



23 September 2008

Just Group FY2008 results and update on Premier post-acquisition

Highlights

- Premier's successful acquisition of Just Group is transformational for Premier, with Just Group being core to Premier's ongoing strategy
- Just Group achieved a credible result in FY08 given significant economic headwinds
- Premier has commenced a detailed and comprehensive review of the assets, strategy and operations of Just Group in conjunction with management
- Premier has a further c.\$300 million¹ in cash available to invest in opportunities which leverage Premier's expertise

Just Group FY08 results

- Credible result given the severe downturn in Australia during the second half, very tough economy in New Zealand, continued investment in South Africa and the USA, and a significant year-end adjustment to account for the foreign exchange hedge book
- Sales of \$861.1 million, up 7.0%
 - Dotti, Peter Alexander and Smiggle experienced positive LFL sales growth despite the difficult economic climate
 - Jacqui E brand continued to improve during the year, with LFL sales growth in the second half
 - Portmans underperformed within the tough womenswear market, but the brand repositioning is on track
 - Just Jeans and Jay Jays are well positioned, but the most exposed to the consumer slowdown
- Gross profit margin up 171bps to 59.3%
- EBITA of \$90.2 million, down 5.0%²
- EPS of 27.1 cents, down 5.6%²
- Operating cashflow of \$85.7 million, down 4.5%
- Stock turnover of 5.5 times, up from 5.1 times in FY07

Just Group strategic review

- As announced during its takeover bid for Just Group, Premier is working closely with Just Group management to review the assets, operations and strategy of Just Group
- Premier plans to update the market on the progress of this strategic review at its AGM in late November 2008

Capital

- Cash of approximately \$300 million¹ gives Premier significant flexibility to pursue acquisition opportunities, with a focus on 100% ownership of operating businesses in the retail and wholesale segments

Outlook

- Premier continues to believe that it will be a difficult retail environment for at least FY09 in both Australia and New Zealand
- Just Group trading for the eight weeks since the end of the financial year has been soft, in-line with general market conditions. Performance during the upcoming school holidays, Spring racing carnivals and Christmas periods is the key driver to the result for the half
- Continuing market difficulty could give rise to value-creating acquisition opportunities and Premier is actively monitoring a number of opportunities

Premier Investments Limited

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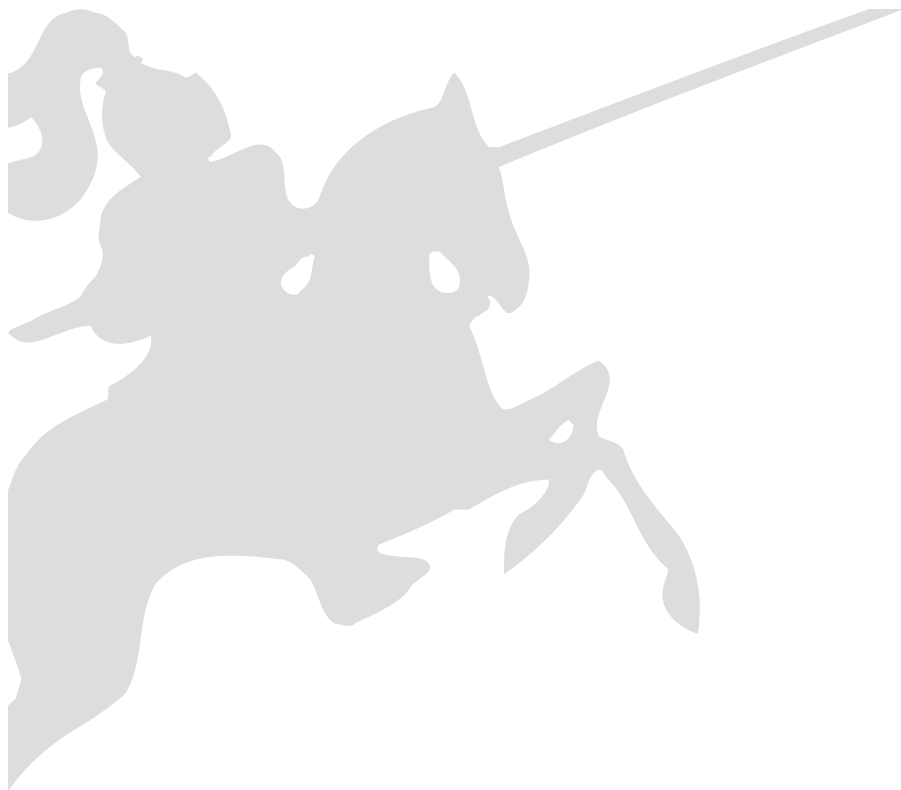
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¹ Adjusted for payment of the FY08 dividend, compulsory acquisition of outstanding Just Group Shares, after the payments of its income tax liability for the 2008 financial year and excluding Just Group net debt.

