

THE **JUST** GROUP



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Off-Market Share Buy-Back

7 March 2007

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Overview

- Off-market buy-back of approximately \$65 million
- Further demonstration of Just Group's focus on maximising returns to shareholders
 - After the May 2007 interim dividend and the Buy-Back, Just Group will have returned over \$150 million to shareholders since re-listing in 2004 by way of dividends and the share buy-back
- Just Group's Board is confident that the Buy-Back will leave Just Group's balance sheet with sufficient flexibility to pursue growth opportunities, while maintaining its dividend payout ratio at 60-65% of annual after-tax profit for the foreseeable future. Dividends are expected to continue to be fully-franked
- The Buy-Back is expected to benefit all shareholders and Just Group
 - For shareholders participating in the Buy-Back, the after tax return may be greater than the after tax return from selling their shares on ASX
 - Shareholders who choose not to participate are expected to benefit from enhanced earnings per share and return on equity
 - Shares will be bought at a discount to the Market Price, allowing Just Group to buy back a greater number of shares than would be possible on market for the same amount of capital

Summary of Buy-Back

Target size	<ul style="list-style-type: none">■ Approximately \$65 million – ultimate size dependent on demand and market conditions, subject to a maximum of 10% of Just Group's outstanding shares■ Represents between 9% and 10% of Just Group's issued share capital¹
Tender Discount Range	<ul style="list-style-type: none">■ Tenders can be lodged at Tender Discounts of between 8% to 14% inclusive (at 1% intervals) to the Market Price² or as a Final Price Tender³■ Additionally, tenders can be conditional upon a Minimum Price
Buy-Back Price composition	<ul style="list-style-type: none">■ The Buy-Back Price per share will comprise:<ul style="list-style-type: none">— A capital component of \$0.10— The remainder, which, for tax purposes, will be deemed to be a fully franked dividend■ The Sale Consideration per share, for Capital Gains Tax purposes, will generally be equal to the higher of i) \$0.10 and ii) the Deemed Market Value⁴ less the dividend component
Key Dates	<ul style="list-style-type: none">■ The Tender Period opens on 2 April 2007 and closes on 27 April 2007 at 7:00pm (Melbourne time)■ Shares purchased on or before 15 March 2007 will be eligible for franking credit entitlement■ Shares bought on ASX on or after 19 March 2007 will not confer an entitlement to participate■ Just Group's ex-dividend entitlement date for its interim dividend of 9.5 cents per share is 7 May 2007. Shareholders should note that as this is after the Tender Period closes, shares bought back by Just Group will not be eligible for the dividend

1. For example, assuming a buy-back size of \$65 million and a Buy-Back Price of \$3.25, it would represent 9.2% of Just Group's issued share capital.

2. The Market Price will be calculated as the VWAP (excluding not "at-market" trades) of Just Group shares over the 5 trading days up to and including the Tender Closing Date (27 April 2007).

3. A Final Price Tender is an election to receive the Buy-Back Price as determined under the Tender Process.

4. See page 7 of this presentation for further details.

Off-Market Share Buy-Back Key Details

Benefits

Benefits all shareholders

- Both participating and non-participating shareholders can benefit
 - For some shareholders, depending on their individual circumstances, the after-tax proceeds from participating in the Buy-Back may be greater than the amount that would be received through a sale of their shares on-market
- Shareholders who retain their holding will benefit from any enhancement to Just Group's earnings per share and return on equity

Provides shareholders with choice

- Shareholders may choose whether to participate, taking into account their particular circumstances
- Shareholders can choose the Tender Discount/s at which they participate
- A similar choice is not available if surplus capital is returned through other methods (eg. special dividend)

An efficient method of distributing surplus capital

- Shares will be bought back at a lower price than an equivalent on-market buy-back, resulting in a higher number of shares bought back
- Earnings per share expected to be enhanced
- Return on equity expected to be enhanced
- Utilises surplus franking credits in an efficient manner
- Although the Buy-Back will be funded from cash and increased borrowings, Just Group will remain strongly capitalised and the Buy-Back will not materially affect its ability to pursue further growth opportunities

Other benefits

- There is no need to appoint a broker and brokerage should not be payable
- Tenders can be made as Final Price Tenders, ensuring participation to some extent
- Tenders can be made subject to a Minimum Price condition, providing greater certainty to participating shareholders

Tender mechanics

Eligibility

- Shares acquired on ASX before (but not on) the ex-entitlement date 19 March 2007 will confer an entitlement to participate in the Buy-Back
- Ineligible shareholders – foreign shareholders including residents of the US and US persons
- Restricted Employee Shares are not eligible to be tendered into the Buy-Back

