IFRS defined term. Please refer to page 25 for a reconciliation between Underlying EBIT and Statutory reported operating profit before tax for the Retail Segment.

Performance compared to STI payments made during the financial year ended 25 July 2015 and 26 July 2014

<u>STI payments to Mr. McInnes</u>

During the financial year ended 26 July 2014, an STI payment of $1,800,000 was paid to Mr. McInnes in relation to the growth achieved in Premier Retail underlying EBIT for the 2012 financial year.

During the 2015 financial year, two STI payments were made to Mr. McInnes. An STI payment of $1,100,000 was paid in relation to the growth achieved in Premier Retail underlying EBIT for the 2013 financial year. Another STI payment of $2,000,000 was paid in relation to growth achieved in Premier Retail Underlying EBIT for the 2014 financial year.

The historical growth in Premier Retail underlying EBIT is detailed in the graph above.

<u>STI payments to Ms. Garnsey</u>

An STI payment of $300,000 was paid to Ms. Garnsey due to the achievement of her KPI's, including growth in Underlying EBIT and performance met on other brands for the 2014 financial year.

REMUNERATION REPORT (AUDITED) (CONTINUED)

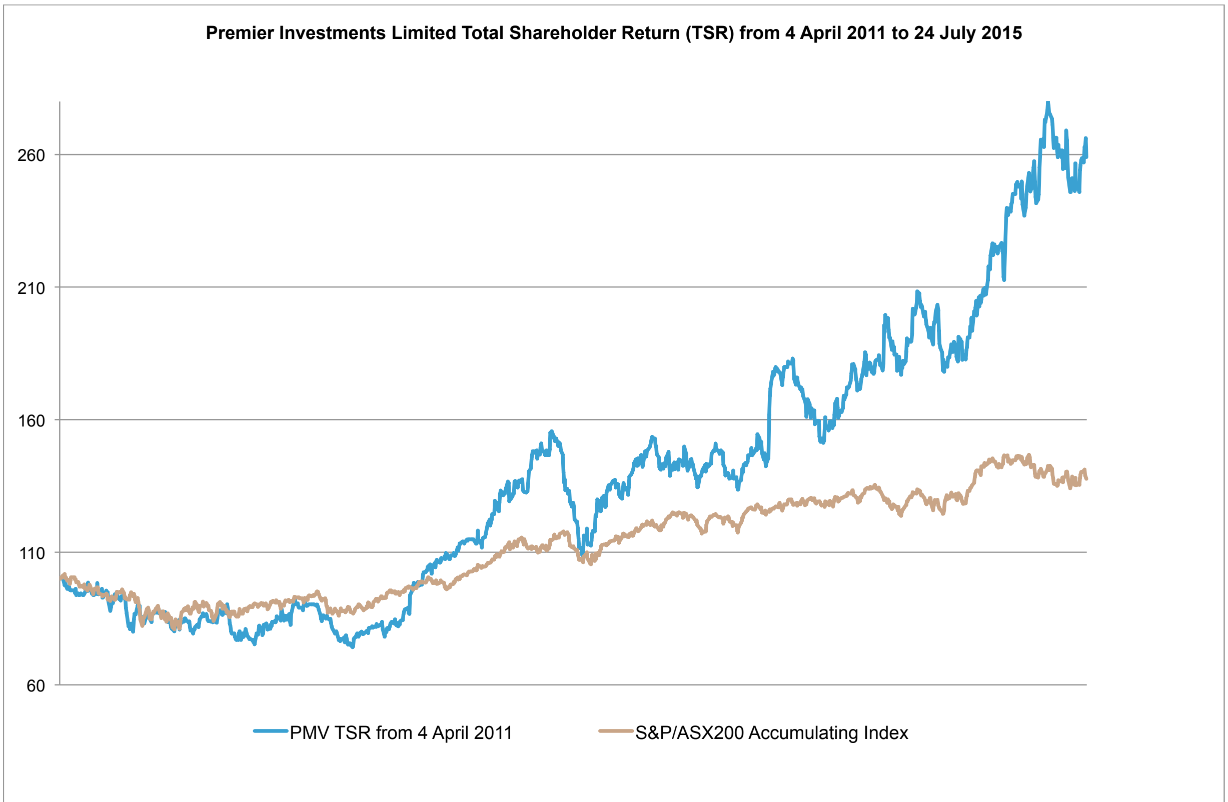
4. EXECUTIVE REMUNERATION OUTCOMES (INCLUDING LINK TO PERFORMANCE) (CONTINUED)

Group performance and its link to LTI

The performance measure which drives LTI vesting is the Group's Total Shareholder Return ("TSR") performance in absolute terms being positive and relates to the companies within the S&P/ASX 200 Industrials, excluding overseas and resource companies. The table below indicates the outcomes of the TSR testing performed during the 2014 and 2015 financial years:

Testing Period	Share price at start of testing period	Share price at end of testing period	Dividends paid	TSR percentage	TSR percentile
1 Oct 2010 to 30 Sept 2013	$7.15	$8.59	$1.19 fully franked	42.6%	58th
24 Mar 2011 to 3 Apr 2014	$5.91	$9.84	$1.10 fully franked	95.3%	85th
1 Oct 2011 to 30 Sept 2014	$5.20	$10.20	$1.12 fully franked	133.4%	85th
24 Mar 2011 to 3 Apr 2015	$5.91	$12.92	$1.50 fully franked	166.0%	89th
19 Jun 2012 to 19 Jun 2015	$4.49	$13.29	$1.26 fully franked	241.8%	96th

The below chart shows the Premier Share performance against the S&P/ASX200 Index, from 4 April 2011 to 24 July 2015:



REMUNERATION REPORT (AUDITED) (CONTINUED)

4. EXECUTIVE REMUNERATION OUTCOMES (INCLUDING LINK TO PERFORMANCE) (CONTINUED)

LTI vesting outcomes

Executive KMP performance rights tested during the 2015 financial year

October 2014

During October 2014, a tranche of 85,878 LTI performance rights issued to Mr. Gardner during the 2012 financial year was tested. The testing period began on 1 October 2011. At this date, Premier Investments' share price was $5.20 per share. During the three year testing period, Premier Investments paid a total of $1.12 fully franked dividends per share. The historical data concerning the Group in respect of the 2015 financial year and the four previous financial years are set out on page 8 of the Director's Report, under the heading "Group Performance". The underlying performance of Premier Retail is detailed on page 19 and details of all TSR testing is detailed on page 20. The testing period ended on 30 September 2014 when the share price was $10.20 per share.

The Group received an independent assessment of the performance over the three year testing period. The assessment concluded that Premier Investments' TSR was both positive and above the 75th percentile of the comparator group. As a result, 85,878 performance rights vested and converted into 85,878 newly issued ordinary shares. This is in line with the LTI scheme rules and represent a 100% conversion ratio.

March 2015

During April 2014, a first tranche of 600,000 LTI performance rights issued to Mr. McInnes in May 2011 were tested. The testing period began on 24 March 2011, being the day prior to the announced appointment of Mr. McInnes. At this date, Premier Investments' share price was $5.91 per share. During the three year testing period, Premier Investments paid a total of $1.10 fully franked dividends per share. The historical data concerning the Group in respect of the 2015 financial year and the four previous financial years is set out on page 8 of the Directors' Report under the heading "Group Performance", the underlying performance of Premier Retail is detailed on page 19 and details of all TSR testing is detailed on page 20. The testing period ended on 3 April 2014 when the share price was $9.84 per share.

The Group received an independent assessment of the performance over the three year testing period. The assessment concluded that Premier Investments' TSR was both positive and above the 75th percentile of the comparator group.

Under the LTI scheme rules, a test above the 75th percentile would have resulted in 100% conversion and vesting into 600,000 ordinary shares. However, in terms of Mr. McInnes' contract in relation to this tranche of performance rights, one third of the performance rights had an additional 12 month retention clause. As a result, 400,000 performance rights vested and converted into 400,000 newly issued ordinary shares. The balance of 200,000 performance rights, in relation to this specific tranche, having already passed the 100% qualifying TSR test, passed the additional retention test in March 2015 and therefore the 200,000 performance rights vested and converted into 200,000 newly issued ordinary shares.

April 2015

In April 2015, a second tranche of 300,000 LTI performance rights issued to Mr. McInnes in May 2011 were tested. The testing period began on 24 March 2011, being the day prior to the announced appointment of Mr. McInnes. At this date, Premier Investments' share price was $5.91 per share. During the four year testing period, Premier Investments paid a total of $1.50 fully franked dividends per share. The historical data concerning the Group in respect of the 2015 financial year and the four previous financial years is set out on page 8 of the Directors' Report under the heading "Group Performance", the underlying performance of Premier Retail is detailed on page 19 and details of all TSR testing is detailed on page 20. The testing period ended on 3 April 2015 when the share price was $12.92 per share.

REMUNERATION REPORT (AUDITED) (CONTINUED)

4. EXECUTIVE REMUNERATION OUTCOMES (INCLUDING LINK TO PERFORMANCE) (CONTINUED)

Executive KMP performance rights tested during the 2015 financial year (continued)

The Group received an independent assessment of the performance over the four year testing period. The assessment concluded that Premier Investments' TSR was both positive and above the 75th percentile of the comparator group.

Under the LTI scheme rules, a test above the 75th percentile would have resulted in 100% conversion and vesting into 300,000 ordinary shares. However, in terms of Mr. McInnes' contract in relation to this tranche of performance rights, one half of the performance rights had an additional 12 month retention clause. As a result, 200,000 performance rights vested and converted into 200,000 newly issued ordinary shares. The balance of 100,000 performance rights, in relation to this specific tranche, having already passed the 100% qualifying TSR test, will now be subject to a retention test to be performed in March 2016.

<u>June 2015</u>

In June 2015, a first tranche of 80,000 LTI performance rights issued to Ms. Garnsey in June 2012 were tested. The testing period began on 19 June 2012. At this date, Premier Investments' share price was $4.49 per share. During the three year testing period, Premier Investments paid a total of $1.26 fully franked dividends per share. The historical data concerning the Group in respect of the 2015 financial year and the four previous financial years is set out on page 8 of the Directors' Report under the heading "Group Performance", the underlying performance of Premier Retail is detailed on page 19 and details of all TSR testing is detailed on page 20. The testing period ended on 19 June 2015 when the share price was $13.29 per share.

The Group received an independent assessment of the performance over the three year testing period. The assessment concluded that Premier Investments' TSR was both positive and above the 75th percentile of the comparator group.

Under the LTI scheme rules, a test above the 75th percentile resulted in 100% conversion and vesting into 80,000 ordinary shares.

Executive KMP performance rights tested during the 2014 financial year

<u>October 2013</u>

In October 2013, a tranche of 62,587 LTI performance rights issued to Mr. Gardner during the 2011 financial year was tested. The testing period began on 1 October 2010. At this date, Premier Investments' share price was $7.15 per share. During the three year testing period, Premier Investments paid a total of $1.19 fully franked dividends per share. The historical data concerning the Group in respect of the 2014 financial year and the four previous financial years is set out on page 8 of the Directors' Report under the heading "Group Performance", the underlying performance of Premier Retail is detailed on page 19 and details of all TSR testing is detailed on page 20. The testing period ended on 30 September 2013 when the share price was $8.59 per share.

The Group received an independent assessment of the performance over the three year testing period. The assessment concluded that Premier Investments' TSR was both positive and between the 50^{th} and 62.5^{th} percentile of the comparator group. As a result, 25,235 performance rights vested and converted into 25,235 newly issued ordinary shares. This is in line with the LTI scheme rules and represents a 40.3% conversion ratio. The balance of 37,352 performance rights lapsed.

REMUNERATION REPORT (AUDITED) (CONTINUED)

4. EXECUTIVE REMUNERATION OUTCOMES (INCLUDING LINK TO PERFORMANCE) (CONTINUED)

Executive KMP performance rights tested during the 2014 financial year (continued)

April 2014

In April 2014, a first tranche of 600,000 LTI performance rights issued to Mr. McInnes in May 2011 were tested. The testing period began on 24 March 2011, being the day prior to the announced appointment of Mr. McInnes. At this date, Premier Investments' share price was $5.91 per share. During the three year testing period, Premier Investments paid a total of $1.10 fully franked dividends per share. The historical data concerning the Group in respect of the 2014 financial year and the four previous financial years is set out on page 8 of the Directors' Report under the heading "Group Performance", the underlying performance of Premier Retail is detailed on page 19 and details of all TSR testing is detailed on page 20. The testing period ended on 3 April 2014 when the share price was $9.84 per share.

The Group received an independent assessment of the performance over the three year testing period. The assessment concluded that Premier Investments' TSR was both positive and above the 75th percentile of the comparator group.

Under the LTI scheme rules, a test above the 75th percentile would have resulted in 100% conversion and vesting into 600,000 ordinary shares. However, in terms of Mr. McInnes' contract in relation to this tranche of performance rights, one third of the performance rights had an additional 12 month retention clause. As a result, 400,000 performance rights vested and converted into 400,000 newly issued ordinary shares. The balance of 200,000 performance rights, in relation to this specific tranche, having already passed the 100% qualifying TSR test, was subject to a retention test performed in March 2015.

REMUNERATION REPORT (AUDITED) (CONTINUED)

5. EXECUTIVE SERVICE AGREEMENTS

Remuneration and other terms of employment for key management personnel and other executives are formalised in written service agreements (with the exception of Mr. Kim Davis, whose relevant terms of employment are set out below). Major provisions of the agreements are set out below:

					Termination benefits		
	Start date	Term of agreement	Review period	Period of written notice required from the company	Upon company initiated	Upon diminution of role	Period of written notice required from employee
Mr. M. McInnes	04-Apr-2011	Open	Annual	12 months	12 months TFR including notice	Nil	6 months (in first 12 months of employment) 12 months thereafter
Mr. K. F. Davis	17-Nov-1993	Open	Annual	3 months	Nil	Nil	3 months
Mr. A. Gardner	02-Jan-2007	Open	Annual	12 months	12 months TFR including notice	Nil	12 months
Ms. C. Garnsey	20-Sep-2012	Open	Annual	12 months	12 months TFR including notice	Nil	12 months

6. NON-EXECUTIVE DIRECTOR FEE ARRANGEMENTS

Determination of fees and maximum aggregate non-executive director remuneration

The Board seeks to set Non-Executive Director fees at a level which provides the Group with the ability to attract and retain Non-Executive Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The Group's constitution and the ASX listing rules specify that the Non-Executive Director maximum aggregate remuneration shall be determined from time to time by a general meeting. The latest determination was at the 2008 Annual General Meeting held on 25 November 2008 when shareholders approved an aggregate remuneration of an amount not exceeding $1,000,000 per year.

The Chairman of the Group, consistent with his past practice, has declined to accept any remuneration for his role as a director or for his role on any committees.

Fee policy

Non-Executive Directors fees consist of base fees and committee fees. The payment of committee fees recognises the additional time commitment required by Non-Executive Directors who serve on Board committees.

Non-Executive Directors may be reimbursed for expenses reasonably incurred in attending to the Group's affairs. Non-Executive Directors do not participate in any incentive programs. Premier has not established any schemes for retirement benefits for Non-Executive Directors (other than superannuation).

REMUNERATION REPORT (AUDITED) (CONTINUED)

RECONCILIATION BETWEEN UNDERLYING PREMIER RETAIL EARNINGS BEFORE INTEREST AND TAXATION (EBIT) AND REPORTED RETAIL SEGMENT RESULT

IFRS financial information is financial information that is presented in accordance with all relevant accounting standards. Non-IFRS information is financial information that is presented other than in accordance with all relevant accounting standards.

STI payments are paid based on Non-IFRS financial information. The table below reconciles the Non-IFRS financial term "Premier Retail Underlying EBIT" to the Reported Retail Segment Result for each of the financial years:

	2011 $'000	2012 $'000	2013 $'000	2014 $'000	2015 $'000
Reported Retail Segment Operating Profit before Taxation	**39,796**	**69,988**	**76,686**	**79,299**	**98,958**
Adjusted for:					
Finance costs and other inter-segment adjustments	9,688	10,386	7,018	5,829	5,065
One-off costs related to strategic review	15,771	-	-	-	-
One-off Smiggle UK market entry expense	-	-	-	3,193	-
One-off supply chain transformation expense	-	-	-	4,482	-
One-off exit of South African Joint Venture	-	-	-	-	1,724
Underlying Premier Retail EBIT	**65,255**	**80,374**	**83,704**	**92,803**	**105,747**
Underlying Premier Retail EBIT, expressed in $' millions	**65.3**	**80.4**	**83.7**	**92.8**	**105.7**

REMUNERATION REPORT (AUDITED) (CONTINUED)

7. REMUNERATION OF KEY MANAGEMENT PERSONNEL

Details of the nature and amount of each element of compensation for services for key management personnel and executives of the Group paid in the financial year are as follows:

	Short term			Post-employment		Share based		
2015	Salary/Fee	Cash	Non-Monetary Benefits	Superannuation	Termination	Long-term incentives	Total	Performance related
	$	$	$	$	$	$	$	%
Non-executive Directors								
Mr. S. Lew	-	-	-	-	-	-	-	-
Mr. F. W. Jones	109,589	-	-	10,411	-	-	120,000	-
Mr. T. Antonie	104,795	-	-	5,205	-	-	110,000	-
Dr. D. Crean	109,589	-	-	10,411	-	-	120,000	-
Mr. L. E. Fox	73,059	-	-	6,941	-	-	80,000	-
Ms. S Herman	86,758	-	-	8,242	-	-	95,000	-
Mr. H. D. Lanzer[1]	80,000	-	-	-	-	-	80,000	-
Mr. M. R. I. McLeod	88,089	-	-	31,911	-	-	120,000	-
Dr. G. H. Weiss	73,059	-	-	6,941	-	-	80,000	-
Total non-executive Directors	**724,938**	**-**	**-**	**80,062**	**-**	**-**	**805,000**	
Executives								
Mr. M. McInnes	1,970,000	3,100,000[2]	-	30,000	-	314,850	5,414,850	63.06
Mr. K. F. Davis	421,217	-	-	18,783	-	-	440,000	-
Mr. A. Gardner	478,079	-	48,013	25,211	-	81,069	632,372	12.82
Ms. C. Garnsey	898,294	300,000[3]	148,339	35,039	-	134,301	1,515,973	28.65
Total executive	**3,767,590**	**3,400,000**	**196,352**	**109,033**	**-**	**530,220**	**8,003,195**	
TOTAL 2015	**4,492,528**	**3,400,000**	**196,352**	**189,095**	**-**	**530,220**	**8,808,195**	

[1] Mr. Lanzer's director's fees were paid to Arnold Bloch Leibler
[2] Refer to page 19 for further information relating to the STI payments for Mr. McInnes
[3] Refer to page 19 for further information relating to the STI payment for Ms. Garnsey

REMUNERATION REPORT (AUDITED) (CONTINUED)

7. REMUNERATION OF KEY MANAGEMENT PERSONNEL (CONTINUED)

	Short term			Post-employment		Share based		
2014	Salary/Fee $	Cash $	Non-Monetary Benefits $	Superannuation $	Termination $	Long-term incentives $	Total $	Performance related %
Non-executive Directors								
Mr. S. Lew	-	-	-	-	-	-	-	-
Mr. F. W. Jones	109,589	-	-	10,411	-	-	120,000	-
Mr. T. Antonie	73,213	-	-	6,787	-	-	80,000	-
Dr. D. Crean	109,819	-	-	10,181	-	-	120,000	-
Mr. L. E. Fox	73,213	-	-	6,787	-	-	80,000	-
Ms. S Herman	73,213	-	-	6,787	-	-	80,000	-
Mr. H. D. Lanzer[4]	80,000	-	-	-	-	-	80,000	-
Mr. M. R. I. McLeod	100,666	-	-	19,334	-	-	120,000	-
Dr. G. H. Weiss	73,213	-	-	6,787	-	-	80,000	-
Total non-executive Directors	**692,926**	**-**	**-**	**67,074**	**-**	**-**	**760,000**	
Executives								
Mr. M. McInnes	1,974,583	1,800,000[5]	-	25,417	-	564,090	4,364,090	54.17
Mr. K. F. Davis	422,225	-	-	17,775	-	-	440,000	-
Mr. A. Gardner	477,960	-	47,041	25,083	-	96,319	646,403	14.90
Ms. C. Garnsey	774,917	-	16,440	25,179	-	134,712	951,248	14.16
Total executives	**3,649,685**	**1,800,000**	**63,481**	**93,454**	**-**	**795,121**	**6,401,741**	
TOTAL 2014	**4,342,611**	**1,800,000**	**63,481**	**160,528**	**-**	**795,121**	**7,161,741**	

[4] Mr. Lanzer's director's fees were paid to Arnold Bloch Leibler

[5] Refer to page 19 for further information relating to the STI payment for Mr. McInnes

REMUNERATION REPORT (AUDITED) (CONTINUED)

8. ADDITIONAL DISCLOSURES RELATING TO RIGHTS AND SHARES

a) Rights awarded, vested and lapsed during the year

The table below discloses the number of share rights granted to executives as remuneration for the financial year ended 25 July 2015, as well as the number of rights vested and lapsed during the year:

	Terms and conditions							Rights vested and lapsed during the year	
2015	Year granted	Rights awarded during the year No.	Grant date	Fair value per right at grant date $	Expiry date	First exercise date	Last exercise date	Rights vested during the year No.	Rights lapsed during the year No.
Key management personnel									
Mr. M. McInnes	2011	-	10-May-2011	-	-	04-Apr-2014	-	400,000	-
Mr. A. Gardner	2015	13,299	22-Jun-2015	10.34	1-Oct-2017	1-Oct-2017	-	-	-
	2012	-	25-May-2012	-	-	1-Oct-2014	-	85,878	-
Ms. C. Garnsey	2013	-	18-Apr-2013	-	-	20-Jun-2015	-	80,000	-

REMUNERATION REPORT (AUDITED) (CONTINUED)

8. ADDITIONAL DISCLOSURES RELATING TO RIGHTS AND SHARES (CONTINUED)

b) Value of rights awarded, exercised and lapsed during the year

2015	Value of rights granted during the year $	Value of rights exercised during the year $	Value of rights lapsed during the year $	Remuneration consisting of rights for the year %
Key management personnel				
Mr. M. McInnes	-	5,242,000	-	5.81
Mr. A. Gardner	137,498	869,085	-	12.82
Ms. C. Garnsey	-	1,063,200	-	8.86

There were no alterations to the terms and conditions of rights awarded as remuneration since their award date.

c) Shares issued on exercise of rights

2015	Shares issued No	Paid per share $	Unpaid per share $
Key management personnel			
Mr. M. McInnes	400,000	-	-
Mr. A. Gardner	85,878	-	-
Ms. C. Garnsey	80,000	-	-

There were no alterations to the terms and conditions of rights awarded as remuneration since their award date.