² FY07 adjusted to exclude gain on sale of strategic investment in Colorado Ltd and FY08 adjusted to exclude costs associated with takeover by Premier.



Update

Just Group and Premier post-acquisition



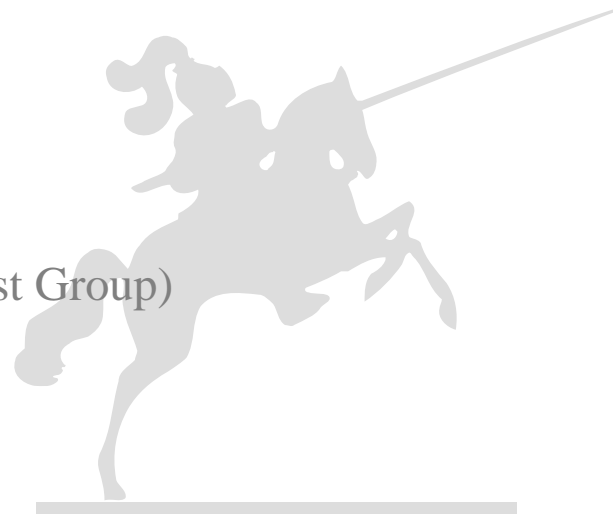
Agenda

- 1 Just Group Acquisition Outcome
- 2 Just Group FY08 Results
- 3 Strategic Review (operations review of Just Group)
- 4 Premier's Other Strategic Pillars
- 5 Premier Outlook



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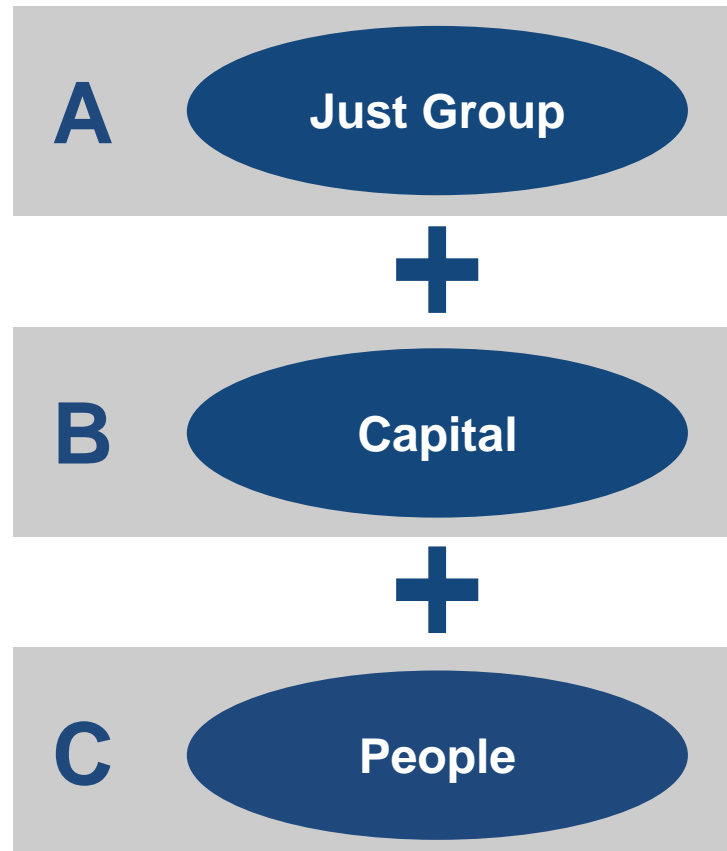


Successful Just Group Acquisition

- Premier's successful acquisition of Just Group is transformational for Premier
- Premier now owns a suite of quality brands and a powerful underlying retail platform
- Premier now employs over 6,000 people
- Premier's shareholder base has grown from approximately 350 to 6,300 shareholders
 - Approximately an additional 1,500 shareholders will join the register once compulsory acquisition concludes
- Increase in share liquidity following the bid and potential to enter ASX 200 in early calendar year 2009

