

4 August 2008

JUST GROUP TO UPDATE RECOMMENDATION IF PREMIER ACHIEVES OVER 50% AND DECLARES OFFER UNCONDITIONAL

Premier Investments Limited ("Premier") has announced today that it has received acceptance instructions which will enable Premier to take its relevant interest to 46.97% of all fully paid ordinary shares in Just Group Limited ("Just Group").

The Special Board Committee today announced that, if Premier reaches acceptance levels of 50% or more (including acceptance instructions under the Institutional Acceptance Facility) and declares its offer unconditional, it will recommend that Just Group shareholders accept Premier's offer.

Just Group shareholders should have regard to their own personal circumstances when deciding whether to accept Premier's offer and should seek their own professional advice, particularly given the offer involves part scrip consideration. Some Just Group shareholders may wish to consider selling their Just Group shares on market, subject to the price realisable, in the event that they do not want to receive Premier shares as consideration.

Dr Ian Pollard, Just Group Chairman, said: "While we believe that Premier's offer does not adequately recognise the underlying value of Just Group and its future growth prospects, the Special Board Committee acknowledges that, in light of the changed circumstances, shareholders should accept Premier's offer if it achieves acceptances of 50% or more, or alternatively sell their Just Group shares on market. We believe it is now in Just Group shareholders' best interests for Premier to achieve a relevant interest of 90% or greater so that all Just Group shareholders are able to access the additional 15 cents per share cash consideration and be potentially eligible for capital gains tax scrip-for-scrip rollover relief."

Key considerations if Premier acquires over 50%

If Premier acquires more than 50% of Just Group shares, the Special Board Committee believes that the profile of Just Group, and therefore the basis for assessing Premier's offer, will fundamentally change. In particular:

1. Premier will have control of Just Group's Board and management team. Premier would be in a position to appoint a new Board and management team and control the strategic direction of the Just Group business¹;
2. Remaining Just Group shareholders will become minority shareholders in a company controlled by Premier;
3. It is unlikely that Just Group will receive a takeover offer in the near future from a third party. Further, there is no guarantee that Premier will make a further offer or that any offer made will be the same as, or higher than, Premier's current offer; and
4. The liquidity of Just Group shares is likely to be substantially reduced.

Given the recent share market volatility, there is also an increased risk that Just Group's share price would fall if Premier achieves control, but not 100% ownership, of Just Group. The S&P/ASX 200 Index has fallen 8.4% since Premier's offer was announced².

¹ Premier noted in its Bidder's Statement, as amended by supplementary statements, that, if it acquired control of Just Group but less than 90%, it would reconstitute the Just Board with its own nominees and a number of independent directors, undertake a strategic business review and review Just Group's dividend policy

² Based upon 28 March 2008, the day prior to Premier announcing its offer

Special Board Committee recommendation

Given the factors highlighted above and the potential for Just Group shareholders to receive additional cash consideration of 15 cents per share if Premier achieves a relevant interest in Just Group of 90% or more, the Special Board Committee intends to recommend Just Group shareholders accept Premier's offer if Premier gains control of Just Group.

By accepting Premier's offer, shareholders will:

1. Receive \$2.095 cash and 0.25 of a Premier share for each Just Group share;
2. Receive additional cash consideration of 15 cents per share in the event that Premier achieves a relevant interest in Just Group of 90% or more during the offer period;
3. Be potentially eligible for capital gains tax scrip-for-scrip rollover relief if Premier achieves a relevant interest in Just Group of at least 80% during the offer period; and
4. Continue to retain participation in Just Group's growth potential through holding Premier shares, or sell on market any Premier shares they receive.

Just Group shareholders who have concerns regarding the liquidity and value of Premier's shares, Premier's strategies or Premier's corporate governance framework may wish to consider selling their Just Group shares on-market prior to the closure of Premier's offer, subject to being satisfied with the price realisable. Any shares sold on-market will incur brokerage and other costs, and may be subject to capital gains tax.

Intention of Directors in relation to their own Just Group shares

Consistent with the Special Board Committee's recommendation above, if Premier receives acceptance instructions which will enable Premier to take its relevant interest to more than 50% of Just Group and Premier declares its offer unconditional, each member of the Special Board Committee intends to either accept Premier's offer in relation to the Just Group shares they own or control, or sell their shares on-market.

Discussions with Premier

Just Group and Premier have commenced discussions on an orderly transition of control of the Company in the event that Premier achieves interests in Just Group of more than 50% and declares its offer unconditional.

Shareholders should seek their own advice

Just Group shareholders should have regard to their own personal circumstances when deciding whether or not to accept Premier's offer and should seek their own professional advice.

If Premier achieves a relevant interest in Just Group of more than 50% and declares its offer unconditional, Just Group will issue a Supplementary Target's Statement reflecting the change in the Special Board Committee's recommendation.

Premier's offer is currently scheduled to close at 7.00pm on 15 August 2008.

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