REMUNERATION REPORT (AUDITED) (CONTINUED)

8. ADDITIONAL DISCLOSURES RELATING TO RIGHTS AND SHARES (CONTINUED)

d) Rights holdings of key management personnel

						At 25 July 2015		
2015	Balance at 27 July 2014	Granted as remuneration	Rights exercised	Rights lapsed	Balance at 25 July 2015	Total	Exercisable	Not exercisable
Key management personnel								
Mr. M. McInnes	800,000	-	(400,000)	-	400,000	400,000	-	400,000
Mr. A. Gardner	245,453	13,299	(85,878)	-	172,874	172,874	-	172,874
Ms. C Garnsey	240,000	-	(80,000)	-	160,000	160,000	-	160,000

Rights granted to key management personnel were made in accordance with the provisions of the Group's Performance Rights Plan.

REMUNERATION REPORT (AUDITED) (CONTINUED)

8. ADDITIONAL DISCLOSURES RELATING TO RIGHTS AND SHARES (CONTINUED)

e) Number of Shares held in Premier Investments Limited

2015	BALANCE 27 JULY 2014 ORDINARY	SHARE PURCHASE ORDINARY	SHARES ACQUIRED UNDER PERFORMANCE RIGHTS PLAN ORDINARY	NET CHANGE OTHER ORDINARY	BALANCE 25 JULY 2015 ORDINARY
NON-EXECUTIVE DIRECTORS					
Mr. S. Lew *	4,437,699	-	-	-	4,437,699
Mr. F.W. Jones	207,592	-	-	-	207,592
Mr. T. Antonie	-	-	-	-	-
Dr. D.M. Crean	-	-	-	-	-
Mr. L.E. Fox	2,577,014	-	-	-	2,577,014
Ms. S. Herman	8,000	-	-	-	8,000
Mr. H.D. Lanzer	27,665	-	-	-	27,665
Mr. M.R.I. McLeod	28,186	-	-	-	28,186
Dr. G.H. Weiss	10,000	-	-	(4,000)	6,000
EXECUTIVES					
Mr. M. McInnes	400,000	-	400,000	(400,000)	400,000
Mr. K.F. Davis	-	-	-	-	-
Mr. A. Gardner	109,998	-	85,878	(82,610)	113,266
Ms. C. Garnsey **	-	-	80,000	-	80,000
TOTAL	7,806,154	-	565,878	(486,610)	7,885,422

* Mr. Lew is an associate of Century Plaza Investments Pty. Ltd. and Metrepark Pty. Ltd (Associated Entities). The Associated Entities, collectively, have a relevant interest in 59,804,731 (2014: 59,804,731) shares in the company. However, Mr. Lew does not have a relevant interest in the shares in the company held by the Associated Entities.

** Subsequent to year-end Ms. Garnsey disposed of 40,000 ordinary shares.

9. ADDITIONAL DISCLOSURES RELATING TO TRANSACTIONS AND BALANCES WITH KEY MANAGEMENT PERSONNEL

a) Details and terms and conditions of other transactions and balances with key management personnel and their related parties

Mr. Lanzer is a partner of the legal firm Arnold Bloch Leibler. Group companies use the services of Arnold Bloch Leibler from time to time. Legal services totalling $1,250,763 (2014: $1,216,100), including Mr. Lanzer's Directors fees, GST and disbursements were invoiced by Arnold Bloch Leibler to the consolidated group, with $101,748 (2014: $nil) remaining outstanding at year-end. The fees paid for these services were all at arm's length and on normal commercial terms.

REMUNERATION REPORT (AUDITED) (CONTINUED)

9. ADDITIONAL DISCLOSURES RELATING TO TRANSACTIONS AND BALANCES WITH KEY MANAGEMENT PERSONNEL (CONTINUED)

a) Details and terms and conditions of other transactions and balances with key management personnel and their related parties (continued)

Mr. Lanzer is a director of Loch Awe Pty Ltd. During the year operating lease payments totalling $393,774 (2014: $378,629) including GST was paid to Loch Awe Pty Ltd. The payments were at arm's length and on normal commercial terms.

Mr. Lew is a director of Voyager Distributing Company Pty Ltd and family companies associated with Mr. Lew have a controlling interest in Playcorp Pty Ltd and Sky Chain Trading Limited. During the year, purchases totalling $18,831,141 (2014: $20,332,905) including GST have been made by Group companies from Voyager Distributing Co. Pty Ltd, Playcorp Pty Ltd and Sky Chain Trading Limited, with $1,232,020 (2014: $1,436,941) remaining outstanding at year-end. The purchases were all at arm's length and on normal commercial terms.

Mr. Lew is a director of Century Plaza Trading Pty. Ltd. The company and Century Plaza Trading Pty Ltd are parties to a Services Agreement to which Century Plaza Trading agrees to provide certain services to the company to the extent required and requested by the company. The company is required to reimburse Century Plaza Trading for costs it incurs in providing the company with the services under the Service Agreement. The company reimbursed a total of $391,480 (2014: $412,718) costs including GST incurred by Century Plaza Trading Pty Ltd.

Amounts recognised in the financial report at the reporting date in relation to other transactions:

i) Amounts included within Assets and Liabilities

	2015 $'000
Current Liabilities	
Trade and other payables	1,334
	1,334

ii) Amounts included within Profit or Loss

	2015 $'000
Expenses	
Purchases/ Cost of goods sold	17,355
Operating lease rental expense	358
Legal fees	1,137
Other expenses	391
Total expenses	19,241

DIRECTORS' REPORT
(CONTINUED)

AUDITOR INDEPENDENCE

A copy of the Auditor's Independence Declaration in relation to the audit for the financial year is provided on page 34 of this report.

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

Solomon Lew
Chairman
1 October 2015

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

In relation to our audit of the financial report of Premier Investments Limited for the financial year ended 25 July 2015 to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Rob Perry
Partner
Melbourne
1 October 2015

STATEMENT OF COMPREHENSIVE INCOME

FOR THE 52 WEEKS ENDED 25 JULY 2015 AND 26 JULY 2014

		CONSOLIDATED	
	NOTES	2015 $'000	2014 $'000
Continuing operations			
Revenue from sale of goods	4	947,662	892,570
Other revenue	4	10,230	11,624
Total revenue		957,892	904,194
Other income	4	3,977	1,898
Total income		961,869	906,092
Changes in inventories of finished goods and work in progress and raw materials used		(350,894)	(341,078)
Employee expenses		(240,469)	(225,716)
Operating lease rental expense	5	(193,812)	(182,183)
Depreciation, impairment and amortisation	5	(22,677)	(21,941)
Advertising and direct marketing		(12,879)	(12,193)
Finance costs	5	(5,738)	(6,311)
Supply chain transformation	5	-	(4,482)
Expense associated with disposal of asset held for sale	5	(1,724)	-
Other expenses		(29,875)	(26,608)
Total expenses		(858,068)	(820,512)
Share of profit of associates	14	13,144	12,785
Profit from continuing operations before income tax		116,945	98,365
Income tax expense	6	(28,843)	(25,365)
Net profit for the period attributable to owners		**88,102**	**73,000**
Other comprehensive income (loss)			
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges	20	35,374	(21,436)
Foreign currency translation	20	1,418	728
Net movement in other comprehensive income of associates	20	2,728	(896)
Income tax on items of other comprehensive income	20	(10,612)	6,431
Other comprehensive income (loss) for the period, net of tax		**28,908**	**(15,173)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS		**117,010**	**57,827**
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)	31	56.49	46.98
- diluted for profit for the year (cents per share)	31	55.92	46.36

The accompanying notes form an integral part of this Statement of Comprehensive Income.

STATEMENT OF FINANCIAL POSITION

AS AT 25 JULY 2015 AND 26 JULY 2014

		CONSOLIDATED	
	NOTES	2015 $'000	2014 $'000
ASSETS			
Current assets			
Cash and cash equivalents	26	281,572	313,308
Trade and other receivables	8	14,341	12,155
Inventories	9	111,814	98,496
Other financial instruments	30	30,795	1,517
Other current assets	10	6,309	5,215
Asset classified as held for sale	11	1,000	-
Total current assets		445,831	430,691
Non-current assets			
Trade and other receivables	8	-	1,004
Property, plant and equipment	12	123,537	109,028
Intangible assets	13	854,711	854,572
Deferred tax assets	6	3,745	12,147
Investments in associates	14	209,477	188,418
Other financial instruments	30	1,771	79
Total non-current assets		1,193,241	1,165,248
TOTAL ASSETS		1,639,072	1,595,939
LIABILITIES			
Current liabilities			
Trade and other payables	15	73,723	62,520
Interest-bearing liabilities	16	14	100,529
Other financial instruments	30	117	6,798
Income tax payable		31,781	24,642
Provisions	17	16,097	16,558
Other current liabilities	18	5,635	4,221
Total current liabilities		127,367	215,268
Non-current liabilities			
Interest-bearing liabilities	16	104,641	19,014
Deferred tax liabilities	6	54,554	52,586
Provisions	17	1,782	1,462
Other financial instruments	30	10	3
Other	18	12,411	9,077
Total non-current liabilities		173,398	82,142
TOTAL LIABILITIES		300,765	297,410
NET ASSETS		1,338,307	1,298,529
EQUITY			
Contributed equity	19	608,615	608,615
Reserves	20	32,223	2,514
Retained earnings	21	697,469	687,400
TOTAL EQUITY		1,338,307	1,298,529

The accompanying notes form an integral part of this Statement of Financial Position.

STATEMENT OF CASH FLOWS

FOR THE 52 WEEKS ENDED 25 JULY 2015 AND 26 JULY 2014

		CONSOLIDATED	
	NOTES	2015 $'000	2014 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		1,051,088	985,643
Payments to suppliers and employees (inclusive of GST)		(930,319)	(891,397)
Interest received		10,294	11,692
Borrowing costs paid		(5,605)	(5,815)
Income taxes paid		(22,347)	(13,653)
NET CASH FLOWS FROM OPERATING ACTIVITIES	26(b)	103,111	86,470
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from associates		9,628	8,698
Payment for trademarks		(42)	(106)
Purchase of investments		(16,492)	-
Payment for property, plant and equipment and leasehold premiums		(36,122)	(50,294)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(43,028)	(41,702)
CASH FLOWS FROM FINANCING ACTIVITIES			
Equity dividends paid		(78,033)	(60,562)
Proceeds from borrowings		66,800	83,000
Repayment of borrowings		(80,530)	(67,000)
Payment of finance lease liabilities		(56)	(55)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		(91,819)	(44,617)
NET (DECREASE) INCREASE IN CASH HELD		(31,736)	151
Cash at the beginning of the financial year		313,308	313,157
CASH AT THE END OF THE FINANCIAL YEAR	26(a)	281,572	313,308

The accompanying notes form an integral part of this Statement of Cash Flows.

STATEMENT OF CHANGES IN EQUITY

FOR THE 52 WEEKS ENDED 25 JULY 2015 AND 26 JULY 2014

CONSOLIDATED							
	CONTRIBUTED EQUITY $'000	CAPITAL PROFITS RESERVE $'000	PERFORMANCE RIGHTS RESERVE $'000	CASH FLOW HEDGE RESERVE $'000	FOREIGN CURRENCY TRANSLATION RESERVE $'000	RETAINED PROFITS $'000	TOTAL $'000
At 27 July 2014	608,615	464	3,281	(3,565)	2,334	687,400	1,298,529
Net Profit for the period	-	-	-	-	-	88,102	88,102
Other comprehensive income	-	-	-	24,762	4,146	-	28,908
Total comprehensive income for the period	-	-	-	24,762	4,146	88,102	117,010
Transactions with owners in their capacity as owners:							
Performance rights issued	-	-	801	-	-	-	801
Dividends Paid	-	-	-	-	-	(78,033)	(78,033)
Balance as at 25 July 2015	608,615	464	4,082	21,197	6,480	697,469	1,338,307
At 28 July 2013	608,615	464	2,383	11,440	2,502	674,962	1,300,366
Net Profit for the period	-	-	-	-	-	73,000	73,000
Other comprehensive loss	-	-	-	(15,005)	(168)	-	(15,173)
Total comprehensive income (loss) for the period	-	-	-	(15,005)	(168)	73,000	57,827
Transactions with owners in their capacity as owners:							
Performance rights issued	-	-	898	-	-	-	898
Dividends Paid	-	-	-	-	-	(60,562)	(60,562)
Balance as at 26 July 2014	608,615	464	3,281	(3,565)	2,334	687,400	1,298,529

The accompanying notes form an integral part of this Statement of Changes in Equity

1 CORPORATE INFORMATION

The financial report of Premier Investments Limited for the 52 weeks ended 25 July 2015 was authorised for issue in accordance with a resolution of the Directors on 1 October 2015.

Premier Investments Limited is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial report is prepared for the 52 weeks beginning 27 July 2014 to 25 July 2015.

(a) BASIS OF PREPARATION

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis, except for other financial instruments and assets classified as held for sale, which have been measured at fair value as explained in the accounting policies below.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) under the option available to the company under Australian Securities and Investments Commission (ASIC) Class Order 98/0100. The Group is an entity to which the Class Order applies.

(b) STATEMENT OF COMPLIANCE

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(c) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Changes in accounting policies, disclosures, standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except as follows:

As of the beginning of the financial year, the Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations that are relevant to the Group and its operations and that are effective for the current annual reporting period.

(i) *AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities:* The Standard addresses inconsistencies in current practice when applying some of the offsetting criteria in AASB 132 *Financial Instruments: Presentation,* and clarified the meaning of "currently has a legally enforceable right to set-off".

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

(ii) *AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting:* The amendments permit the continuation of hedge accounting in specified circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations.

(iii) *AASB 1031 Materiality:* The revised AASB 1031 is an interim standard that cross-references to other standards and the Framework (issued December 2013) that contain guidance on Materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed. *AASB 2014-1 Amendments to Australian Accounting Standards [Part C – Materiality]*, issued in June 2014, makes amendments to particular Australian Accounting Standards to delete references to AASB 1031.

(iv) *AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments:* The Standards contains three main parts and makes amendments to a number of other Standards and Interpretations. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 *Materiality*, and also makes minor editorial changes to other standards, while Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 *Hedge Accounting* into AASB 9 *Financial Instruments*.

(v) *Interpretation 21 Levies:* This interpretation clarifies that a liability to pay a levy is only recognised when the activity that triggers the payment occurs.

(vi) *AASB 2014-1 Amendments to Australian Accounting Standards [Part A – Annual Improvements 2010-2012 and 2011-2013 Cycles]:* Part A makes various amendments to Australian Accounting Standards arising from the IASB Annual Improvements Process. Key amendments, applicable to the Group, include:

- *AASB 2:* Clarifies the definition of 'vesting condition' and 'market condition', and introduces definitions for 'performance condition' and 'service condition'.
- *AASB 8:* Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated.
- *AASB 116 and AASB 138:* Clarifies that the determination of accumulated depreciation does not depend on the valuation technique and that it is calculated as the difference between gross and net carrying amounts.
- *AASB 124:* Defines a management entity providing Key Management Personnel (KMP) services as a related party of the reporting entity. Payments made to a management entity in respect of KMP services should be separately disclosed.

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

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

Accounting Standards and Interpretations issued but not yet effective

Recently issued or amended Australian Accounting Standards and Interpretations that have been identified as those which may be relevant to the Group in future reporting periods, but are not yet effective and have not been adopted by the Group for the reporting period ended 25 July 2015, are outlined in the table below:

Title	Summary	Impact on the Group financial report	Effective Dates
AASB 2014-4 Clarification of Acceptable Methods of Depreciation and Amortisation	The standard amends AASB 116 *Property, Plant and Equipment* and AASB 138 *Intangible Assets* to provide additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated.	The Group has not yet determined the potential effects of the standard.	The standard applies to annual reporting periods beginning on or after 1 January 2016. The standard is expected to be initially applied by the group for the financial year beginning 31 July 2016.
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The standard addresses the conflict between the requirements of AASB 128 *Investment in Associates and Joint Ventures* and AASB 10 *Consolidated Financial Statements* and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.	The Group has not yet determined the potential effects of the standard.	The standard applies to annual reporting periods beginning on or after 1 January 2016. The standard is expected to be initially applied by the group for the financial year beginning 31 July 2016.
AASB 15 Revenue from Contracts with Customers, AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	AASB 15 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and replaces AASB 111 *Construction Contracts*, AASB 118 *Revenue*, and Interpretation 13 *Customer Loyalty Programmes*. The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The IASB in its July 2015 meeting decided to confirm its proposal to defer the effective date of IFRS 15 (the international equivalent of AASB 15) from 1 January 2017 to 1 January 2018. The amendment to give effect to the new effective date for IFRS 15 is expected to be issued in September 2015. At this time, it is expected that the AASB will make a corresponding amendment to the effective date of AASB 15.	The new standard requires extensive disclosures, including disaggregation of total revenue and key judgements and estimates. The Group is in the process of evaluating the potential impact, if any, of the new standard on the Group.	The standard applies to annual reporting periods beginning on or after 1 January 2017. The standard is expected to be initially applied by the group for the financial year beginning 30 July 2017. Refer to the summary for a proposed deferral of the effective date of AASB 15.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Title	Summary	Impact on the Group financial report	Effective Dates
AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012 - 2014 Cycle	AASB 2015-1 amends a number of pronouncements as a result of the IASB's 2012 – 2014 annual improvements cycle. Key amendments include: • AASB 7: Servicing contracts and applicability of the amendments to AASB 7 to condensed interim financial statements. • AASB 119: Discount rate; regional market issue. • AASB 134: Disclosure of information 'elsewhere in the interim financial report'.	The Group does not expect the adoption of this Standard to have a material effect on the financial position and performance of the Group, but may affect future disclosures.	The standard applies to annual reporting periods beginning on or after 1 January 2016. The standard is expected to be initially applied by the group for the financial year beginning 31 July 2016.
AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	AASB 2015-2 amends AASB 101 *Presentation of Financial Statements* to provide clarification regarding the disclosure requirements in AASB 101. The amendments include narrow-focus amendments to address concerns about existing presentation and disclosure requirements and to ensure entities are able to use judgements when applying a Standard in determining what information to disclose in their financial statements.	The Group does not expect the adoption of this Standard to have a material effect on the financial position and performance of the Group, but may affect future disclosures.	The standard applies to annual reporting periods beginning on or after 1 January 2016. The standard is expected to be initially applied by the group for the financial year beginning 31 July 2016.
AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 *Materiality*	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	The Group does not expect the adoption of this Standard to have a material effect on the financial position and performance of the Group.	The standard applies to annual reporting periods beginning on or after 1 July 2015. The standard is expected to be initially applied by the group for the financial year beginning 27 July 2015.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Title	Summary	Impact on the Group financial report	Effective Dates

AASB 9 Financial Instruments	AASB 9 (Dec 2014) is a new principal standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in Dec 2010) and includes a model for classification and measurement, a single forward-looking ‘expected loss’ impairment model and a substantially-reformed approach to hedge accounting.
	