Just Group is core to Premier's Strategy

Given the successful acquisition, Premier has three core pillars to its strategy



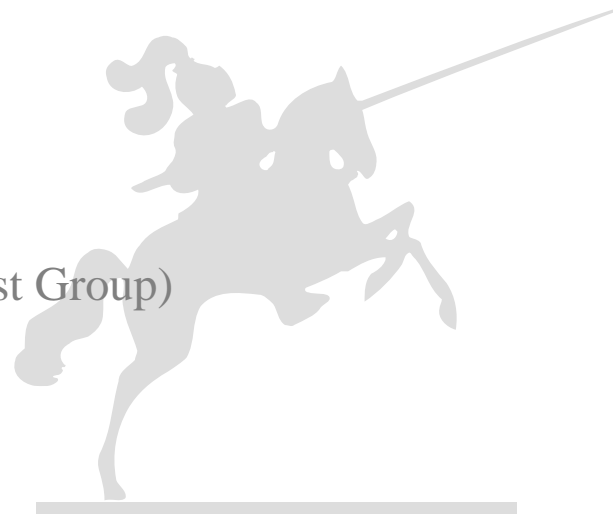
- A quality retailer with scaleable business model
- Approximately \$300 million cash* available to invest in opportunities which leverage Premier's expertise and ideally deliver synergies with **Just Group**
- Seasoned professionals on the Board with expertise across the retail spectrum and throughout the economic cycle

* After payment of final dividend (on 14 October 2008), compulsory acquisition of outstanding Just Group Shares, after payments of its income tax liability for the 2008 financial year and excluding Just Group net debt

Premier aspires to leverage its expertise and capital position to own and operate a selection of retail/wholesale businesses

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Just Group is Australia's Leading Fast Fashion Retailer

Diverse portfolio of brands with a broad geographic coverage

peteralexander

JACQUIE

dotti



JayJays

portmans

Smiggle

JUST GROUP 'RETAIL MACHINE'

Integrated infrastructure including an award winning supply chain and outstanding corporate, product and brand leadership



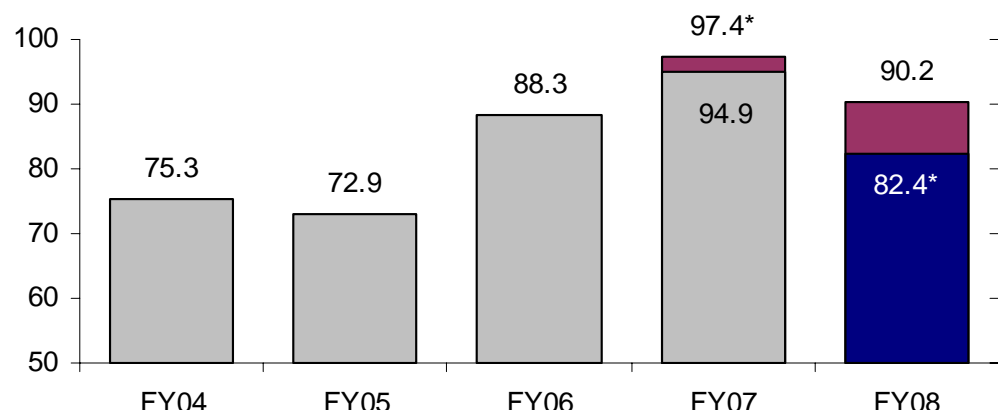
Just – FY08 Results

- Sales of \$816.1 million, up 7.0%
- Gross profit margin up 171bps to 59.3%
- EBITA \$90.2 million, down 5.0%*
- NPAT \$54.6 million, down 11.2%*
- Earnings per share of 27.1 cents, down 5.6%*
- Operating cashflow of \$85.7m, down 4.5%
- Total net debt of \$95.9 million, up \$12.2m due to acquisition of Smiggle
- Credible result given severe downturn in Australia in second half, very tough economy in New Zealand, continued investment into South Africa and the USA, and a significant year-end adjustment to account for the foreign exchange hedge book

*FY07 adjusted to exclude profit on sale of shares in Colorado Ltd;
FY08 adjusted to exclude costs associated with takeover by Premier Investments Ltd