How to participate

- A personalised Tender Form and Buy-Back Booklet will be dispatched to Eligible Shareholders by 28 March 2007
- Tenders must be submitted by 7:00pm (Melbourne time) on 27 April 2007

Tender Discount Range

- Eligible Shareholders can tender their shares at Tender Discounts between 8% to 14% inclusive (at 1% intervals) to the Market Price or as a Final Price Tender
- An optional Minimum Price condition is also available

Successful Tenders

- All successfully tendered shares will receive the same Buy-Back Price calculated by applying the Tender Discount to the Market Price
- Shares tendered at or below the Buy-Back Discount or as a Final Price Tender will be bought back, subject to any required scale back
- Holders of 500 shares or less must tender all their shares, and holders of more than 500 shares must tender at least 500 shares
- Shares tendered above the Buy-Back Price will not be bought back

Tender mechanics (cont'd.)

Minimum Price

- Shareholders can make Tenders conditional on the Buy-Back Price being no less than one of four specified amounts (as set out on the Tender Forms)
- If the Buy-Back Price is lower than the Minimum Price selected by a shareholder then their Tender will not be successful

Scale back

- If the total number of shares tendered at Tender Discounts greater than the Buy-Back Discount or as Final Price Tenders is greater than the number of shares that Just Group determines to buy back, a scale back will apply
- The scale back will apply to shares tendered at the Buy-Back Discount subject to Priority Parcels and Small Residual Holding rules. Shares tendered as Final Price Tenders will only be subject to scale back if the Tender Discount is 14%

Priority Parcel

- Just Group will buy back the first 500 shares (the Priority Parcel) tendered at or below the Tender Discount or tendered as a Final Price Tender (or a lesser number as required to ensure Just Group is able to buy back only the number of shares it determines to buy back) before any scale back applies

Small Residual Holdings

- Shareholders tendering all their shares at a Tender Discount equal to or greater than the Buy-Back Discount or as a Final Price Tender, and who would be left with 140 shares or less due to a scale back, will instead have their Tender accepted in full and all shares will be bought back

Key dates

Date	Event
Wednesday, 7 March 2007	Announcement of Just Group's off-market Buy-Back
Thursday, 15 March 2007	Last day that shares can be acquired to be eligible for franking credit entitlement
Monday, 19 March 2007	Ex-Entitlement Date: Shares acquired on ASX on or after this date will not confer an entitlement to participate in the Buy-Back
Friday, 23 March 2007	Record Date: Determination of shareholders entitled to participate in the Buy-Back
Wednesday, 28 March 2007	Mailing of Buy-Back Documents to shareholders
Monday, 2 April 2007	Tender Period opens
Friday, 27 April 2007	Tender Period closes. Tenders must be received by no later than 7:00pm (Melbourne time)
Monday, 30 April 2007	Announcement of the Buy-Back Price and scale back (if any)
Friday, 4 May 2007	Dispatch/crediting of buy-back proceeds to participating shareholders completed

Australian tax implications

Treatment of proceeds

- Capital component
 - Shareholders will generally be taken, for Australian Capital Gains Tax purposes, to have sold their shares for \$0.10 plus any excess of the Deemed Market Value over the Buy-Back Price
 - The cost base of the shares is relevant in determining any capital gain or loss
- Dividend component
 - The excess of the Buy-Back Price over \$0.10 will be treated as a fully franked dividend

Deemed Market Value

- Calculated as \$3.71 (VWAP of Just Group shares over the 5 days to 6 March 2007), adjusted for movements in the S&P/ASX 200 Index between the commencement of trading on 7 March 2007 and the Closing Date (27 April 2007)

“45-day rule”

- The 45-day rule generally requires that shares must be held ‘at risk’ for a minimum of 45 days to qualify for franking credits and tax offsets
- In order to satisfy this rule, shares must be held ‘at risk’ from a date on or before 15 March 2007, the cut-off date under the 45-day rule
- Provided that a participating shareholder tenders shares (which were acquired on or before 15 March 2007) and had no other arrangements which give rise to a material diminution of the risks of loss or opportunities for gain in relation to such shares, the benefits of franking credits and tax offsets should be available