	The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard 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.
	
	Amendments to AASB 9 (Dec 2009 and 2010 editions, as well as AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedge costs, risk components that can be hedged and disclosures.
	
	AASB 9 includes requirements for a simpler approach to classification and measurement of financial assets compared with the requirements of AASB 139.
	
	The main changes are described below:
	• Financial assets that are debt instruments will be classified based on 1) the objective of the entity’s business model for managing the financial assets; 2) the characteristics of the contractual cash flows.
	• Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of investment.
	• Financial assets can be designated and measured at fair value through profit and loss at initial recognition if doing so eliminates or significantly reduces the measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising gains and losses on them, on different bases.
	• Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
	   • The change attributable to changes in credit risk are presented in other comprehensive income.
	   • The remaining change is presented in profit or loss.
	
	AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. The change in accounting means that gains caused by deterioration of an entity’s own credit risk on such liabilities are no longer recognised in profit or loss.
	
	Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.
	
	AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in December 2014.
		The Group has not yet determined the potential effects of the standard. Retrospective application is generally required.	The standard applies to annual reporting periods beginning on or after 1 January 2018.
			
			The standard is expected to be initially applied by the group for the financial year beginning 29 July 2018.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgement and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from those estimated under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

(i) Significant accounting judgements

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that is it probable that future taxable profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits over the next two years together with future tax planning strategies.

Classification of assets and liabilities as held for sale

The Group classifies assets and liabilities as held for sale when the carrying amount will be recovered through a sale transaction. The assets and liabilities must be available for immediate sale and the Group must be committed to selling the asset either through entering into a contractual sale agreement or through the activation and commitment to a program to locate a buyer and dispose of the assets and liabilities.

Impairment of non-financial assets other than goodwill and indefinite life intangibles

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. These include product and manufacturing performance, technology, economic and political environments and future product expectations. If an impairment trigger exists, the recoverable amount of the asset is determined. Given the current uncertain economic environment, management considered that the indicators of impairment were significant enough and as such these assets have been tested for impairment in this financial year.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Taxation

The Group's accounting policy for taxation requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised in the statement of financial position. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Deferred tax liabilities arising from temporary differences in investments, caused principally by retained earnings held in foreign tax jurisdictions, are recognised unless repatriation of retained earnings can be controlled and are not expected to occur in the foreseeable future.

Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, operating costs, restoration costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation.

These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the statement of comprehensive income.

(ii) Significant accounting estimates and assumptions

Estimated impairment of goodwill and intangibles with indefinite useful lives

The Group tests whether goodwill and intangibles with indefinite useful lives have suffered any impairment annually, in accordance with the accounting policies stated in note 2(n) and note 2(o). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions. Refer to note 13 for details of these assumptions and the potential impact of changes to the assumptions.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined at grant date using the Black-Scholes Model and taking into account the terms and conditions upon which the instruments were granted. The related assumptions are detailed in note 28.

The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment), lease terms (for leased equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Depreciation charges are included in note 5.

Estimated gift card redemption rates

The key assumption in measuring the liability for gift cards and vouchers is the expected redemption rates by customers. Expected redemption rates are reviewed annually, and adjustments are made to the expected redemption rates when considered necessary.

Onerous lease provisions

The Group provides for onerous contracts when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The Group considers whether a lease is potentially onerous by reference to the profitability and projected profitability of a store, and whether the store has been identified for closure prior to lease expiry. The Group estimates the present value of the future lease payments that the Group is presently obligated to make under non-cancellable onerous lease contracts.

Supply chain transformation provisions

The Group's consolidation process of its Australian Distribution Centres into one national distribution centre in Truganina, Victoria have resulted in a supply chain transformation provision in which judgements and estimations were made. The Group follows the guidance of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* to determine whether a provision is required. A restructuring provision is recognised when a detailed formal plan about the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and appropriate time lines have been established. The people affected have a valid expectation that the restructuring is being carried out or the implementation has been initiated already.

Fair value of financial instruments

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The fair value disclosures are detailed in note 3.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) BASIS OF CONSOLIDATION

The consolidated financial statements are those of the consolidated entity, comprising Premier Investments Limited (the parent entity) and its subsidiaries ('the Group') as at the end of each financial year. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interest, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Investments in subsidiaries held by Premier Investments Limited are accounted for at cost in the separate financial statements of the parent entity less any impairment losses. Dividends received from subsidiaries are recorded as a component of other revenues in the separate income statement of the parent entity, and do not impact the recorded cost of the investment.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) BASIS OF CONSOLIDATION (CONTINUED)

A change in ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary;
- De-recognises the carrying amount of any non-controlling interests;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received and of any investment retained,
- Recognises the surplus or deficit in profit or loss;
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(f) INVESTMENT IN ASSOCIATES

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates are accounted for using the equity method of accounting in the consolidated financial statements.

Under the equity method, investments in the associates are initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in the associate.

The Group's share of profit or loss of an associate is recognised in the statement of comprehensive income and represents profit or loss after tax and non-controlling interest in the subsidiaries of the associate. When there has been a change recognised directly in the equity of the associate, the Group recognises its share of any change, when applicable, in the statement of changes in equity. Dividends receivable from the associate is recognised in the parent entity's statement of comprehensive income, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables and loans, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in associates. At each reporting period, the Group determines whether there is objective evidence that the investment in associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognises the loss in the statement of comprehensive income.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) INVESTMENT IN ASSOCIATE (CONTINUED)

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any differences between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

The reporting date of the associates are currently 30 June and the associates' accounting policies materially conform to those used by the Group for like transactions and events in similar circumstances.

(g) BUSINESS COMBINATIONS

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating and accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is to be classified as equity, it should not be remeasured until it is finally settled within equity.

(h) CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold in the normal operating cycle, or primarily held for the purpose of trading, or is expected to be realised within twelve months after the reporting period, or;
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when it is:

- Expected to be settled in the normal operating cycle, or primarily held for the purpose of trading, or is due to be settled within twelve months after the reporting period, or;
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) OPERATING SEGMENTS

The Group determines and presents operating segments based on the information that is internally provided and used by the chief operating decision maker in assessing the performance of the entity and in determining the allocation of resources.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discreet financial information is available.

Segment results that are reported to the chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly of corporate assets, head office expenses and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

(j) FOREIGN CURRENCY TRANSLATION

Both the functional and presentation currency of Premier Investments Limited and its Australian subsidiaries is in Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All exchange differences in the consolidated financial report are taken to the statement of comprehensive income.

The New Zealand subsidiaries' functional currency is New Zealand Dollars. The Singapore subsidiaries' functional currency is Singapore Dollars. The United Kingdom subsidiaries' functional currency is Pound Sterling. Just Kor Fashion Group (Pty) Ltd, the South African joint venture, has a functional currency of South African Rand.

As at the reporting date the assets and liabilities of the overseas subsidiary are translated into the presentation currency of Premier Investments Limited at the rate of exchange ruling at the reporting date and the statements of comprehensive incomes are translated at the weighted average exchange rates for the period.

Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity.

(k) CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash on hand and in banks, money market investments readily convertible to cash within two working days and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) INVENTORIES

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials - purchase cost on a first-in, first-out basis;
- Finished goods and work-in-progress - purchase cost plus a proportion of the purchasing department, freight, handling and warehouse costs incurred to deliver the goods to the point of sale.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated direct costs necessary to make the sale.

(m) PROPERTY, PLANT AND EQUIPMENT

Property, Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- Buildings 40 years
- Store plant and equipment 3 to 10 years
- Leased plant and equipment 2 to 5 years
- Other plant and equipment 2 to 20 years

Freehold land is not depreciated.

The carrying values of property, plant and equipment are reviewed for impairment annually for events or changes in circumstances that may indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If an indication of impairment exists, and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

(n) GOODWILL

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Group’s interest in the net fair value of the acquiree’s identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purposes of assessing impairment, goodwill acquired in a business combination is, from the date of acquisition, allocated to each of the Group’s cash-generating units that are expected to benefit from the synergies of the combination. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) GOODWILL (CONTINUED)

Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Impairment losses recognised for goodwill are not subsequently reversed.

(o) INTANGIBLE ASSETS (excluding goodwill)

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets are tested for impairment where an indicator of impairment exists, and in the case of intangibles with indefinite lives impairment is tested annually or where an indicator of impairment exists, either individually or at the cash-generating unit level.

Where the carrying amount of an intangible asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the asset's value-in-use.

The recoverable amount is determined for an individual asset, unless the asset's value-in-use cannot be estimated to be close to its fair value, less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time-value of money and the risks specific to the asset.

A summary of the policies applied to the Group's intangible assets is as follows:

	Brands	***Premiums paid on acquisition of leaseholds***	***Trademarks & Licences***
Useful life	Indefinite	Finite	Indefinite
Method used	Not amortised or revalued	Amortised over the term of the lease	Not amortised or revalued
Internally generated/acquired	Acquired	Acquired	Acquired
Impairment test/recoverable amount testing	Annually; for indicators of impairment	Amortisation method reviewed at each financial year end; reviewed annually for indicators of impairment	Annually; for indicators of impairment

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) OTHER FINANCIAL ASSETS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

(i) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are recognised at cost and amortised using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired.

(ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by AASB 139.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

(q) OTHER FINANCIAL LIABILITIES

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

(i) Trade and other payables

Liabilities for trade creditors and other amounts are recognised and carried at original invoice cost, which is the fair value of the consideration to be paid in the future for goods and services received whether or not billed to the consolidated entity.

Trade liabilities are normally settled on terms of between 7 and 90 days.

(ii) Loans and borrowings

All loans, borrowings and interest-bearing payables are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, such items are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Fees paid on the establishment of loan facilities are amortised over the life of the facility. On-going borrowing costs are expensed as incurred.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) OTHER FINANCIAL LIABILITIES (CONTINUED)

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(r) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

The Group uses derivative financial instruments (including forward currency contracts and foreign exchange options) to hedge its risks associated with foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. Any derivative financial instruments acquired through business combinations are re-designated.

Derivatives are carried as financial assets when their fair value is positive and as financial liabilities when their fair value is negative. Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to profit or loss for the period.

Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability that is a firm commitment and that could affect the statement of comprehensive income. The Group's cash flow hedges that meet the strict criteria for hedge accounting are accounted for by recognising the effective portion of the gain or loss on the hedging instrument directly in equity, while the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedge transaction (finance costs or inventory purchases) when the forecast transaction occurs.

The Group tests each of the designated cash flow hedges for effectiveness on an ongoing basis both retrospectively and prospectively using the ratio offset method. If the testing falls within the 80% to 125% range, the hedge is considered to be highly effective and continues to be designated as a cash flow hedge.

At each reporting date, the Group measures ineffectiveness using the ratio offset method. For foreign currency cash flow hedges if the risk is over-hedged, the ineffective portion is taken immediately to other income/expense in the statement of comprehensive income.

If the forecast transaction is no longer expected to occur, amounts recognised in equity are transferred to the statement of comprehensive income.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked (due to being ineffective), amounts previously recognised in equity remain in equity until the forecast transaction occurs.

(s) BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of the funds.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) LEASES

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(u) PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time-value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time-value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(v) ONEROUS LEASE PROVISIONS

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net unavoidable costs of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with the contract.

(w) SUPPLY CHAIN TRANSFORMATION PROVISIONS

Restructuring provisions are only recognised when general recognition criteria for provisions are fulfilled. Additionally, the Group needs to follow a detailed formal plan about the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and appropriate time line. The people affected have a valid expectation that the restructuring is being carried out or the implementation has been initiated already.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) EMPLOYEE BENEFITS

(i) Wages, salaries and annual leave

The provisions for employee entitlements to wages, salaries and annual leave represent the amount which the Group has a present obligation to pay, resulting from employees' services provided up to the reporting date. The provisions have been calculated at nominal amounts based on current wage and salary rates, and include related on-costs.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Related on-costs have also been included in the liability.

Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity that match as closely as possible the estimated cash outflow.

(iii) Retirement benefit obligations

All employees of the Group are entitled to benefits from the Group's superannuation plan on retirement, disability or death. The Group operates a defined contribution plan. Contributions to the plan are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is made available.

(y) DEFERRED INCOME

(i) Lease Incentives

Lease incentives are capitalised in the financial statements when received and credited to rent expense over the term of the store lease to which they relate.

(ii) Deferred rent

Operating lease expenses are recognised on a straight-line basis over the lease term, which includes the impact of annual fixed rate percentage increases.

(z) REVENUE RECOGNITION

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the customer. Risks and rewards are considered passed to the customer at the point-of-sale in retail stores and at the time of delivery to catalogue and wholesale customers.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) REVENUE RECOGNITION (CONTINUED)

(ii) Interest revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(iii) Dividends

Revenue is recognised when the Group's right to receive the payment is established.

(iv) Lay-by sales

The Group has a history of most lay-by sales in retail stores being completed following receipt of an initial deposit. Therefore, the Group has elected to recognise revenue on lay-by sales upon receipt of a deposit.

(v) Gift cards

Revenue from the sale of gift cards is recognised upon redemption of the gift card, or when the card is no longer expected to be redeemed, based on analysis of historical non-redemption rates.

(aa) INCOME TAX

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- When the taxable temporary difference is associated with investments in subsidiaries, associates and interests in joint ventures, and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(aa) INCOME TAX (CONTINUED)

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses, can be utilised except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- Where the deductible temporary difference is associated with investments in subsidiaries, associates and interest in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation

Effective 1 July 2003, Premier Investments Limited and its wholly owned Australian controlled entities implemented a tax consolidation group. The head entity, Premier Investments Limited and the controlled entities continue to account for their own current and deferred tax amounts. The Group has applied the Group allocation approach to determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At reporting date the possibility of default is remote.

In addition to its own current and deferred tax amounts, Premier Investments Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(bb) OTHER TAXES

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(cc) CONTRIBUTED EQUITY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(dd) EARNINGS PER SHARE

Basic earnings per share are calculated as net profit attributable to members of the parent divided by the weighted average number of ordinary shares.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for costs of servicing equity, the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses, and other non-discretionary changes in revenue or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

(ee) SHARE-BASED REMUNERATION SCHEMES

The Group provides benefits to its employees in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). The plans in place to provide these benefits are a long-term incentive plan known as the performance rights plan (“PRP”).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instrument at the date at which they are granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ee) SHARE-BASED REMUNERATION SCHEMES (CONTINUED)

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income is the product of:

(i) The grant date fair value of the award;

(ii) The extent to which the vesting period has expired; and

(iii) The current best estimate of the number of awards that will vest as at the grant date.

The charge to profit and loss for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

No expense is recognised for awards that do not ultimately vest, except for equity settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vested, irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and service conditions are met.

(ff) COMPARATIVES

The current reporting period, 27 July 2014 to 25 July 2015, represents 52 weeks and the comparative reporting period is from 28 July 2013 to 26 July 2014 which also represents 52 weeks. From time to time, management may change prior year comparatives to reflect classifications applied in the current year.

3 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Group's principal financial instruments comprise cash and short-term deposits, derivative financial instruments, receivables, payables, bank overdraft and interest-bearing liabilities.

RISK EXPOSURES AND RESPONSES

The Group manages its exposure to key financial risks in accordance with Board-approved policies which are reviewed annually including, liquidity risk, foreign currency risk, interest rate risk and credit risk. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The Group uses different methods to measure and manage different types of risks to which it is exposed. These include, monitoring levels of exposure to interest rate and foreign exchange risk and assessment of market forecasts for interest rate and foreign exchange prices. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through development of future cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 of the financial statements.

Interest rate risk

The Group's exposure to market interest rates relates primarily to its cash and cash equivalents that it holds and long term debt obligations.

At reporting date, the Group had the following mix of financial assets and liabilities exposed to variable interest rate risk that are not designated in cash flow hedges:

		CONSOLIDATED	
	NOTES	2015 $'000	2014 $'000
Financial Assets			
Cash	26	281,572	313,308
Other receivables		2,464	3,596
		284,036	316,904
Financial Liabilities			
Bank loans AUD	16	86,623	101,000
Bank loans (NZD 20.0 million)	16	18,018	18,477
		104,641	119,477
Net Financial Assets		179,395	197,427

3 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

RISK EXPOSURES AND RESPONSES (CONTINUED)

Interest rate risk (Continued)

The Group's objective of managing interest rate risk is to minimise the entity's exposure to fluctuations in interest rates that might impact its interest revenue and cash flow. To manage this risk, the Group locks a portion of the Group's cash and cash equivalents into term deposits. The maturity of term deposits is determined based on the Group's cash flow forecast.

The Group has conducted a sensitivity analysis of the Group's exposure to interest rate risk. The sensitivity analysis below has been determined based on the exposure to interest rates from financial instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and being held constant throughout the reporting period, holding all other variables constant. A 100 (2014:100) basis point increase and decrease in Australian interest rates represents management's assessment of the possible change in interest rates. A positive number indicates an increase in profit after tax, whilst a negative number indicates a reduction in profit after tax.

	POST-TAX PROFIT HIGHER/(LOWER)	
Judgements of reasonably possible movements:	2015 $000	2014 $000
CONSOLIDATED		
+1.0% (100 basis points)	1,236	1,357
-1.0% (100 basis points)	(1,236)	(1,357)

The movement in profits are due to lower interest expense and interest income from variable rates and net cash balances.

Significant assumptions used in the interest rate sensitivity analysis include:

- Reasonably possible movements in interest rates were determined based on the Group's current credit rating and mix of debt in Australian and foreign countries, relationships with financial institutions, the level of debt that is expected to be renewed as well as a review of the last two years' historical movements and economic forecasters' expectations.
- The net exposure at reporting date is representative of what the Group was and is expecting to be exposed to in the next twelve months.

3 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

RISK EXPOSURES AND RESPONSES (CONTINUED)

Credit risk

The overwhelming majority of the Group's sales are on cash or cash equivalent terms with settlement within 24 hours. As such, the Group's exposure to credit risk is minimal. The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

There are no significant concentrations of credit risk within the Group and financial instruments are spread amongst a number of financial institutions.

With respect to credit risk arising from the other financial assets of the Group, which comprise mainly cash and cash equivalents and certain derivative instruments, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Since the Group trades only with recognised creditworthy third parties, there is no requirement for collateral by either party.

Credit risk for the Group also arises from financial guarantees that members of the Group act as guarantor. At 25 July 2015, the maximum exposure to credit risk of the Group is the amount guaranteed as disclosed in note 34.