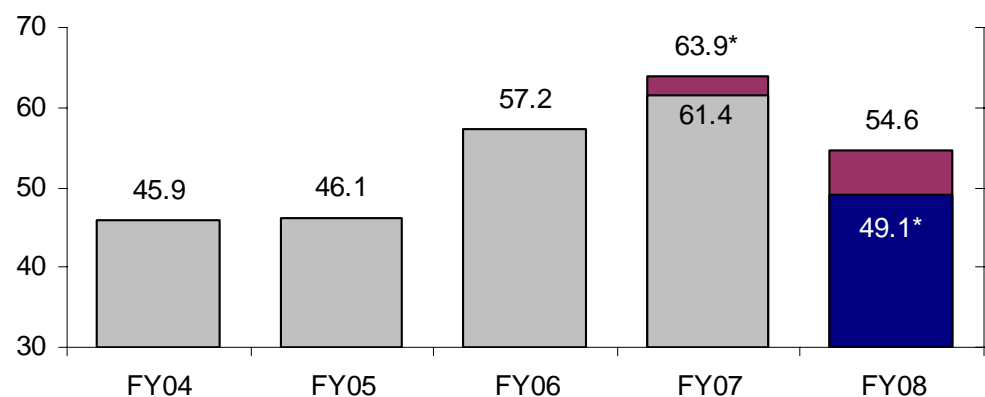
Summary Profit Result

EBITA



- Adjusted EBITA of \$90.2m, down 5.0%. Includes:
 - Mark to market adjustment on hedgebook – \$3.6m expense at year end (LY \$1.8m expense)
 - South Africa loss - \$1.6m (LY loss \$0.3m)
 - USA loss - \$2.4m
 - Change in accounting approach to align with Premier - \$2.0m decrease

NPAT



- Adjusted NPAT of \$54.6m, down 11.2%. Includes:
 - Borrowing costs up \$4.3m due to higher average debt (\$65m buy back in May 2007 and \$24.3m for Smiggle acquisition August 2007) and higher average funding costs (+100bps)
 - Takeover costs - \$7.8m (\$5.4m net of tax) comprising:
 - Defence costs - \$7.2m (\$5.0m net of tax)
 - Other costs associated with change of control - \$0.6m (\$0.4m net of tax)

* FY07 adjusted to exclude gain on sale of investment in Colorado Limited; FY08 adjusted to exclude costs associated with takeover costs of \$7.8m before tax and \$5.4m after tax

Australia & New Zealand

	Australia	New Zealand
Total Sales	+8.6%	+0.9% ¹
LFL Sales	+1.2%	-5.7% ¹
Segment PBT	\$75.8m ²	\$5.4m ³
	-4.4%	-37.1%
Stores	742	141
Comment	<ul style="list-style-type: none"> ▪ Pleasing first half with downturn in second half as consumer sentiment declined with high interest rates and petrol prices and general economic slowdown ▪ Strong AUD supported margins in Just's larger brands ▪ Brand strength and store roll-out assisted profitability of Dotti, Peter Alexander and Smiggle 	<ul style="list-style-type: none"> ▪ Very weak economic conditions affected all brands ▪ Additional pressure from redevelopment of Auckland and new competitors entering ▪ No contribution from Smiggle (0 stores) or Peter Alexander (2 stores) ▪ Strength of NZD/USD assisted product margins, but dampened translation of overall profit into AUD

1 Based on New Zealand dollars – excludes translation effect of weaker NZD

2 Includes share of loss from South Africa JV; excludes costs associated with takeover in FY08; excludes net gain on sale of CDO investment in FY07

3 Excludes foreign exchange gain on translation of inter-company receivable of \$1.6m

New Geographies

South Africa



- 26 stores open and sales building well
- Team and operations platform now established
- Focus is on securing quality new sites and building the Jay Jays brand

USA



- 3 stores open in California, including the flagship Robertson Blvd store
- “Hard” launch of business not until October ‘08
- Focus is on building the PA brand, adapting the range and establishing the operations

Balance Sheet & Hedging

Inventory Efficient

- Stock turnover of 5.5 times, up from 5.1 in FY07
- Ongoing focus on stock management

Investing for the Future

- Capital expenditure up \$6.1million
- Investing in growth via geographic growth, domestic store roll-out and enhanced infrastructure

Currency Risk Managed

- AUD/USD 100% hedged for FY09 and 50% hedged for FY10
- NZD/USD 85% hedged for FY09

