

Just Group Limited

ACN 096 911 410

Supplementary Target's Statement

This document is the second supplementary target's statement issued by Just Group in relation to the off-market takeover bid for the ordinary shares in Just Group by Premier Investments Limited.

This statement supplements, and should be read together with, Just Group's target's statement dated 2 June 2008 and Just Group's supplementary target's statement dated 2 July 2008. Terms defined in the target's statement have the same meaning in this statement.

1 ASX announcement

Just Group has today made an announcement to ASX. A copy is attached to, and forms part of, this statement.

2 Authorisation

Signed for and on behalf of Just Group:



Ian Pollard

Chairman

31 July 2008

THE JUST GROUP

Just Group Releases Sales Update

ASX Release
31 July 2008

- **JUST GROUP DELIVERS SOLID FULL YEAR RETAIL SALES RESULT AFTER PLEASING JULY TRADING**
- **RESULT AT MID-TO-UPPER END OF GUIDANCE RANGE**

Just Group Limited ("Just Group") today announced it expects unaudited pro-forma¹ sales revenue to increase to approximately \$387.5 million for the 26 weeks ending 26 July 2008. This is a solid result that brings unaudited pro-forma full year FY2008 sales to approximately \$812.2 million, which is above the mid-point of Just Group's pro-forma sales guidance of \$808 million to \$814 million. July sales have been pleasing with favourable trading momentum going into the new financial year.

KEY HIGHLIGHTS

- **Unaudited pro-forma sales revenue up 3.5% for 2nd half and 7.0% for the year**
- **July trading pleasing with sales and gross margins ahead of mid-point guidance. Australian same-store-sales growth of +2.7% for the last 4 weeks of the year**
- **Trading remains strong in Dotti and Jacqui E**
- **Portmans turnaround ahead of schedule**
- **Sales have recovered well in Just Jeans**
- **Jay Jays sales pleasing after a very strong comparable FY2007**
- **Pro-forma EPS for the full FY2008 year is expected to be at the mid-to-upper end of guidance range of 29.2 to 30.6 cents per share, broadly in line with FY2007²**
- **Special Board Committee to recommend final, fully franked dividend of 9.0 cents per share to the Just Group Board. This would bring total fully franked dividend for FY2008 to 19.5 cents, equal to the total FY2007 dividend**

Commentary

Just Group's Managing Director, Jason Murray, said that he was reasonably pleased with the final sales result for the year to 26 July 2008, particularly in light of the challenging retail environment in the second half of the year. "The sales result has been achieved against a backdrop of softer market conditions, slower recent trading, industry wide uncertainty and significant discounting undertaken by a number of retailers, particularly late in the second half. The strength of the July results on a like-for-like ("LFL") basis is notable given the strong trading experienced in July 2007. In addition, the correlation between increased sales and the introduction of new season ranges is encouraging. These factors give weight to our belief that the

¹ The Directors' pro-forma forecast differs to the expected reported results of Just Group in financial year 2008 as the Directors' pro-forma forecast has been adjusted for non-recurring items and certain timing differences in order to present the underlying performance of Just Group on a consistent basis. Refer to Just Group's Target's Statement for further details.

² FY2007 Adjusted EPS and FY2007 Reported EPS as set out in Just Group's Target's Statement were 29.2 cents and 29.8 cents respectively. FY2007 Adjusted results, as set out in Just Group's Target's Statement, enable Just Group shareholders to compare the adjusted historical results of Just Group to the pro-forma forecast financial information.



disappointing June results, which led to our revised forecasts and that appear to have impacted a number of other retailers, were unforeseeable and abnormal, even in a soft consumer environment.”

“I believe we have delivered a satisfactory result given the prevailing economic conditions. We are pleased with the ongoing improvement of our womenswear brands. Dotti has had a tremendous year, Jacqui E continues to trade very well and the turnaround in Portmans is ahead of schedule. Furthermore, our casualwear brands have finished the year well. Just Jeans achieved a solid result for July, whilst Jay Jays’ sales result was pleasing given LFL sales growth in July 2007 of more than 20% in Australia. Peter Alexander continues to generate strong returns, although going into sale in July impacted its last 4 weeks LFL growth. The acquisition and subsequent roll-out of Smiggle has been very well managed and is delivering excellent results.”

“Economic conditions in New Zealand have been extremely difficult. Our sales result in New Zealand reflects this situation and is amplified by the translation effect of a weaker New Zealand dollar. However, this market remains highly profitable for Just Group and investment will be tightly controlled until market conditions improve.”

“Inventory is continuing to be managed tightly with limited ‘Sale’ stock still on hand and gross margins in July at the upper end of expectations. The emphasis continues to be on cost control, operating efficiencies and maintaining market share.”

“Whilst earnings figures are yet to be finalised it is expected that pro-forma earnings before interest, tax and amortisation (“EBITA”) and earnings per share (“EPS”) will be at the mid-to-upper end of the guidance range of \$95.0m to \$99.0m and 29.2 cents to 30.6 cents respectively. This compares to Adjusted FY2007 EBITA and EPS of \$96.5m and 29.2 cents respectively.”

Pro-forma Sales Update by Brand

The table below summarises Just Group’s unaudited pro-forma sales by brand.