Foreign operations

The Group has operations in New Zealand. As a result, movements in the Australian Dollar and New Zealand Dollar ("AUD/NZD") exchange rate affect the Group's statement of financial position and results from operations. The Group has obtained New Zealand Dollar denominated financing facilities from a financial institution to provide a natural hedge of the Group's exposure to movements in the AUD/NZD on translation of the New Zealand statement of financial position. In addition, the Group, on occasion, hedges its cash flow exposure to movements in the AUD/NZD.

The Group has an investment, classified as held for sale, and a current receivable denominated in South African Rand (ZAR) arising from its investment in Just Kor Fashion Group (Pty) Ltd. As a result of these transactions, movements in the AUD/ZAR exchange rates can affect the Group's statement of financial position. In addition, the Group, on occasion, hedges its cash flow exposure to movements in the AUD/ZAR.

The Group also has operations in Singapore. As a result, movement in the Australian Dollar and Singapore Dollar ("AUD/SGD") exchange rates can affect the Group's statement of financial position and results from operations. The Group, on occasion, hedges its cash flow exposure in movements in the AUD/SGD.

The group commenced operations in the United Kingdom in the 2014 financial year. As a result, movement in the Australian Dollar and Pound Sterling ("AUD/GBP") exchange rates can affect the Group's statement of financial position and results from operations. The Group, on occasion, hedges its cash flow exposure to movements in the AUD/GBP.

Foreign currency transactions

The Group has exposures to foreign currencies principally arising from purchases by operating entities in currencies other than the functional currency. Approximately 60% of the Group's purchases are denominated in USD, which is not the functional currency of the Australian, New Zealand, Singapore or United Kingdom operating entities.

3 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

RISK EXPOSURES AND RESPONSES (CONTINUED)

Foreign currency transactions (Continued)

The Group considers its exposure to USD arising from the purchases of inventory to be a long-term and ongoing exposure. In order to protect against exchange rate movements, the Group enters into forward exchange contracts to purchase US Dollars.

The Group's foreign currency risk management policy provides guidelines for the term over which foreign currency hedging will be undertaken for part or all of the risk. This term cannot exceed two years. Factors taken into account include:

- the implied market volatility for the currency exposure being hedged and the cost of hedging, relative to long-term indicators;
- the level of the Australian Dollar, New Zealand Dollar, Singapore Dollar and Pound Sterling against the currency risk being hedged, relative to long-term indicators;
- the Group's strategic decision-making horizon; and
- other factors considered relevant by the board.

The policy requires periodic reporting to the Audit and Risk Committee, and its application is subject to oversight from the Chairman of the Audit and Risk Committee or the Chairman of the Board. The policy allows the use of forward exchange contracts and foreign currency options.

At reporting date, the Group had the following exposures to movements in the United States Dollar, New Zealand Dollar, Singapore Dollar and Pound Sterling:

	USD EXPOSURE		NZD EXPOSURE		SGD EXPOSURE		GBP EXPOSURE	
	CONSOLIDATED		CONSOLIDATED		CONSOLIDATED		CONSOLIDATED	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
FINANCIAL ASSETS								
Cash and cash equivalents	156	648	3,822	2,102	2,670	1,750	2,933	4,044
Trade and other receivables	195	340	-	-	-	-	-	-
Derivative financial assets	32,566	1,596	-	-	-	-	-	-
	32,917	2,584	3,822	2,102	2,670	1,750	2,933	4,044
FINANCIAL LIABILITIES								
Trade and other payables	22,781	20,765	4,803	4,031	372	277	539	300
Derivative financial liabilities	127	6,801	-	-	-	-	-	-
Bank loans	-	-	18,018	18,477	-	-	-	-
	22,908	27,566	22,821	22,508	372	277	539	300
Net exposure	10,009	(24,982)	(18,999)	(20,406)	2,298	1,473	2,394	3,744

The Group has forward currency contracts designated as cash flow hedges that are subject to movements through equity and profit and loss respectively as foreign exchange rates move (refer to Note 30).

The Group has exposure to the South African Rand through trade and other receivables from Just Kor Fashion Group (Pty) Ltd totalling $1,378,000 (2014: $2,157,000).

3 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

RISK EXPOSURES AND RESPONSES (CONTINUED)

Foreign currency risk

The following sensitivity is based on the foreign exchange risk exposures in existence at the reporting date:

	POST-TAX PROFIT HIGHER/(LOWER)		OTHER COMPREHENSIVE INCOME HIGHER/(LOWER)	
Judgements of reasonably possible movements:	2015 $000	2014 $000	2015 $000	2014 $000
CONSOLIDATED				
AUD/USD + 2.5%	(311)	(105)	(4,023)	(4,063)
AUD/USD – 10.0%	1,318	478	16,997	18,417
AUD/NZD + 2.5%	463	498	-	-
AUD/NZD – 10.0%	(2,111)	(2,267)	-	-
AUD/ZAR + 2.5%	(34)	(53)	-	-
AUD/ZAR – 10.0%	153	240	-	-
AUD/SGD + 2.5%	(56)	(36)	-	-
AUD/SGD –10.0%	255	164	-	-
AUD/GBP + 2.5%	(58)	(91)	-	-
AUD/GBP –10.0%	266	416	-	-

Significant assumptions used in the foreign currency exposure sensitivity analysis include:

- Reasonably possible movements in foreign exchange rates were determined based on a review of the last two years historical movements and economic forecaster's expectations.
- The net exposure at reporting date is representative of what the Group was and is expecting to be exposed to in the next twelve months from reporting date.
- The effect on other comprehensive income is the effect on the cash flow hedge reserve, and/or the foreign currency translation reserve.
- The sensitivity does not include financial instruments that are non-monetary items as these are not considered to give rise to currency risk.

Liquidity risk

Liquidity risk refers to the risk of encountering difficulties in meeting obligations associated with financial liabilities. Liquidity risk management is associated with ensuring that there are sufficient funds available to meet financial commitments in a timely manner and planning for unforeseen events which may curtail cash flows and cause pressure on liquidity. The Group keeps its short, medium and long term funding requirements under constant review. Its policy is to have sufficient committed funds available to meet medium term requirements, with flexibility and headroom to make acquisitions for cash in the event an opportunity should arise.

3 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

RISK EXPOSURES AND RESPONSES (CONTINUED)

Liquidity risk (Continued)

The Group has at reporting date $35 million (2014: $27 million) cash held in deposit with 11am at call term and the remaining $246 million (2014: $286 million) cash held in deposit with maturity terms ranging from 30 to 180 days. Hence management believe there is no significant exposure to liquidity risk at 25 July 2015 and 26 July 2014.

The Group aims to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases with a variety of counterparties.

The remaining contractual maturities of the Group's financial liabilities are:

	CONSOLIDATED	
	2015 $'000	2014 $'000
Maturity < 6 months	196,771	164,807
Maturity 6–12 months	103,123	203,773
Maturity 12–24 months	19,605	27,565
Maturity > 24 months	105,018	19,000
	424,517	415,145

Fair value of financial assets and liabilities

The Group measures financial instruments, such as derivatives and assets held for sale, 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.

The fair value of financial assets and financial liabilities is based on market prices (where a market exists) or using other widely accepted methods of valuation.

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 price in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

3 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

RISK EXPOSURES AND RESPONSES (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							
	FINANCIAL YEAR ENDED 25 JULY 2015				FINANCIAL YEAR ENDED 26 JULY 2014			
	QUOTED MARKET PRICE (LEVEL 1)	VALUATION TECHNIQUE – MARKET OBSERVABLE INPUTS (LEVEL 2)	VALUATION TECHNIQUE – NON MARKET OBSERVABLE INPUTS (LEVEL 3)	TOTAL	QUOTED MARKET PRICE (LEVEL 1)	VALUATION TECHNIQUE – MARKET OBSERVABLE INPUTS (LEVEL 2)	VALUATION TECHNIQUE – NON MARKET OBSERVABLE INPUTS (LEVEL 3)	TOTAL
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
FINANCIAL ASSETS								
Asset classified as held for sale	-	-	1,000	1,000	-	-	-	-
Foreign Exchange Contracts	-	32,566	-	32,566	-	1,596	-	1,596
	-	32,566	1,000	33,566	-	1,596	-	1,596
FINANCIAL LIABILITIES								
Foreign Exchange Contracts	-	127	-	127	-	6,801	-	6,801
	-	127	-	127	-	6,801	-	6,801

There have been no transfers between Level 1 and Level 2 during the financial year.

At 25 July 2015 and 26 July 2014 the fair value of cash and cash equivalents, short-term receivables and payables approximates their carrying value. The carrying value of interest bearing liabilities is assumed to approximate the fair value, being the amount at which the liability could be settled in a current transaction between willing parties.

Foreign exchange contracts are initially recognised in the statement of financial position at fair value on the date which the contract is entered into, and subsequently remeasured to fair value. Accordingly, the carrying amounts of forward exchange contracts approximate their fair values at the reporting date.

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.

	CONSOLIDATED	
	2015 $'000	2014 $'000
4 REVENUE AND OTHER INCOME		
REVENUE		
Revenue from sale of goods	945,706	888,426
Revenue from sale of goods to associate	1,956	4,144
TOTAL REVENUE FROM SALE OF GOODS	947,662	892,570
OTHER REVENUE		
Membership program fees	385	465
Other sundry revenue	17	20
INTEREST		
Other persons	9,680	10,848
Associate	148	291
Total Interest	9,828	11,139
TOTAL OTHER REVENUE	10,230	11,624
TOTAL REVENUE	957,892	904,194
OTHER INCOME		
Gain on ineffective cash flow hedges	2,224	-
Royalty and licence fees		
Other persons	99	821
Associate	-	266
Insurance proceeds	159	427
Other	1,495	384
TOTAL OTHER INCOME	3,977	1,898
TOTAL INCOME	961,869	906,092

	NOTES	CONSOLIDATED 2015 $'000	2014 $'000
5 EXPENSES AND LOSSES			
EXPENSES			
DEPRECIATION AND IMPAIRMENT OF NON-CURRENT ASSETS			
Depreciation of property, plant and equipment	12	21,797	21,132
Amortisation of property, plant and equipment under lease	12	47	47
Impairment of property, plant and equipment	12	771	697
TOTAL DEPRECIATION AND IMPAIRMENT OF NON-CURRENT ASSETS		22,615	21,876
AMORTISATION OF NON-CURRENT ASSETS			
Amortisation of leasehold premiums	13	62	65
TOTAL DEPRECIATION, IMPAIRMENT AND AMORTISATION		22,677	21,941
FINANCE COSTS			
Finance charges payable under finance leases		28	25
Interest on bank loans and overdraft		5,697	6,245
Provision for discount adjustment on onerous leases		13	41
TOTAL FINANCE COSTS		5,738	6,311
OPERATING LEASE EXPENSES			
Minimum lease payments – operating leases		163,543	154,541
Contingent rentals		30,269	27,642
TOTAL OPERATING LEASE EXPENSES		193,812	182,183
OTHER EXPENSES INCLUDE:			
Share-based payments expense		801	898
Foreign exchange losses		73	345
Loss on ineffective cash flow hedges		-	625
Net loss on disposal of property, plant and equipment		758	426

SUPPLY CHAIN TRANSFORMATION

In the 2014 financial year, the Group consolidated its Australian Distribution Centres into one national distribution centre in Truganina, Victoria. As a result of this transformation, expenses totalling $4.5 million were incurred in the 2014 financial year.

5 EXPENSES AND LOSSES (CONTINUED)

EXPENSE ASSOCIATED WITH DISPOSAL OF ASSET HELD FOR SALE

During the year, the Group resolved to dispose of its 50% interest in a joint venture entity, Just Kor Fashion Group (Pty) Ltd, which is involved in retailing of the Jay Jays concept in South Africa. The commercial terms of the sale has been agreed as at year-end, with transfer of the consideration completed in August 2015.

As a result of the disposal, the Group reclassified its investment in associate to an asset classified as held for sale in the current financial year. The Group incurred an impairment loss of $765,000 on revaluing its investment classified as held for sale at fair value. Other costs associated with the sale of the investment amounted to $959,000.

Refer to note 11 for further information on the asset held for sale at year-end.

		CONSOLIDATED	
		2015 $'000	2014 $'000
6	**INCOME TAX**		
	The major components of income tax expense are:		
(a)	*INCOME TAX RECOGNISED IN PROFIT AND LOSS*		
	CURRENT INCOME TAX		
	Current income tax charge	30,776	25,936
	Adjustment in respect of current income tax of previous years	(1,031)	(74)
	DEFERRED INCOME TAX		
	Relating to origination and reversal of temporary differences	(1,057)	(497)
	Adjustments in respect of current income tax of previous years	155	-
	INCOME TAX EXPENSE REPORTED IN THE STATEMENT OF COMPREHENSIVE INCOME	28,843	25,365
(b)	*STATEMENT OF CHANGES IN EQUITY*		
	Deferred income tax related to items charged (credited) directly to equity:		
	Net deferred income tax on movements on cash-flow hedges	10,612	(6,431)
	INCOME TAX EXPENSE (BENEFIT) REPORTED IN EQUITY	10,612	(6,431)

		CONSOLIDATED	
		2015 $'000	2014 $'000
6	**INCOME TAX (CONTINUED)**		
(c)	*NUMERICAL RECONCILIATION BETWEEN AGGREGATE TAX EXPENSE RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME AND TAX EXPENSE CALCULATED PER THE STATUTORY INCOME TAX RATE*		
	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	116,945	98,365
	At the Parent Entity's statutory income tax rate of 30% (2014: 30%)	35,084	29,510
	Adjustment in respect of current income tax of previous years	(1,031)	(74)
	Effect of exchange rates	(337)	(358)
	Expenditure not allowable for income tax purposes	43	39
	Effect of different rates of tax on overseas income	(533)	29
	Income not assessable for tax purposes	(3,849)	(3,761)
	Other	(534)	(20)
	AGGREGATE INCOME TAX EXPENSE	28,843	25,365
(d)	*RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES*		
	DEFERRED TAX RELATES TO THE FOLLOWING:		
	Intangibles	-	(969)
	Foreign currency balances	(5)	204
	Potential capital gains tax on financial investments	(46,322)	(44,637)
	Deferred gains and losses on foreign exchange contracts	(9,731)	1,589
	Inventory provisions	13	468
	Deferred income	5,100	3,962
	Employee provisions	5,109	4,874
	Other receivables and prepayments	(262)	(96)
	Property, plant and equipment	(4,817)	(6,539)
	R&D depreciation equipment	-	(33)
	Leased plant and equipment	(4)	(18)
	Other	106	736
	Lease liability	4	20
	NET DEFERRED TAX LIABILITIES	(50,809)	(40,439)

	CONSOLIDATED 2015 $'000	CONSOLIDATED 2014 $'000
6 INCOME TAX (CONTINUED)		
(d) RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)		
REFLECTED IN THE STATEMENT OF FINANCIAL POSITION AS FOLLOWS:		
Deferred tax assets	3,745	12,147
Deferred tax liabilities	(54,554)	(52,586)
NET DEFERRED TAX LIABILITIES	(50,809)	(40,439)
7 DIVIDENDS PAID AND PROPOSED		
RECOGNISED AMOUNTS		
Declared and paid during the year		
Interim franked dividends for 2015:		
21 cents per share (2014: 20 cents)	32,823	31,063
Special franked dividends for 2015:		
9 cents per share (2014: nil)	14,067	-
Final franked dividends for 2014:		
20 cents per share (2013: 19 cents)	31,143	29,499
UNRECOGNISED AMOUNTS		
Final franked dividend for 2015:		
21 cents per share (2014: 20 cents)	32,840	31,143
FRANKING CREDIT BALANCE		
The amount of franking credits available for the subsequent financial year are:		
- franking account balance as at the end of the financial year at 30% (2014: 30%)	193,190	204,477
- franking credits that will arise from the payment of income tax payable (receivable) as at the end of the financial year	29,042	23,035
- franking debits that will arise from the payment of dividends as at the end of the financial year	(14,074)	(13,347)
TOTAL FRANKING CREDIT BALANCE	208,158	214,165

The tax rate at which paid dividends have been franked is 30% (2014: 30%). Dividends proposed will be franked at the rate of 30% (2014: 30%).

	CONSOLIDATED	
	2015 $'000	2014 $'000

8 TRADE AND OTHER RECEIVABLES

CURRENT		
Sundry debtors	12,963	11,002
Associate	1,378	1,153
Carrying amount of trade and other receivables	14,341	12,155
NON-CURRENT		
Associate	-	1,004
Carrying amount of trade and other receivables	-	1,004

(a) *Impairment losses*

Receivables are non-interest-bearing and are generally on 30 to 60 day terms. A provision for impairment loss is recognised where there is objective evidence that an individual receivable balance is impaired. No impairment loss has been recognised by the Group during the financial year ended 25 July 2015 (2014: $nil). During the year, no bad debt expense (2014: $nil) was recognised.

Other balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

(b) *Related party receivables*

For terms and conditions of related party receivables refer to Note 27.

(c) *Fair value and credit risk*

Due to the short-term nature of these receivables, their carrying value is assumed to approximate their fair value.

(d) *Foreign exchange and interest rate risk*

Detail regarding foreign exchange and interest rate risk is disclosed in Note 3.

	CONSOLIDATED	
	2015 $'000	2014 $'000

9 INVENTORIES

The valuation policy adopted in respect of the following is set out in Note 2(l)		
Raw materials	-	491
Finished goods	111,814	98,005
TOTAL INVENTORIES AT THE LOWER OF COST AND NET REALISABLE VALUE	111,814	98,496

		CONSOLIDATED	
		2015 $'000	2014 $'000
10	**OTHER ASSETS**		
	CURRENT		
	Deposits and prepayments	6,309	5,215
	TOTAL OTHER CURRENT ASSETS	6,309	5,215
11	**ASSET CLASSIFIED AS HELD FOR SALE**		
	Investment in Just Kor Fashion Group (Pty) Ltd	1,000	-
	TOTAL ASSETS HELD FOR SALE	1,000	-

INVESTMENT IN JUST KOR FASHION GROUP (PTY) LTD

Just Jeans Group Pty Ltd, a subsidiary of Premier Investments Limited, has a 50% interest in a joint venture entity, Just Kor Fashion Group (Pty) Ltd, which is involved in retailing of the Jay Jays concept in South Africa. During the second half of the year, the Group resolved to dispose of its 50% interest in the joint venture entity. As a result of the disposal, the group ceased equity accounting for its investment in the joint venture and classified the fair value of the investment as an asset held for sale.

The commercial terms of the sale was agreed at the end of the financial year, with settlement of the fair value completed in August 2015.

As a result of the reclassification from investment in associate to asset held for sale, and the subsequent revaluing to fair value of the asset held for sale, an impairment loss of $765,000 was recognised in the current financial year.

Refer to note 14 for further details of the amounts previously recognised as an investment in associate.

The investment in the joint venture formed part of the Retail Operating Segment in the financial statements. Refer to note 22, Operating Segments.

		CONSOLIDATED	
		2015 $'000	2014 $'000
12	**PROPERTY, PLANT AND EQUIPMENT**		
	Land – at cost	3,203	3,203
	Buildings – at cost	14,985	14,985
	Less: accumulated depreciation and impairment	(432)	(57)
	Total	14,553	14,928
	Plant and equipment – at cost	213,916	192,492
	Less: accumulated depreciation and impairment	(110,075)	(101,654)
	Total	103,841	90,838
	Capitalised leased assets – at cost	343	343
	Less: accumulated depreciation and impairment	(331)	(284)
	Total	12	59
	Capital works in progress	1,928	-
	TOTAL PROPERTY, PLANT AND EQUIPMENT	123,537	109,028

	NOTES	CONSOLIDATED 2015 $'000	CONSOLIDATED 2014 $'000
12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)			
RECONCILIATIONS			
Reconciliations of the carrying amounts for each class of plant and equipment are set out below:			
Land			
At beginning of the financial year		3,203	-
Additions		-	3,203
Net carrying amount at end of financial year		3,203	3,203
Buildings			
At beginning of financial year		14,928	-
Transferred from capital works in progress		-	2,173
Additions		-	12,812
Depreciation	5	(375)	(57)
Net carrying amount at end of financial year		14,553	14,928
Plant and equipment			
At beginning of the financial year		90,838	81,123
Additions		34,598	32,149
Disposals		(857)	(845)
Exchange differences		1,455	433
Impairment – plant and equipment	5	(771)	(697)
Impairment – supply chain transformation	5	-	(250)
Depreciation	5	(21,422)	(21,075)
Net carrying amount at end of financial year		103,841	90,838
Leased plant and equipment			
At beginning of the financial year		59	106
Amortisation	5	(47)	(47)
Net carrying amount at end of financial year		12	59
Capital works in progress			
At beginning of the financial year		-	2,173
Transferred to Buildings		-	(2,173)
Additions		1,928	-
Net carrying amount at end of financial year		1,928	-
TOTAL PROPERTY PLANT AND EQUIPMENT		123,537	109,028

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

LAND AND BUILDINGS

The land and buildings with a combined carrying amount of $17,756,000 have been pledged to secure certain interest-bearing borrowings of the Group (refer to note 16).