Funding

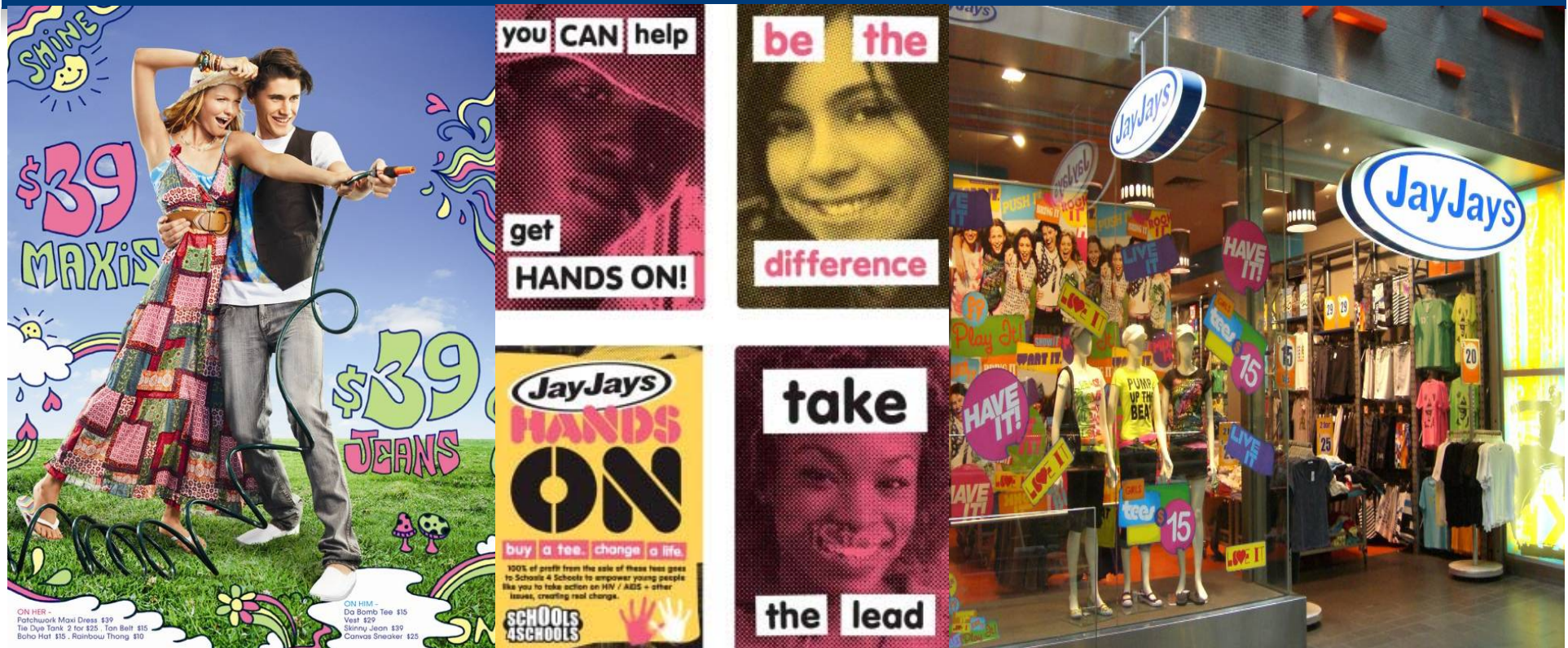
- Net debt \$95.9 million with facilities in place until June 2009
- Interest cover 7.4 times
- Ongoing support from primary banks

Just Jeans



- Total sales down 1.9%; LFL sales down 1.2%
- 269 stores trading at year end – 7 stores opened & 8 stores closed
- Record sales of denim and Just Shop membership now over 600,000
- Just Jeans brand is well positioned, but also most exposed to consumer slowdown

Jay Jays



- Total sales up 2.8%; LFL sales down 1.0%
- 246 stores trading at year end – 14 stores opened & 2 closed
- Consolidation period after record year in FY07 and with consumer slowdown
- Jay Jays brand has both a strong youth connection and a deep value component

Portmans



- Total sales up 2.0%; LFL sales down 3.4%
- 132 stores trading at year end – 12 stores opened & 2 closed
- Underperforming brand within a tough womenswear market
- Portmans brand repositioning on track with results expected to build through 2009

Jacqui E



- Total sales up 1.7%; LFL sales down 0.6%
- 108 stores trading at year end – 5 stores opened & 1 closed
- Solid 2nd half with positive LFL sales and growing VIP database
- Jacqui E brand continuing to improve and will compete well in FY09

Dotti



- Total sales up 37.0%; LFL sales up 18.4%
- 70 stores trading at year end – 12 stores opened & 3 closed
- New ranging, marketing and store design delivering great results
- Dotti brand still performing very well