	FY08 Unaudited Pro-forma ¹ Sales			2H08 Unaudited Pro-forma ¹ Sales			Last 4 weeks
	A\$m	Growth ⁴	LFL Growth ⁴	A\$m	Growth ⁴	LFL Growth ⁴	LFL Growth ⁴
Just Jeans	186.1	-0.5%	+1.4%	87.9	-4.7%	-3.0%	+3.9%
Jay Jays	199.0	+4.8%	+0.4%	92.1	-0.9%	-4.6%	-4.1%
Dotti	55.0	+36.3%	+17.7%	30.1	+39.5%	+26.4%	+23.2%
Portmans	125.5	+1.7%	-2.5%	60.9	+1.6%	-2.7%	+7.5%
Jacqui E	76.7	+3.3%	+0.6%	35.7	+6.1%	+4.3%	+7.1%
Peter Alexander	45.3	+26.7%	+2.3%	22.3	+18.0%	+1.1%	-9.5%
Smiggle	18.7	n/a	+11.0%	8.3	n/a	+4.6%	+3.7%
Total Australia	706.3	+8.5%	+1.2%	337.3	+5.7%	-0.6%	+2.7%
Total New Zealand ²	105.9	-2.6%	n/c	50.2	-8.8%	n/c	n/c
Total Pro-forma Sales³	812.2	+7.0%	+0.2%	387.5	+3.5%	-1.9%	+1.4%
Total New Zealand (NZ\$) ²	125.0	+1.0%	-5.7%	60.3	-2.4%	-8.8%	-6.3%

1. Pro-forma sales do not include sales by Peter Alexander USA or sales to Jay Jays South Africa
 2. New Zealand dollar sales revenue translated to Australian Dollars at the following average AU\$:NZ\$ exchange rates

FY2008	1.18	2H08	1.20
FY2007	1.14	2H07	1.12
 3. Pro-forma LFL sales growth is based on New Zealand LFL sales growth calculated using a constant AU\$:NZ\$ exchange rate
 4. Compared to Adjusted FY2007 sales figures as set out in Just Group’s Target’s Statement
- n/c not comparable due to translation effect



Dividends

Given Just Group's robust earnings, balance sheet and cashflows, the Special Board Committee has resolved to recommend to the full Board that the total dividend for FY2008 be maintained at the same level as FY2007, implying a final fully franked dividend of 9.0 cents per share.

If adopted, the final full dividend for FY2008 of 19.5 cents, fully franked, would represent a payout ratio of between:

- 68% and 71% based on the reported EPS guidance range (before provision for takeover defence costs) of 27.3 to 28.7 cents per share; and
- 64% and 67% based on the pro-forma EPS guidance range of 29.2 to 30.6 cents per share.

Outlook

Mr Murray said "Just Group is well placed to adapt to changing market conditions due to the speed and responsiveness of our supply chain, the effectiveness of our inventory management and the scale and diversity of our portfolio. Just Group is also well placed to capture opportunities from challenges that other retailers may face – including the potential to achieve market share gains, access new retail sites or undertake complementary and value creating acquisitions."

Just Group's strategic goal of achieving EPS of at least 40 cents by 2010 is supported by four fundamental elements:

- Continued growth in Australasia;
- International expansion;
- Continued investment into Just Group's fast fashion retail machine; and
- Scope for selected acquisitions.

Just Group is positioned to perform well in the new financial year. Notwithstanding expectations of market conditions remaining soft (especially in New Zealand), ongoing investment in growth (including international and the retail machine), anticipated cost inflation and a weaker New Zealand dollar, there are a number of specific factors that are expected to lead to an increase in group profits in FY2009, including:

- Continued rollout of new stores;
- Benefits to all brands, particularly the casualwear brands, of the stronger Australian dollar (underpinned by a hedge book that delivers an increase in the achieved AU\$:US\$ exchange rate from 0.837 to 0.896, assuming a 0.900 spot rate);
- Benefits to the womenswear brands through improved trading and the consequential impact on gross margin and EBITA margin:
 - A full financial year's benefit of the strong trading in Dotti and Jacqui E
 - Portmans rebounding off a relatively weak FY2008
- Smiggle contributing for a full year as well as continued store roll out;
- The impact of lower taxes, moderating oil prices and lower New Zealand interest rates; and
- Continued emphasis on tight inventory and cost management with a particular focus on labour productivity and supplier costs.

Just Group Chairman, Dr Ian Pollard, said: "This result has been achieved against the backdrop of lower consumer sentiment, economic uncertainty and a declining New Zealand dollar, particularly in the second half of the year. Just Group has excellent growth options and an outstanding management team. Our strategic goal will focus the board and senior management team on delivering growth and continuing to maximise shareholder value."

Full Year Results

All figures included in this release are unaudited and consequently immaterial differences between the figures presented in this release and the final figures presented in Just Group's full year results may occur. Just Group will report its results for the year ending 26 July 2008 on 10 September 2008.



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Just Group is Australia's leading fast fashion retailer operating nearly 900 stores in Australia and New Zealand, 2 stores in North America and 23 stores in South Africa via a joint venture. Founded in 1970, the Company operates leading fashion brands Just Jeans, Jay Jays, Dotti, Portmans, Jacqui E, Peter Alexander and Smiggle. Just Group was listed on the ASX (JST) on 7 May 2004.

Further information about the Group is at www.justgroup.com.au

For further information: Media release distributed by:

Jason Murray
Managing Director
Ph: +61 3 9420 0223

Porter Novelli Melbourne
Tom Valenta
Ph: +61 3 9289 9555 or 0412 373 951

Cosway
Mark Rudder
Ph: +61 2 9929 8344 or 0411 362 362

Some of the statements appearing in this announcement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Just Group operates as well as general economic conditions, prevailing exchange rates and interests rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. None of Just Group or Just Group's officers makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this announcement reflect views held only as at its date.

dotti

peteralexander

JACQUIE



portmans