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

On an individual store basis, identified to be the cash-generating units (CGU) of the Group's retail segment, the recoverable amount was estimated for certain items of plant and equipment. The recoverable amount estimation was based on a value in use calculation and was determined at the CGU level.

These calculations use cash flow projections based on financial budgets approved by management, covering a five year period. Cash flows beyond the five year period are extrapolated using the growth rate stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The post-tax discount rate applied to the cash flow projections is 10.5% (2014: 10.5%) and the cash flows beyond the five year period are extrapolated using a growth rate of 3% (2014: 3%). The discount rate used reflects management's estimate of the time value of money and risks specific to each unit not already reflected in the cash flow. In determining the appropriate discount rate, regard has been given to the weighted average cost of capital for the retail segment.

When considering the recoverable amount, the net present value of cash flows has been compared to reasonable earnings multiples for comparable companies. An impairment review was conducted based on a store by store review. As a result, a net impairment loss of $771,000 was recognised during the financial year (2014: $697,000).

13 INTANGIBLES

RECONCILIATION OF CARRYING AMOUNTS AT THE BEGINNING AND END OF THE PERIOD

	CONSOLIDATED				
	GOODWILL $'000	BRAND NAMES $'000	TRADEMARK $'000	LEASEHOLD PREMIUMS $'000	TOTAL $'000
YEAR ENDED 25 JULY 2015					
As at 27 July 2014 net of accumulated amortisation and impairment	477,085	376,179	1,282	26	854,572
Additions	-	-	-	158	158
Trademark registrations	-	-	42	-	42
Amortisation	-	-	-	(62)	(62)
Exchange differences	-	-	-	1	1
As at 25 July 2015 net of accumulated amortisation and impairment	477,085	376,179	1,324	123	854,711
AS AT 25 JULY 2015					
Cost (gross carrying amount)	477,085	376,179	1,324	965	855,553
Accumulated amortisation and impairment	-	-	-	(842)	(842)
Net carrying amount	477,085	376,179	1,324	123	854,711
YEAR ENDED 26 JULY 2014					
As at 28 July 2013 net of accumulated amortisation and impairment	477,085	376,179	1,176	89	854,529
Trademark registrations	-	-	106	-	106
Amortisation	-	-	-	(65)	(65)
Exchange differences	-	-	-	2	2
As at 26 July 2014 net of accumulated amortisation and impairment	477,085	376,179	1,282	26	854,572
AS AT 26 JULY 2014					
Cost (gross carrying amount)	477,085	376,179	1,282	797	855,343
Accumulated amortisation and impairment	-	-	-	(771)	(771)
Net carrying amount	477,085	376,179	1,282	26	854,572

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.

Brand names with a carrying value of approximately $376,179,000 are assessed as having an indefinite useful life. The indefinite-useful life reflects management's intention to continue to operate these brands to generate net cash inflows into the foreseeable future.

13 INTANGIBLES (CONTINUED)

IMPAIRMENT TESTING OF GOODWILL

Impairment of goodwill acquired in a business combination is determined by assessing the recoverable amount of the cash-generating units (CGU) to which it relates. When the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised.

The key factors contributing to the goodwill relate to the synergies existing within the acquired business and also synergies expected to be achieved as a result of combining Just Group Limited with the rest of the Group. Accordingly, goodwill is assessed at a retail segment level.

The recoverable amount of the CGU has been determined based upon a value in use calculation, using cash flow projections as at July 2015 for a period of five years plus a terminal value. The cash flow projections are based on financial estimates approved by the senior management and the Board for the 2015 financial year and are projected for a further four years based on estimated growth rates of 3.4% (2014: 3.4% to 3.5%). As part of the annual impairment test for goodwill, management assesses the reasonableness of growth rate assumptions by reviewing historical cash flow projections as well as future growth objectives.

Cash flows beyond the five year period are extrapolated using a growth rate of 3% (2014: 3%) which reflects the long-term growth expectation beyond the five year projection.

The post-tax discount rate applied to these cash flow projections is 10.7% (2014: 10.8%). The discount rate has been determined using the weighted average cost of capital which incorporates both the cost of debt and the cost of capital.

Management has considered the possible change in expected sales growth, forecast Earnings Before Interest, Tax and Amortisation (EBITA) and discount rates applied within the CGU to which goodwill relate, each of which have been subject to sensitivities. A reasonably possible adverse change in these key assumptions on which the recoverable amount is based would not cause the carrying amount of the CGU to exceed its recoverable amount.

IMPAIRMENT TESTING OF BRAND NAMES

Brand names acquired through business combinations have been allocated to the following CGU groups ($'000) as no individual brand name is considered significant:

- Casual wear - $188,975
- Women's wear - $137,744
- Non Apparel - $49,460

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 the relief from royalty method using cash flow projections as at July 2015 for a period of five years plus a terminal value. The cash flow projections are based on financial estimates approved by senior management and the Board for the 2016 financial year and are projected for a further four years based on estimated growth rates.

The extrapolated growth rates at which cash flows have been discounted for the individual brands within each of the CGU groups have been summarised in the table on the following page. Cash flows beyond the five year period are extrapolated using a growth rate of 3% (2014: 3%), which reflects the long-term growth expectation beyond the five year projection.

13 INTANGIBLES (CONTINUED)

IMPAIRMENT TESTING OF BRAND NAMES (CONTINUED)

The extrapolated growth rates at which cash flows have been discounted or the individual brands within each of the CGU groups have been summarised below:

CGU	*AVERAGE GROWTH RATES APPLIED TO PROJECTED CASH FLOWS*	*TERMINAL VALUE GROWTH RATE*
Casual wear	3% to 4%	3%
Women's wear	3% to 5%	3%
Non Apparel	4% to 8%	3%

As part of the annual impairment test for brand names, management assesses the reasonableness of growth rate assumptions by reviewing historical cash flow projections as well as future growth objectives.

The post-tax discount rate applied to the cash flow projections for each of the three CGU groups is 9.7% (2014: 9.8%). The discount rate has been determined using the weighted average cost of capital which incorporates both the cost of debt and cost of capital.

Royalty rates have been determined for each brand within the CGU groups by considering the brand's history and future expected performance. Factors such as the profitability of the brand, market share, brand recognition and general conditions in the industry have also been considered in determining an appropriate royalty rate for each brand. Consideration is also given to the industry norms relating to royalty rates by analysing market derived data for comparable brands and by considering the notional royalty payments as a percentage of the divisional earnings before interest and taxation generated by the division in which the Brand names are used. Net royalty rates applied across the three CGU groups range between 3.5% and 8.5% (2014: 3.5% and 8.5%).

Management has considered reasonably possible adverse changes in key assumptions applied to brands within the relevant CGU groups, each of which have been subjected to sensitivities.

A brand within the Casual Wear CGU group with a carrying value of $112.2 million, which approximates its recoverable amount, indicated sensitivity to a reasonably possible adverse change in forecast sales growth, as well as indicating sensitivity to a reasonably possible adverse change to the post-tax discount rate applied to the cash flow projections.

It is estimated that a 7% reduction in forecast sales growth could result in a decrease in the recoverable amount of the brand within the particular CGU group leading to a potential impairment of $9 million. Similarly, an estimated 50 basis point increase in the 9.7% post-tax discount rate applied to the cash flow projections could result in a decrease in the recoverable amount of the brand within the CGU group leading to a possible impairment of $8.9 million. The potential impairment losses as a result of the reasonably possible adverse changes to these key assumptions are not considered material to the overall recoverable amount of the CGU group to which the brand relates.

One brand within the Women's Wear CGU group with a carrying value of $31.6 million, which approximates its recoverable amount, indicated sensitivity to a reasonably possible adverse change to the post-tax discount rate applied to the cash flow projections.

An estimated 50 basis point increase in the 9.7% post-tax discount rate applied to the cash flow projections could result in a decrease in the recoverable amount of the brand within the CGU group leading to a possible impairment of $2.8 million. The potential impairment loss as a result of the reasonably possible adverse changes to this key assumption is not considered material to the overall recoverable amount of the CGU group to which the brand relates.

	NOTE	CONSOLIDATED 2015 $'000	CONSOLIDATED 2014 $'000
14 INVESTMENTS IN ASSOCIATES			
Movements in carrying amounts			
Carrying amount at the beginning of the financial year		188,418	185,534
Increase in investment in associate		16,492	-
Share of profit after income tax		13,144	12,785
Share of other comprehensive income		2,728	(896)
Foreign currency translation of investment		88	(307)
Dividends received		(9,628)	(8,698)
Impairment loss on investment in associate	5	(765)	-
Transferred to asset classified as held for sale	11	(1,000)	-
Investments in associates		209,477	188,418

Just Kor Fashion Group (Pty) Ltd

Just Jeans Group Pty Ltd, a subsidiary of Premier Investments Limited, has a 50% interest in a joint venture entity, Just Kor Fashion Group (Pty) Ltd, which is involved in retailing of the Jay Jays concept in South Africa. Just Kor Fashion Group (Pty) Ltd is a small proprietary company incorporated in South Africa. Its functional currency is South African Rand.

During the second half of the year, the Group resolved to dispose of its 50% interest in the joint venture entity. As a result of the disposal, the Group ceased equity accounting for its investment in the joint venture and classified the fair value of the investment as an asset held for sale. The commercial terms of the sale was agreed at the end of the financial year, with transfer of the fair value completed in August 2015.

As a result of the reclassification from investment in associate to asset classified as held for sale and the subsequent revaluing to fair value, an impairment loss of $765,000 was recognised in the current financial year. Prior to classifying the investment as held for sale, the Group's share of the profit in its investment in the associate for the first half of the year was $311,850 (2014 financial year: $247,215).

The following table illustrates summarised financial information relating to the Group's investment in Just Kor Fashion Group (Pty) Ltd, as at the end of the financial year:

EXTRACT OF THE ASSOCIATE'S STATEMENT OF FINANCIAL POSITION	2015 $'000	2014 $'000
Current assets	-	8,422
Non-current assets	-	2,718
Total assets	-	11,140
Current liabilities	-	(5,666)
Non-current liabilities	-	(2,762)
Total liabilities	-	(8,428)
NET ASSETS		
Group's share of associates net assets	-	1,356

14 INVESTMENTS IN ASSOCIATES (CONTINUED)

Just Kor Fashion Group (Pty) Ltd (continued)

EXTRACT OF THE ASSOCIATE'S STATEMENT OF COMPREHENSIVE INCOME	26 WEEKS ENDED 26 JANUARY 2015 $'000	2014 $'000
Revenue	18,212	25,488
Profit after income tax	624	494
Group's share of profit after income tax	312	247

Breville Group Limited

As at 25 July 2015, Premier Investments Limited holds 27.5% (2014: 25.7%) of Breville Group Limited, a company incorporated in Australia whose shares are quoted on the Australian Stock Exchange. The principal activities of Breville Group Limited involves the innovation, development, marketing and distribution of small electrical appliances.

As at 25 July 2015, the fair value of the Group's interest in Breville Group Limited as determined based on the quoted market price was $228,873,056 (2014: $264,947,047).

There were no impairment losses relating to the investment in associate and no capital commitments or other commitments relating to the associate. The Group's share of the profit after tax in its investment in associate for the year was $12,832,332 (2014: $12,537,482).

The financial year end date of Breville Group Limited is 30 June. For the purpose of applying the equity method of accounting, the financial statements of Breville Group Limited for the year ended 30 June 2015 have been used.

The following table illustrates summarised financial information relating to the Group's investment in Breville Group Limited:

EXTRACT OF THE ASSOCIATE'S STATEMENT OF FINANCIAL POSITION	30 JUNE 2015 $'000	30 JUNE 2014 $'000
Current assets	254,808	247,347
Non-current assets	106,464	88,915
Total assets	361,272	336,262
Current liabilities	(102,626)	(97,909)
Non-current liabilities	(27,241)	(25,307)
Total liabilities	(129,867)	(123,216)
NET ASSETS		
Group's share of associate's net assets	63,613	54,775

EXTRACT OF THE ASSOCIATE'S STATEMENT OF COMPREHENSIVE INCOME	30 JUNE 2015 $'000	30 JUNE 2014 $'000
Revenue	527,036	541,615
Profit after income tax	46,680	48,765
Other comprehensive (loss) income	9,889	(3,448)
Group's share of profit after income tax	12,832	12,538

	CONSOLIDATED 2015 $'000	CONSOLIDATED 2014 $'000
15 TRADE AND OTHER PAYABLES		
CURRENT		
Trade creditors	38,162	35,118
Other creditors and accruals	35,561	27,402
TOTAL CURRENT	73,723	62,520

(a) *Fair values*

Due to the short-term nature of these payables, their carrying value is equal to their fair value.

(b) *Interest rate, foreign exchange rate and liquidity risk*

Detail regarding interest rate, foreign exchange and liquidity risk is disclosed in Note 3.

	NOTES	CONSOLIDATED 2015 $'000	CONSOLIDATED 2014 $'000
16 INTEREST-BEARING LIABILITIES			
CURRENT			
Lease liability	23	14	52
Bank loans* unsecured		-	82,000
Bank loans* unsecured (NZ$20.0 million)		-	18,477
Net bank loans		-	100,477
TOTAL CURRENT		14	100,529
NON-CURRENT			
Lease liability	23	-	14
Bank loans ** secured		19,000	19,000
Bank loans* unsecured		67,623	-
Bank loans* unsecured (NZ$20.0 million)		18,018	-
		104,641	19,000
TOTAL NON-CURRENT		104,641	19,014

* Bank loans are subject to a negative pledge and cross guarantee within the Just Group Ltd group. Premier Investments Limited is not a participant or guarantor of the Just Group Ltd financing facilities. During the current financial year the Group's core debt facility relating to its unsecured bank loans were refinanced for a further three years.

** Premier Investments Limited obtained a bank borrowing amounting to $19 million. The borrowing is secured by a mortgage over the Land and Buildings, representing the National Distribution Centre in Truganina, Victoria. The borrowing is repayable in full at the end of 5 years, being January 2019.

(a) *Fair values*

The carrying value of the Group's current and non-current borrowings approximates their fair value.

(b) *Interest rate, foreign exchange rate and liquidity risk*

Detail regarding interest rate, foreign exchange and liquidity risk is disclosed in Note 3.

(c) *Defaults and breaches*

During the current and prior years, there were no defaults or breaches on any of the loans.

		CONSOLIDATED	
		2015 $'000	2014 $'000
17	PROVISIONS		
	CURRENT		
	Employee entitlements – Annual Leave	10,209	10,011
	Employee entitlements – Long Service Leave	5,189	4,906
	Supply chain transformation	497	1,100
	Onerous leases	202	541
	TOTAL CURRENT	16,097	16,558
	NON-CURRENT		
	Employee entitlements – Long Service Leave	1,782	1,462

MOVEMENTS IN PROVISIONS

Supply chain transformation		
Opening balance	1,100	-
Charged to Profit and Loss	-	4,482
Utilised during the period	(603)	(3,382)
Closing balance	497	1,100
Onerous leases		
Opening balance	541	1,551
Charged to Profit and Loss	36	248
Utilised during the period	(375)	(1,258)
Closing balance	202	541

NATURE AND TIMING OF PROVISIONS

Supply chain transformation, onerous lease and employee entitlements provisions

Refer to note 2(u), 2(v), 2(w) and 2(x) for the relevant accounting policy and a discussion of significant estimations and assumptions applied in the measurement of these provisions.

		CONSOLIDATED	
		2015 $'000	2014 $'000
18	OTHER LIABILITIES		
	CURRENT		
	Deferred income	5,635	4,221
	TOTAL CURRENT	5,635	4,221
	NON-CURRENT		
	Deferred income	12,411	9,077
	TOTAL NON-CURRENT	12,411	9,077

		CONSOLIDATED	
		2015 $'000	2014 $'000
19	**CONTRIBUTED EQUITY**		
	Ordinary shares	608,615	608,615

		NO. ('000)	$'000
(a)	*MOVEMENTS IN SHARES ON ISSUE*		
	Shares on issue 27 July 2014	155,714	608,615
	Shares issued during the year (i)	666	-
	Shares on issue at 25 July 2015	156,380	608,615
	Shares on issue 28 July 2013	155,260	608,615
	Shares issued during the year (i)	454	-
	Shares on issue at 26 July 2014	155,714	608,615

Fully paid ordinary shares carry one vote per share and carry the rights to dividends.

(i) A total of 665,201 shares (2014: 454,396) were issued in relation to the performance rights plan.

(b) *CAPITAL MANAGEMENT*

The Group's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders. The Group also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

The capital structure of the Group consists of debt which includes borrowings as disclosed in Note 16, cash and cash equivalents as disclosed in Note 26 and equity attributable to the equity holders of the parent comprising of issued capital, reserves and retained profits as disclosed in Notes 19, 20 and 21 respectively.

The Group operates primarily through its two business segments, investments and retail. The investments segment is managed and operated through the parent company. The retail segment operates through subsidiaries established in their respective markets and maintains a central borrowing facility through a subsidiary, to meet the retail segment's funding requirements and to enable the Group to find the optimal debt and equity balance.

The Group's capital structure is reviewed on a periodic basis in the context of prevailing market conditions, and appropriate steps are taken to ensure the Group's capital structure and capital management initiatives remain in line with the Board's objectives.

The Group maintains that the dividend paid will represent at least 65% of net profit after tax.

(c) *EXTERNALLY IMPOSED CAPITAL REQUIREMENTS*

Just Group Ltd, a subsidiary of Premier Investments Limited, is subject to a number of financial undertakings as part of its financing facility agreement. These undertakings have been satisfied during the period.

The Group is not subject to any capital requirements imposed by regulators or other prudential authorities.

		CONSOLIDATED	
		2015 $'000	2014 $'000
20	**RESERVES**		
	RESERVES COMPRISE:		
	Capital profits reserve (a)	464	464
	Foreign currency translation reserve (b)	6,480	2,334
	Cash flow hedge reserve (c)	21,197	(3,565)
	Performance rights reserve (d)	4,082	3,281
	TOTAL RESERVES	32,223	2,514
(a)	*CAPITAL PROFITS RESERVE*		
	(i) Nature and purpose of reserve		
	The capital profits reserve is used to accumulate realised capital profits. There were no movements through the capital profits reserve.		
(b)	*FOREIGN CURRENCY TRANSLATION RESERVE*		
	(i) Nature and purpose of reserve		
	This reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.		
	(ii) Movements in the reserve		
	Opening balance	2,334	2,502
	Foreign currency translation of overseas subsidiaries	1,418	728
	Net movement in associate entity's reserves	2,728	(896)
	CLOSING BALANCE	6,480	2,334
(c)	*CASH FLOW HEDGE RESERVE*		
	(i) Nature and purpose of reserve		
	This reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.		
	(ii) Movements in the reserve		
	Opening balance	(3,565)	11,440
	Net losses on cash flow hedges	19,251	(5,355)
	Transferred to (from) statement of financial position/comprehensive income	16,123	(16,081)
	Net deferred income tax movement on cash flow hedges	(10,612)	6,431
	CLOSING BALANCE	21,197	(3,565)

	CONSOLIDATED	
	2015 $'000	2014 $'000

20 RESERVES (CONTINUED)

(d) *PERFORMANCE RIGHTS RESERVE*

(i) Nature and purpose of reserve

This reserve is used to record the cumulative amortised value of performance rights issued to key senior employees net of the value of performance shares acquired under the performance rights plan.