Peter Alexander



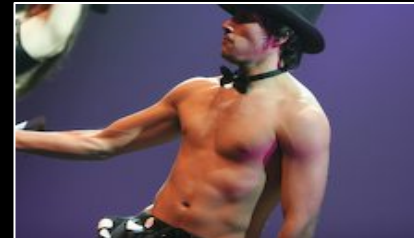
- Total sales up 28.7%; LFL sales up 2.3%
- 23 stores trading in Aus/NZ at year end – 5 opened; 3 stores trading in California, with flagship Robertson Blvd store opened in September
- Peter Alexander brand remains very strong with further scope for selected new stores

Smiggle



- Total sales \$19.0m; LFL sales up 11.0%
- 34 stores trading at year end; 20 stores acquired in August – 14 opened
- Excellent contribution after 11 months of ownership by Just Group
- Smiggle brand recognition high. Will open more stores, sell on-line and explore international

Retail Machine



- New Auckland Distribution Centre opened in September
- Expanded e-commerce platform
- Ongoing investment in systems and people

Summary – FY08

The Just Formula	Strategic Focus Areas	FY 2008 Progress
1. The best portfolio of clearly segmented and continuously refreshed retail fashion brands	<ul style="list-style-type: none"> Continued brand management Smiggle roll out Further acquisitions (as appropriate) 	<ul style="list-style-type: none"> A tough 2nd half for the established brands Sales & profit up for Peter Alexander Dotti now profitable and growing strongly Smiggle exceeded expectations
2. Plugged into the market's most diverse and capable Fast Fashion Retail Machine	<ul style="list-style-type: none"> Additional 20,000 m² of space by 2010 South Africa joint venture Peter Alexander to USA New Auckland DC and enhancement of IT systems and capability 	<ul style="list-style-type: none"> 71 new stores plus 20 Smiggle stores acquired. Now 883 stores in Australia & NZ; 10,200m² of retail space added during year 26 Jay Jays stores in South Africa 3 Peter Alexander stores in USA¹ Auckland DC opened in September '08 Continuing to invest in retail machine
3. Delivering exceptional returns and sustainable earnings growth	<ul style="list-style-type: none"> Portfolio management Cost control Stock control & margin management 	<ul style="list-style-type: none"> Total profit essentially in-line with last year despite tough economic conditions EBITA 11.1% sales Stock turnover of 5.5 times ROCE 57.1%

1 Includes Peter Alexander Robertson Blvd store opened September 2008

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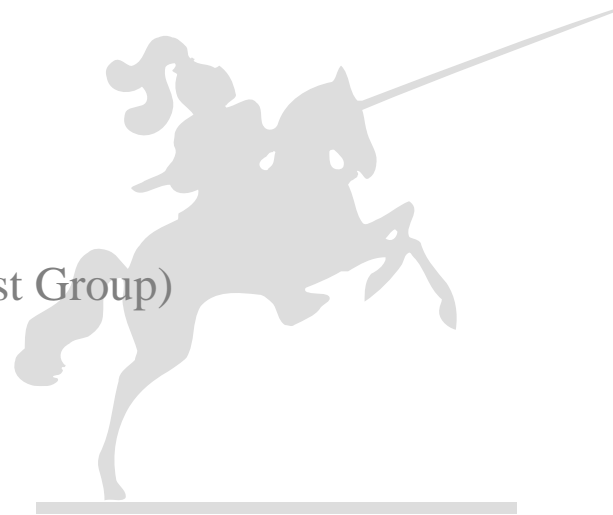


Premier's review of Just Group is underway

- During the bid, Premier announced its intention to undertake a detailed and comprehensive review of the assets, strategy and operations of Just Group
- Just's new Board has specific responsibility for the strategic review
 - The new Board includes Solomon Lew, Terry McCartney, Michael McLeod, Jason Murray, Glenys Shearer, Henry Lanzer and Mark Middeldorf
- Just management is actively involved in the strategic review
- Review includes all aspects of the business
- Premier plans to update the market of the progress of the strategic review at its 2008 AGM

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Premier's other strategic pillars: Capital...

- Capital balance gives Premier significant flexibility to pursue acquisition opportunities
 - a key competitive strength in the current environment
- Acquisition focus is on
 - ultimately, 100% ownership of operating businesses
 - retail and wholesale segments, including where strategic/synergy value with Just
 - primarily in Australia, but also abroad where sufficiently attractive
- Approximately \$300m cash position* and no debt other than Just Group's normal lines of credit
 - Just Group financing pre-bid facilities remain in place
- Also provides Premier with flexibility with respect to capital management
 - after paying the final dividend, Premier will have a franking balance of \$245m
 - Premier is currently viewing a range of possibilities that may benefit shareholders

