

23 April 2008

## JUST GROUP EXPRESSES SERIOUS CONCERNS OVER OPPORTUNISTIC PREMIER OFFER

- ***Very low premium***
- ***Uncertain investment profile for anybody who accepts***
  - ***Just re-affirms advice to TAKE NO ACTION***

Just Group Limited (“Just Group”) has today received from Premier Investments Limited (“Premier”) the Bidder’s Statement in relation to Premier’s offer.

Commenting on the offer, Dr Ian Pollard, Just Group Chairman, said: “We have a number of serious concerns about Premier’s unsolicited and unwelcome offer.

“This unsolicited offer presents Just Group’s shareholders with a very low premium that is well out of step with typical bids. It is highly opportunistic.

“Further, if the offer were to proceed, dilution, lack of liquidity, an ill-defined strategy and uncertainty about board and management structures introduce additional risks for Just Group shareholders.

“In certain circumstances there also may be adverse capital gains tax impacts for some shareholders who accept the offer.”

“In summary, the opportunistic bid is clearly structured to suit Premier’s objectives, not the interests of Just Group shareholders.”

Just Group’s Chairman, Dr Pollard, said that the Special Board Committee will evaluate Premier’s Bidder’s Statement before making any formal recommendation to Just Group shareholders in Just Group’s Target’s Statement. The Target’s Statement will also contain an Independent Expert’s Report from Lonergan Edwards.

### ***Concerns and issues with Premier’s offer***

The initial concerns and issues with Premier’s offer include:

- **Very low premium relative to typical takeover bids:**
  - At yesterday’s closing price for Premier, the offer equates to \$4.11 per Just Group share (cum dividend) which represents only an 8 per cent premium relative to Just Group’s three month volume weighted average price (VWAP) of \$3.80 for the period prior to the offer being announced
- **Fundamental change to the investment profile for Just Group shareholders who accept Premier scrip:**
  - *Diluted ownership interest* – Just Group shareholders with the exception of Premier and its associates would end up owning approximately only 28 per cent

of Premier's enlarged shares on issue, assuming Premier were to acquire 100 per cent of Just Group

- *Subordination of Just Group shareholders' interests* - Just Group shareholders not associated with Premier risk being subordinated to Mr Lew and his associated interests who now control and would effectively control Premier
  - *Altered investment exposure* – Premier already has a significant investment outside retailing and this undermines the purity of current Just Group shareholders' investment. Premier has today indicated it intends to consider making further investments in wholesaling, distribution and or retail property which will further alter your investment exposure
  - *Reduced liquidity and discount to net asset value* - Premier has historically been an illiquid stock compared to Just Group and has typically traded at a significant discount to its underlying net asset value. The current discount to net asset value is approximately 16 per cent
- **Potential adverse capital gains tax impacts:**
    - Just Group shareholders will not be eligible for scrip-for-scrip rollover relief if the offer proceeds and Premier's eventual holding is less than 80 per cent of Just Group. This may result in some shareholders paying capital gains tax in respect of all the consideration they receive, including any Premier shares they are issued.

***Continuing strong performance and financial returns underpin Just Group future***

Dr Pollard highlighted the underlying strength of Just Group's business saying: "Just Group owns and operates seven leading retail fashion brands and a powerful retail machine that is capable of rapidly adjusting to changes in the business environment. This is being demonstrated within the current season with sales growth that we believe to be above the market and on a positive trend.

"Moreover, Just Group has an exceptional management team with outstanding experience and skills in retailing that has delivered seven years of continuous sales and profit growth and strong financial returns.

"We are confident that the four-year plan we have in place is capable of generating long-term sustainable growth. Underpinned by this solid platform, an investment in Just Group would be hard to replicate for investors wanting a pure exposure to the sector," said Dr Pollard.

***Take no action***

"It is important that shareholders **take no action** until they have considered all of the information that will be provided in our Target's Statement," said Dr Pollard.

The Target's Statement is expected to be distributed during May 2008.

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