(ii) Movements in the reserve

	2015 $'000	2014 $'000
Opening balance	3,281	2,383
Performance rights expense for the year	801	898
CLOSING BALANCE	4,082	3,281

21 RETAINED EARNINGS

	2015 $'000	2014 $'000
Opening balance	687,400	674,962
Net profit for the period attributable to owners	88,102	73,000
Dividends paid	(78,033)	(60,562)
CLOSING BALANCE	697,469	687,400

22 OPERATING SEGMENTS

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 investments in securities for both long and short term gains, dividend income and interest.

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.

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.

The following table presents revenue and profit information for reportable segments for the period ended 25 July 2015 and 26 July 2014.

22 OPERATING SEGMENTS (CONTINUED)

(a) OPERATING SEGMENTS

	RETAIL		INVESTMENT		ELIMINATION		TOTAL	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
REVENUE								
Sale of goods	947,662	892,570	-	-	-	-	947,662	892,570
Interest revenue	390	449	9,438	10,690	-	-	9,828	11,139
Other revenue	388	470	48,014	45,015	(48,000)	(45,000)	402	485
Other income	3,751	1,898	226	-	-	-	3,977	1,898
Total Segment Income	952,191	895,387	57,678	55,705	(48,000)	(45,000)	961,869	906,092
Total income per the statement of comprehensive income							**961,869**	**906,092**
RESULTS								
Depreciation and amortisation	21,906	21,244	-	-	-	-	21,906	21,244
Impairment of property plant and equipment	771	697	-	-	-	-	771	697
Interest expense	5,738	6,311	-	-	-	-	5,738	6,311
Supply chain transformation expense	-	4,482	-	-	-	-	-	4,482
Disposal of asset held for sale	1,724	-	-	-	-	-	1,724	-
Share of profit of associates	312	247	12,832	12,538	-	-	13,144	12,785
Segment profit before income tax expense	**98,958**	**79,299**	**65,987**	**64,066**	**(48,000)**	**(45,000)**	**116,945**	**98,365**
Income tax expense							(28,843)	(25,365)
Net profit after tax per the statement of comprehensive income							**88,102**	**73,000**
ASSETS AND LIABILITIES								
Segment assets	433,169	378,808	1,278,659	1,279,885	(72,756)	(62,754)	1,639,072	1,595,939
Segment liabilities	251,239	247,203	76,268	68,298	(26,742)	(18,091)	300,765	297,410
Capital expenditure	36,526	48,164	-	-	-	-	36,526	48,164

22 OPERATING SEGMENT (CONTINUED)

(b) GEOGRAPHIC SEGMENTS

	AUSTRALIA		NEW ZEALAND		SINGAPORE		UNITED KINGDOM		TOTAL		ELIMINATIONS		CONSOLIDATED	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
REVENUE														
Sale of goods	784,802	752,505	122,170	119,561	20,893	18,393	19,797	2,111	947,662	892,570	-	-	947,662	892,570
Other revenue and income	13,529	13,454	664	39	-	14	14	15	14,207	13,522	-	-	14,207	13,522
Segment income	798,331	765,959	122,834	119,600	20,893	18,407	19,811	2,126	961,869	906,092	-	-	961,869	906,092
Segment non-current assets	1,223,391	1,203,680	8,006	8,730	2,816	2,868	13,368	4,465	1,247,581	1,219,743	(54,340)	(54,495)	1,193,241	1,165,248
Capital expenditure	25,954	42,615	2,039	980	556	270	7,977	4,299	36,526	48,164	-	-	36,526	48,164

	NOTES	CONSOLIDATED 2015 $'000	CONSOLIDATED 2014 $'000
23 EXPENDITURE COMMITMENTS			
LEASE EXPENDITURE COMMITMENTS			
(i) OPERATING LEASES			
Payable within one year		108,283	101,646
Payable within one to five years		179,102	138,965
Payable in more than five years		44,396	13,554
Total operating leases		331,781	254,165
(ii) FINANCE LEASES			
Total lease liability – current	16	14	52
Total lease liability – non-current	16	-	14
Total finance leases		14	66
FINANCE LEASE COMMITMENTS			
Payable within one year		14	55
Payable within one to five years		-	14
Minimum lease payments		14	69
Less future finance charges		-	(3)
TOTAL LEASE LIABILITY		14	66

The Group has entered into commercial operating leases on certain land and buildings, motor vehicles and items of plant and equipment. These leases have an average life of five years.

The Group has finance leases for various items of plant and equipment. These leases have an average term of four years with the option to purchase the asset at the completion of the lease term for the asset's market value.

		CONSOLIDATED	
		2015 $	2014 $
24	**KEY MANAGEMENT PERSONNEL**		
	COMPENSATION FOR KEY MANAGEMENT PERSONNEL		
	Short-term employee benefits	8,088,880	6,206,092
	Post-employment benefits	189,095	160,528
	Termination benefits	-	-
	Share-based payments	530,220	795,121
	TOTAL	8,808,195	7,161,741

Information regarding individual key management personnel compensation, shareholdings of key management personnel, as well as other transactions and balances with key management personnel and their related parties, as required by Regulation 2M.3.03 of the *Corporations Regulations 2001* is provided in the Remuneration Report section of the Directors' Report.

		CONSOLIDATED	
		2015 $	2014 $
25	**AUDITOR'S REMUNERATION**		
	The auditor of Premier Investments Limited is Ernst & Young. Amounts received, or due and receivable, by Ernst & Young (Australia) for:		
	- An audit or review of the financial report of the entity and any other entity in the consolidated group.	526,757	431,210
	Other services in relation to the entity and any other entity in the consolidated group:		
	- Other Non-Audit Services	76,600	46,218
	Total – Other services	76,600	46,218
	TOTAL AUDITOR'S REMUNERATION	603,357	477,428

		CONSOLIDATED	
		2015 $'000	2014 $'000
26	NOTES TO THE STATEMENT OF CASH FLOWS		
(a)	*RECONCILIATION OF CASH AND CASH EQUIVALENTS*		
	Cash at bank and in hand	35,099	27,187
	Short-term deposits	246,473	286,121
	TOTAL CASH ASSETS AND CASH EQUIVALENTS	281,572	313,308
(b)	*RECONCILIATION OF NET CASH FLOWS FROM OPERATIONS TO NET PROFIT AFTER INCOME TAX*		
	Net profit for the period	88,102	73,000
	Adjustments for:		
	Amortisation	109	112
	Depreciation	21,797	21,132
	Impairment and write-off of non-current assets	1,536	947
	Foreign exchange losses	73	345
	Share of profit of associates	(13,144)	(12,785)
	Finance charges on capitalised leases	28	25
	Borrowing costs	153	387
	Net loss on disposal of property, plant and equipment	758	426
	Share-based payments expense	801	898
	Movement in cash flow hedge reserve	24,762	(15,005)
	Net exchange differences	(716)	(276)
	Changes in assets and liabilities net of the effects from acquisition and disposal of businesses:		
	Decrease in provisions	(141)	(211)
	Increase (decrease) in deferred tax liabilities	1,968	(5,709)
	Increase in trade and other payables	18,858	15,176
	(Decrease) increase in other financial liabilities	(6,674)	6,614
	Decrease in deferred income	(4,420)	(1,692)
	Increase in trade and other receivables	(898)	(7,244)
	Increase in other current assets	(1,094)	(539)
	Increase in inventories	(13,318)	(14,537)
	(Increase) decrease in other financial assets	(30,970)	15,446
	Decrease (increase) in deferred tax assets	8,402	(1,219)
	Increase in income tax payable	7,139	11,179
	NET CASH FLOWS FROM OPERATING ACTIVITIES	103,111	86,470

	CONSOLIDATED	
	2015 $'000	2014 $'000

26 NOTES TO THE STATEMENT OF CASH FLOWS (CONTINUED)

(c) FINANCE FACILITIES

	2015 $'000	2014 $'000
Working capital and bank overdraft facility		
Used	-	-
Unused	11,800	12,000
	11,800	12,000
Finance facility		
Used	105,018	119,477
Unused	53,982	39,523
	159,000	159,000
Bank guarantee facility		
Used	188	607
Unused	12	1,393
	200	2,000
Interchangeable facility		
Used	3,899	2,134
Unused	4,101	5,866
	8,000	8,000
Leasing facility		
Used	14	66
Unused	-	-
	14	66
Total facilities		
Used	109,119	122,284
Unused	69,895	58,782
TOTAL	179,014	181,066

27 RELATED PARTY DISCLOSURES

The consolidated financial statements include the financial statements of Premier Investments Limited and the subsidiaries listed in the following table:

(a) *SUBSIDIARIES*

	COUNTRY OF INCORPORATION	2015 INTEREST HELD	2014 INTEREST HELD
Kimtara Investments Pty Ltd	Australia	100%	100%
Premfin Pty Ltd	Australia	100%	100%
Springdeep Investments Pty Ltd	Australia	100%	100%
Prempref Pty Ltd	Australia	100%	100%
Metalgrove Pty Ltd	Australia	100%	100%
Just Group Limited	Australia	100%	100%
Just Jeans Group Pty Limited	Australia	100%	100%
Just Jeans Pty Limited	Australia	100%	100%
Jay Jays Trademark Pty Limited	Australia	100%	100%
Just-Shop Pty Limited	Australia	100%	100%
Peter Alexander Sleepwear Pty Limited	Australia	100%	100%
Old Blues Pty Limited	Australia	100%	100%
Kimbyr Investments Limited	New Zealand	100%	100%
Jacqui E Pty Limited	Australia	100%	100%
Jacqueline-Eve Fashions Pty Limited	Australia	100%	100%
Jacqueline-Eve (Hobart) Pty Limited	Australia	100%	100%
Jacqueline-Eve (Retail) Pty Limited	Australia	100%	100%
Jacqueline-Eve (Leases) Pty Limited	Australia	100%	100%
Sydleigh Pty Limited	Australia	100%	100%
Old Favourites Blues Pty Limited	Australia	100%	100%
Urban Brands Pty Ltd	Australia	100%	100%
Portmans Pty Limited	Australia	100%	100%
Dotti Pty Ltd	Australia	100%	100%
Smiggle Pty Limited	Australia	100%	100%
Just Group International Pty Limited **	Australia	100%	100%
Smiggle Singapore Pte Ltd	Singapore	100%	100%
Just Group International HK Limited**	Hong Kong	100%	100%
Smiggle HK Limited**	Hong Kong	100%	100%
Just Group USA Inc.**	USA	100%	100%
Peter Alexander USA Inc.**	USA	100%	100%
Smiggle USA Inc.**	USA	100%	100%
Just UK International Limited**	UK	100%	100%
Smiggle UK Limited	UK	100%	100%
Peter Alexander UK Limited**	UK	100%	100%
ETI Holdings Limited**	New Zealand	100%	100%
RSCA Pty Limited**	Australia	100%	100%
RSCB Pty Limited**	Australia	100%	100%
Just Group Singapore Private Ltd **	Singapore	100%	100%
Peter Alexander Singapore Private Ltd **	Singapore	100%	100%
Smiggle Stores Malaysia SDN BHD **	Malaysia	100%	100%
Smiggle Japan KK **	Japan	100%	100%

** Not trading as at the date of this report.

27 RELATED PARTY DISCLOSURES (CONTINUED)

(b) GROUP TRANSACTIONS WITH ASSOCIATES

The Group had a 50% interest in Just Kor Fashion Group (Pty) Ltd.

(i) Sale of inventory in the amount of $1,956,022 (2014: $4,143,973).

(ii) Management fee charged for services provided in the amount of $83,501 (2014: $70,901).

(iii) Royalty income of $nil (2014: $266,180) is due for the financial year.

(iv) Information regarding outstanding balances with the associate at year end is disclosed in Note 8.

(v) The Group provided a loan to the associate. The loan is denominated in South African Rand. Interest is charged at a commercial rate and payable monthly. Interest earned on the loan is disclosed in Note 4.

(vi) Refer to Note 11 for information regarding the subsequent to year-end disposal of the 50% interest in Just Kor Fashion Group (Pty) Ltd.

(c) KEY MANAGEMENT PERSONNEL

Details relating to remuneration paid to key management personnel are included in Note 24.

(d) TERMS AND CONDITIONS

Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash with the exception of the loan provided to the associate as disclosed above.

(e) ULTIMATE PARENT

Premier Investments Limited is the ultimate parent entity.

28 SHARE-BASED PAYMENT PLANS

(a) *RECOGNISED SHARE-BASED PAYMENT EXPENSES*

The expense recognised for employee services received during the year is shown in the table below:

	CONSOLIDATED	
	2015 $'000	2014 $'000
Total expense arising from equity-settled share-based payment transactions	801	898

(b) *TYPE OF SHARE-BASED PAYMENT PLAN*

Performance rights

The company grants performance rights to executives, thus ensuring that the executives who are most directly able to influence the company performance are appropriately aligned with the interests of shareholders.

A performance right is a right to acquire one fully paid ordinary share of the company after meeting a three or four year performance period, provided specific performance hurdles are met. The number of performance rights to vest is determined by a vesting schedule based on the performance of the company. These performance hurdles have been discussed in the Remuneration Report on pages 11 - 32.

The fair value of the performance rights has been calculated as at the respective grant dates using the Black Sholes European option pricing model.

In determining the share-based payments expenses for the period, the number of instruments expected to vest has been adjusted to reflect the number of executives expected to remain with the group until the end of the performance period, as well as the probability of not meeting the TSR performance hurdles.

The following share-based payment arrangements were in existence during the current and prior reporting periods:

	NUMBER	GRANT DATE	FAIR VALUE AT GRANT DATE
Granted on 22 November 2010	134,910	22/11/2010	$3.60
Granted on 10 May 2011	1,200,000	10/05/2011	$3.00
Granted on 25 May 2012	185,201	25/05/2012	$2.62
Granted on 12 April 2013	304,386	12/04/2013	$2.88
Granted on 18 April 2013	240,000	18/04/2013	$4.20
Granted on 11 December 2013	319,493	11/12/2013	$4.28
Granted on 22 June 2015	169,365	22/06/2015	$10.34
Granted on 22 June 2015	12,266	22/06/2015	$8.56

28 SHARE-BASED PAYMENT PLANS (CONTINUED)

(b) *TYPE OF SHARE-BASED PAYMENT PLAN (CONTINUED)*

The following table shows the factors which were considered in determining the fair value of the performance rights in existence during the current and prior reporting period:

GRANT DATE	SHARE PRICE	OPTION LIFE	DIVIDEND YIELD	VOLATILITY	RISK-FREE RATE	FAIR VALUE
22/11/2010	$7.19	3.8 years	5%	40%	5.23%	$3.60
10/05/2011	$6.00	4-5 years	5%	40%	5.10%	$3.00
25/05/2012	$5.24	3.4 years	5%	40%	2.39%	$2.62
12/04/2013	$5.77	3.5 years	5%	40%	2.81%	$2.88
18/04/2013	$8.40	4.2 years	5%	40%	2.71%	$4.20
11/12/2013	$8.56	3.8 years	5%	40%	2.98%	$4.28
22/06/2015	$10.34	2.3 years	5%	40%	1.95%	$10.34
22/06/2015	$8.56	2.3 years	5%	40%	1.95%	$8.56

(c) *SUMMARY OF RIGHTS GRANTED UNDER PERFORMANCE RIGHTS PLANS*

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, performance rights issued during the year:

	2015 No.	2015 WAEP	2014 No.	2014 WAEP
Balance at beginning of the year	1,849,080	-	2,212,962	-
Granted during the year	181,631	-	319,493	-
Forfeited during the year	-	-	(148,465)	-
Exercised during the year	(665,201)	-	(454,396)	-
Expired during the year	-	-	(80,514)	-
Balance at the end of the year	1,365,510	-	1,849,080	-

Since the end of the financial year and up to the date of this report, no performance rights have been exercised, no performance rights have been issued, no performance rights have been forfeited and no performance rights have expired.

(d) *WEIGHTED AVERAGE FAIR VALUE*

The weighted average fair value of performance rights granted during the year was $10.22 (2014: $4.28).

29 DEED OF CROSS GUARANTEE

Pursuant to Class Order 98/1418, relief has been granted to the wholly-owned subsidiaries from the Corporations law requirements for preparation, audit and lodgement of financial reports.

As a condition of the class order, Just Group Limited, a subsidiary of Premier Investments Limited, and each of the controlled entities of Just Group Limited entered into a Deed of Cross Guarantee as at 25 June 2009. Premier Investments Limited is not a party to the Deed of Cross Guarantee.

	CONSOLIDATED	
	2015 $'000	2014 $'000

30 OTHER FINANCIAL INSTRUMENTS

	2015 $'000	2014 $'000
CURRENT ASSETS		
Derivatives designated as hedging instruments		
Forward currency contracts – cash flow hedges	30,795	1,517
	30,795	1,517
NON -CURRENT ASSETS		
Derivatives designated as hedging instruments		
Forward currency contracts – cash flow hedges	1,771	79
	1,771	79
CURRENT LIABILITIES		
Derivatives designated as hedging instruments		
Forward currency contracts – cash flow hedges	117	6,798
	117	6,798
NON -CURRENT LIABILITIES		
Derivatives designated as hedging instruments		
Forward currency contracts – cash flow hedges	10	3
	10	3

(a) INSTRUMENTS USED BY THE GROUP

Derivative financial instruments are used by the Group in the normal course of business in order to hedge exposure to fluctuations in foreign exchange rates in accordance with the Group's financial risk management policies.

(i) Forward currency contracts – cash flow hedges

The majority of the Group's inventory purchases are denominated in US Dollars. In order to protect against exchange rates movements, the Group has entered into forward exchange contracts to purchase US Dollars.

These contracts are hedging highly probable forecasted purchases and they are timed to mature when payments are scheduled to be made.

The cash flows are expected to occur between one to twenty four months from 25 July 2015 and the profit and loss within cost of sales will be affected over the next couple of years as the inventory is sold.

30 OTHER FINANCIAL INSTRUMENTS (CONTINUED)

(a) INSTRUMENTS USED BY THE GROUP (CONTINUED)

(i) Forward currency contracts – cash flow hedges (continued)

At reporting date, the details of the outstanding contracts are:

	CONSOLIDATED			
	2015 $'000	2014 $'000	2015	2014
Buy USD / Sell AUD	NOTIONAL AMOUNTS $AUD		AVERAGE EXCHANGE RATE	
Maturity < 6 months	77,145	80,467	0.8774	0.9237
Maturity 6 – 12 months	93,879	98,823	0.8089	0.9006
Maturity 12 – 24 months	10,146	14,085	0.7885	0.9230
Buy USD / Sell NZD	NOTIONAL AMOUNTS $NZD		AVERAGE EXCHANGE RATE	
Maturity < 6 months	15,652	16,685	0.8206	0.7943
Maturity 6 – 12 months	-	15,844	-	0.7822
Maturity 12 – 24 months	-	15,839	-	0.8208
Buy USD / Sell GBP	NOTIONAL AMOUNTS £GBP		AVERAGE EXCHANGE RATE	
Maturity < 6 months	1,737	992	1.5313	1.6968
Maturity 6 – 12 months	1,134	-	1.5059	-
Maturity 12 – 24 months	167	-	1.5067	-
Buy AUD / Sell NZD	NOTIONAL AMOUNTS $NZD		AVERAGE EXCHANGE RATE	
Maturity < 6 months	4,114	3,834	1.0494	1.0954
Maturity 6 – 12 months	3,178	-	1.0561	-
Maturity 12 – 24 months	-	-	-	-
Buy USD / Sell SGD	NOTIONAL AMOUNTS $SGD		AVERAGE EXCHANGE RATE	
Maturity < 6 months	3,239	-	0.7407	-
Maturity 6 – 12 months	1,626	-	0.7385	-
Maturity 12 – 24 months	-	-	-	-

The forward currency contracts are considered to be highly effective hedges as they are matched against forecast inventory purchases and any gain or loss on the contracts attributable to the hedge risk is taken directly to equity.