* After payment of final dividend (on 14 October 2008), compulsory acquisition of outstanding Just Group Shares, after payments of its income tax liability for the 2008 financial year and excluding Just Group net debt

...and People

A well credentialed Board

- Premier's Board combines expertise from across the retail spectrum, with broader commercial expertise
 - Solomon Lew
 - Lindsay Fox
 - Gary Weiss
 - Frank Jones
 - Michael McLeod
 - Henry Lanzer

CEO/independent director search underway

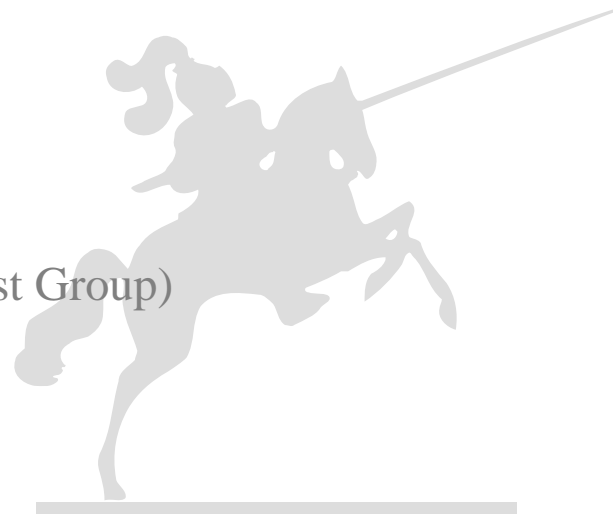
- Premier has engaged Spencer Stuart to identify and recruit a CEO for Premier and identify additional independent Director talent
 - clarity on Premier's ownership of Just has been a key milestone

Quality Just Group management team

- Early impressions are very positive
- Executive team retained and focused on taking Just to next level

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Premier's Outlook

Helicopter view

- Premier continues to believe that it will be a difficult retail environment for at least FY09 in both Australia and New Zealand

Impact on Just Group

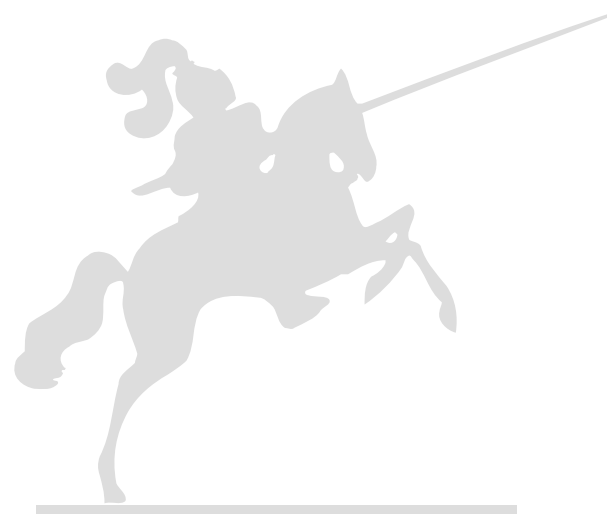
- Just Group trading for the eight weeks since the end of the financial year has been soft, in line with the general market conditions as we understand them to be. Performance during the upcoming school holiday, Spring racing carnivals and Christmas periods is the key driver to the result for the half
- In the short-term, management is very focused on managing successfully through a difficult environment

Impact on Premier acquisition strategy

- Difficult retail and market conditions may give rise to value-creating acquisition opportunities
- Premier is actively monitoring opportunities to acquire retail/wholesale businesses
 - strong focus on highly synergistic acquisitions

Just Group Additional Financial Information

- Key Operating Metrics
- Sales
- Movement in Store Portfolio



Key Operating Metrics

		FY 2008 ¹	FY 2007 ²	Change 07 to 08
Stores	No	885	810	+75
Retail space	m2	129,356	119,124	+8.6%
Sales	\$000's	812,805	759,616	+7.0%
Same sales store growth	%	-0.3	3.5	n/a
Gross Profit Margin	%	59.3	57.5	+171bps
EBITDA	\$000's	113,930	114,779	-0.7%
EBITA	\$000's	90,166	94,947	-5.0%
EBITA Margin	%	11.1	12.5	-141bps
NPAT	\$000's	54,557	61,430	-11.2%
EPS	cents	27.10	28.70	-5.6%
Operating cash flow	\$000's	85,726	89,760	-4.5%
Net Debt	\$000's	95,880	83,661	+12,219
Stock turnover	times	5.46	5.09	+0.37
ROCE (%)	%	57.1	66.3	-9.2%
Capital Expenditure	\$000's	33,070	26,933	+6,137
Interest Cover	times	7.3	14.1	-6.7