“Last-in first-out” rule

- The ATO has agreed that shares acquired on or after the Ex-Entitlement Date (19 March 2007) on an ex-entitlement basis will not affect the ability to receive franking credits on shares tendered into the Buy-Back
- The last-in first-out rule will apply to shares acquired between 16 March 2007 and 18 March 2007 inclusive. Participating shareholders who hold shares on 15 March 2007 and who also acquire shares between 16 March 2007 and 18 March 2007 inclusive may not be entitled to the franking credit tax offsets on the dividend component of the Buy-Back Price

Worked Australian tax examples

Income	Superfund	Australian resident individuals ¹				
		\$0-\$6,000	\$6,001-\$25,000	\$25,001-\$75,000	\$75,001-\$150,000	\$150,000+
Marginal tax rate	15%	0.0%	16.5%	31.5%	41.5%	46.5%
Income tax consequences (deemed dividend)						
Illustrative Buy-Back Price	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25	\$3.25
Less: capital component	\$(0.10)	\$(0.10)	\$(0.10)	\$(0.10)	\$(0.10)	\$(0.10)
Assumed fully franked deemed dividend ²	\$3.15	\$3.15	\$3.15	\$3.15	\$3.15	\$3.15
Add: gross up for franking credits	\$1.35	\$1.35	\$1.35	\$1.35	\$1.35	\$1.35
Assessable income	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50	\$4.50
Tax on assessable income	\$(0.68)	\$0.00	\$(0.74)	\$(1.42)	\$(1.87)	\$(2.09)
Tax offset ³	\$1.35	\$1.35	\$1.35	\$1.35	\$1.35	\$1.35
Net tax offset (tax payable) on franked deemed dividend	\$0.68	\$1.35	\$0.61	\$(0.07)	\$(0.52)	\$(0.74)
After tax proceeds³	\$3.83	\$4.50	\$3.76	\$3.08	\$2.63	\$2.41
CGT consequences (capital)						
Capital component	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10	\$0.10
Add: excess Deemed Market Value over Buy-Back Price ⁴	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50
Less: Illustrative cost base	\$(2.50)	\$(2.50)	\$(2.50)	\$(2.50)	\$(2.50)	\$(2.50)
Nominal capital gain/(loss) on disposal	\$(1.90)	\$(1.90)	\$(1.90)	\$(1.90)	\$(1.90)	\$(1.90)
Discount capital gain/(loss) ⁵	\$(1.27)	\$(0.95)	\$(0.95)	\$(0.95)	\$(0.95)	\$(0.95)
Tax impact of capital gain/(loss) ⁶	\$0.19	\$0.00	\$0.16	\$0.30	\$0.39	\$0.44
After tax proceeds^{5,6}	\$0.29	\$0.10	\$0.26	\$0.40	\$0.49	\$0.54
Total after tax proceeds^{5,6}	\$4.12	\$4.60	\$4.01	\$3.48	\$3.13	\$2.95

Refer to Appendix for explanation of footnotes.

Appendix: Footnotes to worked Australian tax examples

1. Marginal tax rate includes the Medicare Levy of 1.5%. The Medicare Levy will depend on an individual's own circumstances.
2. Assumed fully franked deemed dividend (\$3.15) is calculated as the assumed Buy-back Price of \$3.25 less the fixed capital component of \$0.10.
3. Assumes the shareholder is fully entitled to the franking credits.
4. Assumes, for illustrative purposes only, that the market value for tax purposes (the Deemed Market Value) of the shares is \$3.75. The actual Deemed Market Value will be calculated as \$3.71 (VWAP of Just Group shares over the 5 days to 6 March 2007), adjusted for movements in the S&P/ASX 200 Index from the commencement of trading on 7 March 2007 to the Closing Date (27 April 2007).
5. Assumes that the discount capital gain method is used, which adjusts the total capital gain by a discount factor (50 per cent for individuals; 33 $\frac{1}{3}$ per cent for complying superannuation funds). Although capital losses, as such, are not subject to discount, it is assumed that capital losses are offset against capital gains and that the net amount is then discounted. If capital losses are offset against capital gains which cannot be discounted (e.g. on assets held for less than 12 months), the tax impact of the capital loss will be greater (more favourable) than shown in the table.
6. Assumes shareholders will be able to fully utilise capital losses to offset capital gains derived from other assets. The capital loss, which arises under the buy-back, may be different to any capital gain/loss which may have arisen under an equivalent sale of shares on-market. This is because the capital proceeds under the buy-back are the aggregate of \$0.10 (the cash capital component) plus \$0.50 (the excess of the Deemed Market Value over the Buy-Back Price – refer note 4). The \$0.50 is used for illustrative purposes only.