When the cash flows occur, the Group adjusts the initial measurement of the component recognised in the statement of financial position by the related amount deferred in equity.

30 OTHER FINANCIAL INSTRUMENTS (CONTINUED)

(b) INTEREST RATE RISK

Information regarding interest rate exposure is set out in Note 3.

(c) CREDIT RISK

Information regarding credit risk exposure is set out in Note 3.

	CONSOLIDATED	
	2015 $'000	2014 $'000
31 EARNINGS PER SHARE		
The following reflects the income and share data used in the calculation of basic and diluted earnings per share:		
Net profit for the period	88,102	73,000
	NUMBER OF SHARES '000	NUMBER OF SHARES '000
Weighted average number of ordinary shares used in calculating:		
- basic earnings per share	155,967	155,384
- diluted earnings per share	157,564	157,455

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.

32 PARENT ENTITY INFORMATION

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to note 2 for a summary of the significant accounting policies of the Group.

The individual financial statements for the parent entity show the following aggregate amounts:

	2015 $'000	2014 $'000
(a) Summary financial information		
Statement of financial position		
Current assets	289,109	312,461
Total assets	1,360,484	1,360,447
Current liabilities	29,920	23,189
Total liabilities	95,420	86,759

32 PARENT ENTITY INFORMATION (CONTINUED)

		2015 $'000	2014 $'000
(a)	*Summary financial information (continued)*		
	Shareholders' equity		
	Issued capital	608,615	608,615
	Reserves		
	- Foreign currency translation reserve	3,052	333
	- Performance rights reserve	4,082	3,281
	Retained earnings	649,315	661,459
	Net profit for the year	64,629	123,447
	Total comprehensive income (loss)	2,719	(886)

(b) *Guarantees entered into by the parent entity*

The parent entity has provided financial guarantees in respect of bank overdrafts and loans of subsidiaries amounting to $nil (2014: $nil).

The parent entity has also given unsecured guarantees in respect of:

(i) Finance leases of subsidiaries amounting to $nil (2014: $nil).

(ii) The bank overdraft of a subsidiary amounting to $nil (2014: $nil).

(c) *Contingent liabilities of the parent entity*

The parent entity did not have any contingent liabilities as at 25 July 2015 or 26 July 2014.

(d) *Contractual commitments for the acquisition of property, plant or equipment*

The parent entity did not have any contractual commitments to purchase property, plant and equipment as at 25 July 2015 or 26 July 2014.

33 EVENTS AFTER THE REPORTING DATE

On 17 September 2015, the Directors of Premier Investments Limited declared a final dividend in respect of the 2015 financial year. The total amount of the dividend is $32,840,000 (2014: $31,143,000) which represents a fully franked dividend of 21 cents per share (2014: 20 cents per share).

During August 2015, Just Jeans Group Pty Ltd, a subsidiary of Premier Investments Limited, completed the sale of a 50% interest in a joint venture entity, Just Kor Fashion Group (Pty) Ltd, a company incorporated in South Africa. The full settlement, representing the fair value of the investment in Just Kor Fashion Group (Pty) Ltd was received subsequent to year-end. Refer to note 11 for further details.

34 CONTINGENT LIABILITIES

The Group has bank guarantees totalling $4,087,246 (2014: $2,740,170).

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Premier Investments Limited, I state that:

In the opinion of the Directors:

(a) the financial statements and notes of Premier Investments Limited for the financial year ended 25 July 2015 are in accordance with the *Corporations Act 2001*, including:

   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

   (ii) giving a true and fair view of the consolidated entity's financial position as at 25 July 2015 and of its performance for the financial year ended on that date, and

(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.

(c) in the opinion of the directors, as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

Note 2(b) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declaration by the Chief Financial Officer required by section 295A of the *Corporations Act 2001* for the financial year ended 25 July 2015.

On behalf of the Board

Solomon Lew
Chairman

1 October 2015

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Independent auditor's report to the members of Premier Investments Limited

Report on the financial report

We have audited the accompanying financial report of Premier Investments Limited, which comprises the consolidated statement of financial position as at 25 July 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled for the financial year ended or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In Note 2 (b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit 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.

Building a better working world

Opinion

In our opinion:

a. the financial report of Premier Investments Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 25 July 2015 and of its performance for the financial year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2 (b).

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the financial year ended 25 July 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Premier Investments Limited for the financial year ended 25 July 2015, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Rob Perry
Partner
Melbourne
1 October 2015

CORPORATE GOVERNANCE STATEMENT

The Board of Premier Investments Limited ("Premier") is responsible for the corporate governance of the Group. The Board guides and monitors the business of Premier and its subsidiaries on behalf of its shareholders.

Premier and its Board continue to be fully committed to achieving and demonstrating the highest standards of accountability and transparency in their reporting and see the continued development of a cohesive set of corporate governance policies and practices as fundamental to Premier's successful growth.

The Board has included in its corporate governance policies those matters contained in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Third Edition) ("ASX Principles and Recommendations") where applicable. However, the Board also recognises that full adoption of the ASX Principles and Recommendations may not be practical or provide the optimal result given the particular circumstances of Premier.

This corporate governance statement outlines Premier's corporate governance policies and practices for the financial year ended 25 July 2015.

In addition to the policies set out in this statement, Premier's wholly-owned subsidiary, Just Group Limited, has in place its own stringent corporate governance practices.

A summary of the ASX Principles and Recommendations are provided in the table below, together with Premier's compliance with these recommendations as at 25 July 2015.

ASX PRINCIPLES AND RECOMMENDATIONS	COMPLY
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT	
1.1 Disclose respective roles and responsibilities of its board and management	Yes
1.2 Undertake appropriate checks and provide necessary information to elect or re-elect directors	Yes
1.3 Written agreement with directors and senior executives setting out terms of engagement	Yes
1.4 Company secretary accountable to the board	Yes
1.5 Diversity policy in place	Yes
1.6 Periodically evaluate the performance of the board, its committees and directors	Yes
1.7 Periodically evaluate the performance of senior executives	Yes
PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE	
2.1 Existence of a nomination committee, consisting of majority independent directors	In part
2.2 Board skills matrix and regular assessment of mix of skills	Yes
2.3 Board composition, including assessment of director independence	Yes
2.4 Majority of independent directors on the board	Yes
2.5 Independent chairman of the board, and separation of duties between chairman and CEO	In part
2.6 Induction process for new directors and provide professional development opportunities	Yes
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY	
3.1 Existence and disclosure of a code of conduct	Yes

ASX PRINCIPLES AND RECOMMENDATIONS	COMPLY
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING	
4.1 Existence of an audit committee, consisting of majority independent directors	Yes
4.2 Obtain CEO and CFO certification regarding proper maintenance of financial records	Yes
4.3 Attendance of external auditor at annual general meeting	Yes
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE	
5.1 Continuous disclosure policy in place	Yes
PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS	
6.1 Provide relevant information to investors via website	Yes
6.2 Investor relations program that promotes two-way communication	Yes
6.3 Encourage shareholder participation at annual general meetings	Yes
6.4 Shareholder option to send and receive communications electronically	Yes
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK	
7.1 Existence of a committee overseeing risk, consisting of majority independent directors	Yes
7.2 Regular reviews of the entity's risk management framework	Yes
7.3 Existence of an internal audit function	Yes
7.4 Management of environmental and social sustainability risks	Yes
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY	
8.1 Existence of a remuneration committee, consisting of majority independent directors	In part
8.2 Remuneration policies of executive and non-executive directors and senior executives	Yes
8.3 Equity-based remuneration scheme and hedging arrangements	Yes

1 PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1 Role of the Board

The Directors are responsible for protecting the rights and interests of Premier, its shareholders and other stakeholders, including creditors and employees.

The Board's key responsibilities are set out in its Board Charter, a summary of which is disclosed on Premier's website, and include:

- protecting and enhancing the value of the assets of Premier;
- setting strategies, directions and monitoring and reviewing against these strategic objectives;
- overseeing the conduct of Premier's business in order to evaluate whether Premier is adequately managed;
- identifying, assessing, monitoring and managing risk and identifying material changes in Premier's risk profile to ensure it can take advantage of potential opportunities while managing potential adverse effects;
- reviewing and ratifying internal controls, codes of conduct and legal compliance;
- monitoring Premier's financial results;

1.1 Role of the Board (continued)

- ensuring the significant risks facing Premier have been identified and adequate control monitoring and reporting mechanisms are in place;
- approval of transactions relating to acquisitions, divestments and capital expenditure above delegated authority limits;
- determining Premier's investment policy;
- approval of financial statements and dividend policy; and
- ensuring responsible corporate governance.

The Board is responsible for ensuring that management's objectives and activities are aligned with the expectations and risks identified by the Board. The Board has a number of mechanisms in place to ensure this is achieved, including:

- Board approval of strategic plans designed to meet stakeholder's needs and manage business risk; and
- ongoing development of the strategic plans and approving initiatives and strategies designed to ensure continued growth.

To assist in the execution of the above responsibilities, the Board had in place, throughout the financial year, an Audit and Risk Committee and a Remuneration and Nomination Committee. Both Committees have direct access to significant internal and external resources, including direct access to Premier's advisers, both internal and external, and are authorised to seek independent professional or other advice if required. The roles and responsibilities of these committees are discussed throughout this corporate governance statement.

Until such time that a CEO is appointed, the Board will continue to delegate the responsibilities allocated to the CEO to other persons, such as:

- the Chief Executive Officer of Premier Retail, Mark McInnes;
- the Chairman;
- external service providers including, without limitation, Century Plaza Trading Pty Ltd; and
- the existing management team at Just Group.

Under the Premier Board Charter, the CEO's responsibilities are:

- the day-to-day leadership and management of Premier;
- assisting the Board with the strategy and long-term direction of Premier;
- managing and overseeing the interfaces between Premier and the public and to act as the principal representative for Premier; and
- to report annually to the Board on succession planning and management development.

As such, these responsibilities have been delegated to the above people by the Board of Premier.

The Board has delegated the responsibility for compliance with the ASX's disclosure requirements and for shareholder communication to the Company Secretary. The Company Secretary uses information provided by the ASX and consults Premier's professional legal advisers in ensuring compliance with Premier's obligations with respect to the ASX Listing Rules and Corporate Governance Principles. Premier communicates with shareholders through announcements to the ASX (which are also posted on Premier's website), general meetings of shareholders, the annual report, and through written and electronic correspondence from the Company Secretary from time to time.

1.2 *Appointment of New Directors and Re-Election of Directors*

Premier had in place a Remuneration and Nomination Committee during the 2015 financial year. The Remuneration and Nomination Committee regularly reviews the structure, size and balance of the Board to ensure that the Board continues to have a mix of skills and experience necessary to conduct the business of Premier.

The responsibilities of Premier's Remuneration and Nomination Committee include advising the Board on:

- criteria for appointment and identification of candidates for appointment as a Director;
- the candidates it considers appropriate for appointment as a Director;
- conducting of appropriate inquiries into the backgrounds and qualifications of Director nominees, including character, education, experience and financial history checks; and
- the re-appointment of any Non-Executive Director at the conclusion of their term of office.

Premier's Constitution specifies that all Directors must retire from the office at no later than the third Annual General Meeting following their last election.

All material information relevant to whether or not to appoint or re-elect a Director is provided to the Company's shareholders as part of the Notice of Meeting and Explanatory Statement for the relevant meeting of shareholders addressing the appointment or re-election.

1.3 *Terms of appointment of Directors and Senior Executives*

The appointment of Directors and Senior Executives are made by, and in accordance with, a formal letter of appointment setting out the key terms and conditions relevant to the appointment.

The Group has an induction process for all Senior Executives and Directors. All new Directors are provided with the key policies and procedures affecting the Group, which include:

- a copy of the Company's constitution;
- a copy of the Company's Code of Conduct;
- a copy of the Company's Board Charter,
- the most recent Annual Report of the Company; and
- where appropriate, a summary of the most recent strategic plan of the Company.

1.4 *Accountability of Company Secretary*

The Company Secretary is accountable directly to the Board, through the Chairman, and provides support to the Board and its committees on all matters to do with the proper functioning of the Board. The role of the Company Secretary includes:

- advising the Board and its committees on governance matters;
- monitoring that Board and committee policy and procedures are followed;
- coordinating the timely completion and dispatch of board and committee papers;
- ensuring that the business at board and committee meetings are accurately captured in the minutes; and
- helping to organise and facilitate the induction of Directors.

Each Director is able to communicate directly with the Company Secretary. The decision to appoint or remove the Company Secretary is made by the Board.

1.5 Diversity Policy

The Group is an equal opportunity employer, and recognises the value contributed to the organisation by employing people with varying skills, cultural backgrounds, gender, ethnicity and experience. Premier believes its diverse workforce is the key to its continued growth, improved productivity and performance.

We actively value and embrace the diversity of our employees and are committed to creating an inclusive workplace where everyone is treated equally and fairly, and where discrimination, harassment and inequity are not tolerated. We aim to maintain appropriate standards of behaviour throughout the organisation, to create a safe workplace free from harassment and discrimination of any kind, to treat all team members fairly and equitably, and to evaluate employees based on their performance, skills and abilities.

The following steps have been taken to achieve the Board's diversity objectives:

- the appointment of Ms. Sally Herman in the 2012 financial year as an independent Non-Executive Director; and
- the appointment of Ms. Colette Garnsey in the 2013 financial year as the Core Brand Director, Premier Retail.

For the 2015 financial year, women represented 10% of Premier's board, 39% of senior executives, 68% at senior management level and 90% of the Groups' workforce.

For this purpose, "senior executive" is defined as a key management executive who represents at least one of the major functions of the organisation, and participates in organisation-wide decisions with the CEO. The term "senior management level" refers to general managers and senior managers tasked with influencing organisation-wide decision making forums to provide expertise or project development, or likely to be involved in a balance of strategic and operational aspects of management.

In accordance with the requirements of the Workplace Gender Equality Act 2012, a subsidiary company of Premier Investments Limited, Just Group Limited lodged its annual compliance report with the Workplace Gender Equality Agency.

Given the high proportion of senior executives, senior managers and employees of the Group that are women, the Board has determined not to impose measurable objectives relating to diversity at this stage.

1.6 Evaluating the Performance of the Board and its committees

The Board shall undertake regular performance evaluation of itself that:

- evaluates the effectiveness of the Board as a whole, and that of individual Directors;
- compares the performance of the Board with the requirements of its Charter;
- sets the goals and objectives of the Board for the upcoming year; and
- effects any improvements to the Board Charter deemed necessary or desirable.

The performance evaluation shall be conducted in such a manner as the Board deems appropriate and may involve the use of an external consultant. The Remuneration and Nomination Committee may assist in evaluating the performance and effectiveness of the Board and each Director before recommending to the Board his or her nomination for an additional term as a Director.

For the 2015 financial year no formal performance evaluations of the Board were undertaken.

1.7 Evaluating the Performance of Senior Executives

The performance of senior executives is reviewed against specific measurable and qualitative indicators, which include:

- financial measure of the Company's performance;
- achievement of strategic objectives; and
- achievement of key operational targets.

The CEO of Premier Retail and the Board of the relevant subsidiary are responsible for the review of the performance of senior executives, in line with their respective key performance indicators. The evaluation is based on criteria that include the performance of the business, the accomplishment of long-term strategic objectives and other non-quantitative objectives established at the beginning of each year. A performance evaluation was undertaken on senior executives during the 2015 financial year in accordance with the process disclosed above.

2 PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

2.1 Nomination Committee

During the 2015 financial year, Premier maintained a Nomination Committee.

The Remuneration and Nomination Committee supports and advises the Board on the nomination policies and practices of Premier. The roles and responsibilities of the Remuneration and Nomination Committee are set out in Premier's Board Charter, a summary of which is provided on Premier's website.

The Remuneration and Nomination Committee consists of the following three members:

Name	Appointed	Position in Committee
Henry Lanzer	September 2008	Chairperson
Solomon Lew	September 2008	Non-Executive Director
Gary Weiss	September 2008	Non-Executive Director

All of the members of the committee are Non-Executive Directors, one of whom is an independent Director.

The nomination purposes of the committee include:

- reviewing and providing recommendations of plans of succession for executives, Non-Executive Directors and Premier's Chief Executive Officer (when appointed);
- establishing and maintaining a formal procedure for the selection and appointment of Directors to the Board;
- undertaking regular reviews of the structure and size of the Board to ensure that the Board continues to have a mix of skills and experience necessary to conduct Premier's business and to make any consequential recommendations to the Board; and
- identifying, assessing the suitability of, and investigating the backgrounds of, individuals qualified to become Directors and making recommendations to the Board about potential nominees.

2.1 Nomination Committee (continued)

The Remuneration and Nomination Committee intends to maintain the diversity of knowledge, skills and experience on the Premier Board across the areas of retailing and manufacturing, accounting, finance, transport, government and law.

The Remuneration and Nomination Committee met on three occasions during the year. The meetings were attended by all three members. Further information on attendance at Board and committee meetings are set out in the Directors' Report on page 10.

Although ASX Recommendation 2.1 suggests that a nomination committee should consist of a majority of independent Directors and be chaired by an independent Director, Premier believes that the current members of its Nomination Committee are most appropriate to achieve its objectives given their skill set and experience.

2.2 Board skills assessment

The Board Charter provides that the Remuneration and Nomination Committee will undertake regular reviews of the structure and size of the Board to ensure that the Board continues to have a mix of skills and experience necessary to conduct Premier's business. The Remuneration and Nomination Committee intends to maintain the diversity of knowledge, skills and experience on the Board across the areas of retailing and manufacturing, accounting, finance, transport, government and law.

The skills, experience and expertise relevant to the position of Director held by each Director in office at the date of this report are included in the Directors' Report.

2.3 *Board composition*

As at 25 July 2015, the Board comprised nine Directors. The members of the Board and their positions in office during the 2015 financial year are:

Director	**Appointed**	**Non-Executive**	**Independent**
Solomon Lew *(Chairman)*	March 2008	Yes	No
David Crean *(Appointed as Deputy Chairman on 25 July 2015)*	December 2009	Yes	Yes
Timothy Antonie *(Lead Independent Director)*	December 2009	Yes	Yes
Lindsay Fox	April 1987	Yes	Yes
Sally Herman	December 2011	Yes	Yes
Henry Lanzer	March 2008	Yes	No
Mark McInnes	December 2012	No	No
Michael McLeod	August 2002	Yes	No
Gary Weiss	March 1994	Yes	Yes
Frank Jones *(Deputy Chairman) – resigned 25 July 2015*	April 1987	Yes	No

Details of the respective Directors' qualifications, skills, directorships and experience are set out in the Directors' Report on page 2.

2.4 Director Independence

ASX Recommendation 2.4 recommends that the Board comprise a majority of independent directors. Premier has adopted the definition of independence set out in the commentary to ASX Recommendation 2.3 as disclosed in the Director Independence Policy on Premier's website. Directors are assessed as independent where they are independent of management and free of any business or other relationship that could materially interfere, or be perceived to materially interfere, with the exercise of their unfettered and independent judgement.

During the 2015 financial year, the Board considered that 5 of its 10 Directors were independent. As at 25 July 2015, the Board considered that 5 of its 9 Directors were independent.

The Board is aware of ASX Recommendation 2.4 and is confident that proper processes are in place, as outlined in its Board Charter, to address needs and expectations with respect to decision-making and the management of conflicts of interest. The Directors on the Board of Premier all add significant value and expertise in a variety of fields. Regardless of whether Directors are defined as independent, all Directors are expected to bring independent judgements and views to board deliberations.

Premier permits individual Directors to engage separate independent counsel or advisors at the expense of the Group in appropriate circumstances, with the approval of the Chairman or by resolution of the Board.