1 Excludes costs associated with takeover by Premier Investments Ltd

2 Excludes gain on sale of strategic investment Colorado Limited

Key Operating Metrics – by Half

First Half		1H 2008 ¹	1H 2007 ²	Change 07 to 08
Sales	\$000's	424,834	385,240	10.3%
Same sales store growth	%	2.6%	1.0%	n/a
Gross Profit Margin	%	59.79%	57.15%	264bps
EBITDA	\$000's	75,443	65,091	15.9%
EBITA	\$000's	64,274	55,731	15.3%
EBITA Margin	%	15.1%	14.5%	66bps
NPAT	\$000's	40,983	37,131	10.4%
EPS	cents	20.36	17.02	19.6%

Second Half		2H 2008 ¹	2H 2007 ²	Change 07 to 08
Sales	\$000's	387,971	374,376	3.6%
Same sales store growth	%	-2.8%	5.7%	n/a
Gross Profit Margin	%	59.18%	58.4%	79bps
EBITDA	\$000's	38,487	49,688	-22.5%
EBITA	\$000's	25,892	39,216	-34.0%
EBITA Margin	%	6.7%	10.5%	-380bps
NPAT	\$000's	13,574	24,299	-44.1%
EPS	cents	6.74	11.57	-41.7%

1 Excludes costs associated with takeover by Premier Investments Ltd

2 Excludes gain on sale of strategic investment Colorado Limited

Sales – FY2008

Full Year 2008				
	Stores	Sales (AUD)	Sales Growth %	LFL Sales Growth %
Just Jeans	269	220,272	-1.9%	-1.2%
Jay Jays	246	233,454	2.8%	-1.0%
Portmans	132	139,621	2.0%	-3.4%
Jacqui E	108	90,508	1.7%	-0.6%
Dotti	70	63,059	37.0%	18.4%
Peter Alexander	23	46,597	28.7%	2.3%
Smiggle	34	18,975	n/a	11.0%
Group	1			
	883	812,486	7.0%	-0.3%
Peter Alexander USA	2	319	n/a	n/a
GROUP TOTAL	885	812,805	7.0%	-0.3%
South Africa	23	7,558	n/a	14.2%

Sales – 1st Half 2008

1 st Half 2008				
	Stores	Sales (AUD)	Sales Growth %	LFL Sales Growth %
Just Jeans	270	116,456	2.8%	3.8%
Jay Jays	244	125,539	8.8%	3.8%
Portmans	132	71,954	2.9%	-2.2%
Jacqui E	108	48,238	0.0%	-1.8%
Dotti	70	28,456	33.1%	11.3%
Peter Alexander	22	23,617	38.6%	5.2%
Smiggle	29	10,574	n/a	21.1%
Group	1			
GROUP TOTAL	876	424,834	10.3%	2.6%
South Africa	20	4,089	n/a	25.0%

Sales – 2nd Half 2008

2 nd Half 2008				
	Stores	Sales (AUD)	Sales Growth %	LFL Sales Growth %
Just Jeans	269	103,816	-6.7%	-6.1%
Jay Jays	246	107,915	-3.3%	-6.4%
Portmans	132	67,667	1.0%	-4.6%
Jacqui E	108	42,270	3.8%	1.7%
Dotti	70	34,603	40.4%	24.9%
Peter Alexander	23	22,980	20.0%	1.2%
Smiggle	34	8,401	n/a	4.6%
Group	1			
	883	387,652	3.5%	-2.8%
Peter Alexander USA	2	319	n/a	n/a
GROUP TOTAL	885	387,971	3.6%	-2.8%
South Africa	23	3,469	n/a	6.5%

Movement in Store Portfolio

	Closures FY08	Openings FY08	Expansions FY08	Relocations FY08	Total New Sites FY08	Change in Retail Space
Just Jeans	8	7	0	7	14	1.5%
Jay Jays	2	14	1	6	21	7.9%
Portmans	2	12	0	2	14	7.7%
Jacqui E	1	5	1	2	8	5.6%
Dotti	3	12	0	0	12	16.1%
Peter Alexander	0	5	0	0	5	31.4%
Smiggle*	0	14	0	0	14	n/a
Total	16	69	2	17	88	8.2%
Peter Alexander USA		2	0	0	2	n/a
GROUP TOTAL	16	71	2	17	90	8.6%
Jay Jays South Africa	1	10	0	0	10	n/a

* Excludes 20 stores acquired