2.5 Chairman of the Board

Premier does not comply with ASX Recommendation 2.5 as Mr. Lew, the Chairman of the Board, is not an independent Director. The Board believes that Mr. Lew's position as a Director of Premier's major shareholder, Century Plaza Investments Pty Ltd, does not prevent him from carrying out his responsibilities as Chairman of the Board. Given Mr. Lew's industry experience, skills, expertise and reputation, and his relationship with Premier as its founder, the Board feels that Mr. Lew adds the most value to the Board as its Chairman and that he is the most appropriate person for the position.

In October 2014, the Board appointed Mr. Antonie as Lead Independent Director. The Board considers the appointment of a Lead Independent Director as an important step in providing support to the Chairman in facilitating effective contributions of all Directors, and to promote constructive relations between Directors, and between the Board and management.

Dr. Crean, an independent Non-Executive Director, was appointed as Deputy Chairman as of 25 July 2015. The Board considers the appointment of an independent Deputy Chairman as another important step in promoting a culture of openness and constructive challenge that would allow for diversity of views to be considered by the Board.

The Board supports the separation of the role of the Chairman from that of the Chief Executive Officer ("CEO") in accordance with ASX Recommendation 2.5. The Board Charter provides that the Chairman must be a Non-Executive Director, and defines the key roles of the Chairman as:

- managing the Board effectively;
- providing leadership to the Board; and
- interfacing with the CEO.

2.6 New Director Induction and Professional Development

The Group has an induction process for all new Directors. All new Directors are provided with the key policies and procedures affecting the Group. The Board Charter provides for processes to ensure that new Directors are acquainted with knowledge of the industry within which the Group operates, and briefings with key executives where appropriate.

In order for Directors to act in the best interest of the Group, Premier permits individual Directors to engage separate independent counsel or advisors at the expense of the Group in appropriate circumstances, with the approval of the Chairman or by resolution of the Board.

3 PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

3.1 Code of Conduct

The Board insists on the highest ethical standards from all officers and employees of Premier and is vigilant to ensure appropriate corporate professional conduct at all times. As such, the Board has adopted a Code of Conduct to provide a set of guiding principles which are to be observed by all Directors, senior executives and employees of Premier. The Code of Conduct is based on five principles that define the responsibility of Premier and all Directors and employees. These principles require that all directors and employees:

- foster a culture in which all stakeholders are treated with respect;
- act to ensure there is no conflict of interest between work and private affairs;
- provide a safe workplace for employees and visitors;
- are honest, legal, fair and trustworthy in dealings and relationships; and
- develop a culture where professional integrity and ethical behaviour is valued in rewarded.

Premier is committed to the safe and ethical manufacture, sourcing and supply of goods and services. As such, Premier is committed to sourcing merchandise that is produced according to the Group's strict principles of safe working conditions, where human rights are respected and people have free right of association. Premier will only deal with vendors who at least provide the working conditions and benefits stipulated by law and whose workers (employees and contractors) are treated and compensated fairly and not exposed to physical harm. Refer to pages 14 to 15 of the Annual Report for the group's Ethical Sourcing Statement.

A copy of the Code of Conduct is provided to all new Directors and employees upon joining Premier.

Additionally, standards by which all officers, employees and Directors are expected to act are contained in the Board Charter and in Premier's share trading policy. These include standards and expectations relating to:

- insider trading and employee security trading;
- conflicts of interest;
- confidentiality; and
- privacy.

Under the Group's share trading policy, an officer or executive must not trade in securities of Premier at any time while in possession of unpublished, price-sensitive information in relation to those securities. Before commencing to trade, an executive or officer must first obtain the approval of the Company Secretary or the Chairman.

3.1 Code of Conduct (continued)

During the 2015 financial year, Premier's share trading policy permits key management personnel and their associates to trade in the Company's securities during the following window periods:

- within 6 weeks after the release of the Company's half year results to the ASX;
- within 6 weeks after the release of the Company's preliminary final report to the ASX; and
- the rights trading period when the Company has issued a prospectus for those rights.

As required by the ASX listing rules, the Company notifies the ASX of any transaction conducted by Directors in the securities of the Company.

Consistent with the Corporations Act, Premier's conflict of interest policy requires that where an item of business is proposed to be discussed at any meeting of Directors, and discussion of that matter may give rise to a conflict of interest on the part of a Director, that Director must not be present while the matter is being considered and must not vote on that matter (unless the other directors pass a resolution permitting that director to be present or vote). The Board Charter permits Directors who may be in a position of conflict to request that the meeting be postponed or temporarily adjourned to enable him or her to seek legal advice on whether he or she can be present while the matter in question is being considered and vote on the matter in question.

ASX Recommendation 3.1 recommends that a company disclose its code of conduct or a summary of that code. Premier has implemented a formal code of conduct and this code, as well as Premier's share trading policy, is available on Premier's website.

4 PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

4.1 Audit Committee

In accordance with ASX Recommendation 4.1, the Board has established an Audit and Risk Committee. This committee's role and responsibilities, as well as composition, structure and membership requirements, are set out in a formal charter approved by the Board, in accordance with ASX Recommendation 4.1. A summary of this Charter can be found on Premier's website.

Premier's Audit and Risk Committee supports and advises the Board in fulfilling its corporate governance and oversight responsibilities in relation to Premier's financial reporting, internal control structures, ethical standards and risk management framework and systems.

The Audit and Risk Committee's prime responsibilities include:

- reviewing the appropriateness of the accounting policies and principles, any changes to those policies and principles and the methods of applying them to ensure that they are in accordance with Premier's stated financial reporting framework;
- reviewing the nomination, performance, independence and competence of the external auditor;
- meeting periodically with key management, external auditors and compliance staff to understand Premier's control environment; and
- examining and evaluating the effectiveness of the internal control system with management and external auditors.

The composition of the Audit and Risk Committee satisfies ASX Recommendation 4.1. The committee comprises a majority of independent Directors, consists of only Non-Executive Directors and the Chair of the committee is also independent.

4.1 Audit Committee (continued)

During the 2015 financial year, the committee consisted of three members at any one time:

Name	Appointed	Position in Committee
David Crean	August 2010	Chairperson
Timothy Antonie	October 2014	Non-Executive Director
Sally Herman	October 2014	Non-Executive Director
Frank Jones	September 1995 *(retired from the committee October 2014)*	Non-Executive Director
Gary Weiss	August 2010 *(retired from the committee October 2014)*	Non-Executive Director

The Audit and Risk Committee Charter requires the committee to be structured so that:

- all members are financially literate, that is, are able to read and understand financial statements;
- at least one member has financial expertise, that is, is an accountant or financial professional with experience of financial and accounting matters; and
- some members have an understanding of the industry in which the Group operates.

The Audit and Risk Committee met on four occasions during the year. Each of the meetings was attended by all three members of the Committee. Further information on attendance at Board and committee meetings are set out in the Directors' Report on page 10.

Details of the respective Directors' qualifications, skills, directorships and experience are set out in the Directors' Report at page 2.

The Audit and Risk Committee will meet as frequently as required to undertake its role effectively. The CEO (when appointed) will have a standing invitation to attend each scheduled meeting of the Audit and Risk Committee and a standing invitation has also been extended to Premier's external auditors.

Directors who are not members of the Audit and Risk Committee are notified of all meetings and may attend if they wish. Other senior managers and external advisers may also be invited to attend meetings of the Audit and Risk Committee. The Audit and Risk Committee may request management and/or others to provide such input and advice as required.

Under the Audit and Risk Committee Charter, the committee is responsible for establishing procedures and making Board recommendations regarding external auditors, monitoring the effectiveness and independence of the external auditor, reviewing the scope of the external audit, discussing with the external auditor any significant disagreements with management, and meeting with the external auditor without management present at least twice a year.

In accordance with the Corporations Act, the external audit engagement partner is required to rotate at least once every five financial years. Ernst & Young was appointed as Premier's external auditor in May 2002.

4.2 CEO and CFO certification

In accordance with section 295A of the Corporations Act, the Company Secretary, who performs the CFO functions, has provided a written statement to the Board that, in the Company Secretary's opinion:

- Premier's financial records for the 2015 financial year have been maintained in accordance with section 286 of the Corporations Act;
- Premier's financial statements, and the notes referred to in the financial statements, for the 2015 financial year comply with the accounting standards; and
- Premier's financial statements and notes for the 2015 financial year give a true and fair view of Premier's financial position and performance.

In addition, the Company Secretary has provided a written statement to the Board that:

- the view provided on the Group's financial report is founded on a sound system of risk management and internal compliance and control which implements the financial policies adopted by the Board; and
- the Group's risk management and internal compliance and control system is operating effectively in all material aspects.

The Board notes that due to its nature, internal control assurance from the Company Secretary can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.

In response to this, internal control questions are required to be completed by key management personnel of all significant business units in support of these written statements.

4.3 External auditor attendance at annual general meetings

The external auditor, Ernst & Young, attends Premier's annual general meetings and is available to respond to questions from Premier's members about its independence as auditor, the preparation and content of the Auditor's Report and Premier's accounting policies adopted in relation to the financial statements.

5 PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

5.1 Continuous disclosure obligations

During the 2015 financial year, Premier maintained a policy to ensure that it complied with its continuous disclosure obligations under the ASX Listing Rules, the ASX Recommendations and the Corporations Act, and to ensure that all investors have equal and timely access to material and price sensitive information. A copy of Premier's Continuous Disclosure Policy has been disclosed on Premier's website.

Under this policy, the Board will, as soon as it becomes aware of information concerning Premier that would be likely to have a material effect on the price or value of Premier's securities, ensure that information is notified to the ASX.

Premier has appointed a Compliance Officer to accept reports from personnel relating to price sensitive information. The Compliance Officer is primarily responsible for ensuring that Premier complies with its disclosure obligations under the Corporations Act and the ASX Listing Rules, and for deciding what information will be disclosed. Additionally, all managers are required to keep up to date with all matters within their responsibility which may be or become material to Premier in this respect.

6 PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS

6.1 Provide information about itself and its governance via website

Premier provides information about itself and its governance via its website. Shareholders, regulators and the wider investment community are able to view Premier's corporate governance policies and materials through its website. Premier also provides convenient access to all ASX announcements, market disclosures, annual and half yearly reports and full text of notices and accompanying materials via the Premier website.

6.2 Promoting two-way communication with investors

Premier endeavours to encourage and promote effective communication with its shareholders. Premier's Constitution sets out the procedures to be followed regarding:

- the convening of meetings;
- the form and requirements of the notice;
- the chairperson and quorums; and
- the voting procedures, proxies, representations and polls.

Premier's strategy is to ensure that shareholders, regulators and the wider investment community are informed of all major developments affecting Premier in a timely and effective manner. Information is communicated in a number of ways including:

- annual and half yearly reports;
- market disclosures in accordance with the continuous disclosure protocol;
- updates on operations and developments;
- announcements on Premier's website; and
- market briefings and presentations at general meetings.

6.3 Encourage participation at annual general meetings

Shareholders are encouraged to attend and participate at general meetings. To facilitate this, meetings are held during normal business hours and at a place convenient for the greatest possible number of shareholders to attend. The full text of notices and accompanying materials are included on Premier's website. Information is presented in a clear and concise manner designed to provide shareholders and the market with full and accurate information.

6.4 Send and receive communication electronically

Premier's share registry provides shareholders with the option to receive communications electronically.

7 PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

The Board has overall responsibility to ensure that there is a sound system of risk management and internal controls across the business. One of the primary responsibilities of the Board is to identify, assess, monitor and manage risk. Additionally, the Board is responsible for identifying material changes in Premier's risk profile to ensure that Premier can take advantage of potential opportunities while managing potential adverse effects.

7.1 Audit and Risk Committee

The Board has delegated responsibility for the identification, assessment and management of risks relating to both Premier's internal and external controls to Premier's Audit and Risk Committee. The risk management functions of the Audit and Risk Committee include:

- examining and evaluating the effectiveness of the internal control system with management and external auditors;
- assessing existing controls that management has in place for unusual transactions or transactions that may carry more than an accepted level of risk;
- meeting periodically with key management, external auditors and compliance staff to understand Premier's control environment;
- receiving reports concerning all suspected and actual frauds, thefts, breaches of the law and key risk areas; and
- assessing and ensuring that there are internal processes for determining and managing key areas, such as important judgments and accounting estimates.

The Audit and Risk Committee has the authority to:

- request management or others to attend meetings and to provide any information or advice that the Committee requires;
- access the Company's documents and records;
- obtain the advice of special or independent counsel, accountants or other experts, without seeking approval of the Board or management; and
- approach management and external auditors for information.

As outlined in section 4.1 of this corporate governance statement, a summary of Premier's Audit and Risk Committee charter can be found on Premier's website. This summary addresses Premier's policies for the oversight and management of material business risks.

7.2 Risk management framework

The responsibility for managing risk on a day-to-day basis lies with the management of each business operation. Additionally, independent risk management audits of site operations are carried out regularly and a quarterly report is prepared for the Board which reviews the risk management and insurances of the Group. The Board received four of these reports during the 2015 financial year. The evaluation of the Group's risk management framework is an on-going process, rather than a formal annual review.

7.3 Internal audit function

During the 2015 year, the Audit and Risk Committee met with an external consultant to independently evaluate the risk management and internal control processes throughout the Group. The external consultant reports directly to the Audit and Risk Committee and provides the committee with quarterly reports on the risk management and internal control processes of the Group.

7.4 Economic, environmental and social sustainability risks

As evidenced from its Code of Conduct, the Premier Board is committed to conducting business in an environmentally responsible and ethical manner. The Board recognises the importance of respecting its stakeholders, including employees, shareholders, customers and suppliers. To this extent, a subsidiary company of Premier Investments Limited, Just Group Limited is a signatory to the Australian Packaging Covenant, a voluntary, industry-regulated formal agreement between government and industry which provides companies with the tools to be more involved in reducing the impact on the environment through sustainable packaging design, recycling and product stewardship. Refer to pages 11 to 13 of the Annual Report for the Group's Commitment to Business Sustainability.

The Premier Board also recognises its commitment to the safe and ethical manufacture and supply of goods and services. During October 2013, Just Group Limited became a signatory to the Alliance for Bangladesh Worker Safety, a binding five year commitment to work with some of the world's largest apparel retailers to invest in worker safety, improved conditions and transparent reporting in a measurable and verifiable way. Refer to pages 14 to 15 of the Annual Report for the Group's Ethical Sourcing Statement.

8 PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

8.1 Remuneration Committee

During the 2015 financial year, Premier maintained a formal remuneration committee in accordance with ASX Recommendation 8.1. The Remuneration and Nomination Committee supports and advises the Board on the remuneration policies and practices of Premier. The remuneration purposes of the committee include:

- review and make recommendations to the Board on remuneration packages and policies applicable to senior executives and Directors;
- define levels at which the Chief Executive Officer must make recommendations to the committee on proposed changes to remuneration and employee benefit policies;
- ensure that remuneration packages and policies attract, retain and motivate high calibre executives; and
- ensure that remuneration policies demonstrate a clear relationship between key executive performance and remuneration.

The roles and responsibilities of the Remuneration and Nomination Committee are set out in Premier's Board Charter, a summary of which is provided on Premier's website.

The Remuneration and Nomination Committee consists of three members, all of whom are Non-Executive Directors. The composition and number of meetings held and attended by members of the Remuneration and Nomination Committee are outlined in section 2.1 of this corporate governance statement.

8.2 Remuneration policy

Premier's remuneration policies are both reasonable and responsible, and they establish a link between remuneration and performance. Further details regarding Premier's remuneration practices are set out in the Remuneration Report on pages 11 to 32 of the Financial Report.

Premier clearly distinguishes the structure of Non-Executive Directors' remuneration from that of Executive Directors and senior executives. Non-Executive Directors' remuneration is capped at a maximum of $1,000,000 per annum. During the 2015 financial year a total of $805,000 was paid by way of remuneration to Premier's Non-Executive Directors.

Premier has not established any schemes for retirement benefits for Non-Executive Directors (other than superannuation).

8.3 Equity-based Remuneration Schemes

The Group's equity based remuneration scheme is governed by the Performance Rights Plan (approved by shareholders during the 2014 annual general meeting). A summary of the Performance Rights Plan is available on the Premier website.

Executives are prohibited from entering into transactions to hedge or limit the economic risk of the securities allocated to them under the Performance Rights Plan, either before vesting or after vesting while the securities are held subject to restriction. Executives are only able to hedge securities that have vested and continue to be subject to a trading restriction and a seven-year lock, with the prior consent of the Board.

No employees have any hedging arrangements in place.

ASX ADDITIONAL INFORMATION AS AT 30 SEPTEMBER 2015

TWENTY LARGEST SHAREHOLDERS

NAME	TOTAL	% IC	RANK
CENTURY PLAZA INVESTMENTS PTY LTD	51,569,400	32.98%	1
J P MORGAN NOMINEES AUSTRALIA LIMITED	20,717,144	13.25%	2
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	13,128,775	8.40%	3
CITICORP NOMINEES PTY LIMITED	8,665,601	5.54%	4
METREPARK PTY LTD	8,235,331	5.27%	5
NATIONAL NOMINEES LIMITED	6,252,850	4.00%	6
RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LTD <PI POOLED A/C>)	5,581,904	3.57%	7
BNP PARIBAS NOMS PTY LTD <DRP>	3,603,721	2.30%	8
UBS NOMINEES PTY LTD	3,082,070	1.97%	9
DANCETOWN PTY LTD	3,000,000	1.92%	10
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	2,827,846	1.81%	11
LINFOX SHARE INVESTMENT PTY LTD	2,577,014	1.65%	12
SPRINGSAND INVESTMENTS PTY LTD	1,437,699	0.92%	13
ARGO INVESTMENTS LIMITED	1,250,000	0.80%	14
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	1,125,954	0.72%	15
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING COLLATERAL>	820,590	0.52%	16
RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <PIIC A/C>	773,042	0.49%	17
AMP LIFE LIMITED	750,025	0.48%	18
RBC INVESTOR SERVICES AUSTRALIA PTY LIMITED <VFA A/C>	713,946	0.46%	19
MILTON CORPORATION LIMITED	590,250	0.38%	20
TOTAL FOR TOP 20:	136,703,162	87.42%	

ASX ADDITIONAL INFORMATION AS AT 30 SEPTEMBER 2015

SUBSTANTIAL SHAREHOLDERS

NAME	TOTAL UNITS	% IC
CENTURY PLAZA INVESTMENTS PTY LTD AND ASSOCIATES	58,552,420	42.43%
PERPETUAL LIMITED AND ITS SUBSIDARIES	18,644,969	11.92%
AUSTRALIANSUPER PTY LTD	8,871,777	5.70%
AIRLIE FUNDS MANAGEMENT PTY LTD	8,322,930	5.36%

DISTRIBUTION OF EQUITY SHAREHOLDERS

	1 TO 1,000	1,001 TO 5,000	5,001 TO 10,000	10,001 TO 100,000	100,001 TO (MAX)	TOTAL
Holders	4,842	2,246	362	179	41	7,670
Ordinary Fully Paid Shares	1,864,522	5,211,412	2,672,680	4,383,498	142,247,963	156,380,075

The number of investors holding less than a marketable parcel of 39 securities ($12.85 on 30 September 2015) is 212 and they hold 1,953 securities.

VOTING RIGHTS

All ordinary shares carry one vote per share without restriction.

CORPORATE DIRECTORY

A.C.N. 006 727 966

DIRECTORS
Solomon Lew *(Chairman)*
Frank W. Jones *(Deputy Chairman – resigned 25 July 2015)*
Dr. David M. Crean *(Appointed Deputy Chairman – 25 July 2015)*
Timothy Antonie *(Lead Independent Director)*
Lindsay E. Fox
Sally Herman
Henry D. Lanzer
Mark McInnes
Michael R.I. McLeod
Dr. Gary H. Weiss

COMPANY SECRETARY
Kim Davis

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About this report

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These certifications specify the requirements for a quality and environmental management system.

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peteralexander

Peter Alexander celebrated Mother's Day this year with world-famous supermodel Christie Brinkley and her 16 year old daughter Sailor Brinkley-Cook.

The campaign dubbed Super Mum, celebrated mothers of all ages and from all walks of life. Peter's mum also featured in the heart-warming Mother's Day campaign.

Pictured:
Peter Alexander and his Mum, Julette Alexander.