

THE JUST GROUP

ASX and Media Release FY04 Results
15 September 2004

Just Group profit up 77% to \$40 million

Highlights

- Group NPAT of \$40 million up 77% on last year and 22.6% above prospectus forecast
- EBITA of \$75.3 million up 53% on last year and 16.6% above prospectus forecast
- Sales of \$620 million up 10.3% on last year and 1.6% above prospectus forecast
- Higher final dividend of 3.5 cents per share, fully franked, against prospectus forecast of 2.8 cents

Just Group today announced a record profit and sales performance for the year ending 31 July 2004, exceeding prospectus forecasts. Net profit after tax for the year of \$40 million showed an increase of 77 per cent on the result achieved in the previous year.

Across the Group, total sales grew by 10.3 per cent to \$620 million, exceeding the prospectus forecast by 1.6 per cent. While some of this growth can be attributed to new store openings, comparable store sales were also strong, growing at a rate of 5.8 per cent.

Earnings before interest, tax and amortisation (EBITA) of \$75.3 million represents a 53 per cent increase on the previous year's result and is 16.6 per cent above the prospectus forecast.

Just Group Managing Director, Howard McDonald, said the Group had enjoyed robust trading conditions.

"During the year, we successfully floated the Group, listed on the ASX, and delivered what we promised," he said.

"We have invested \$17.6 million in capital expenditure to upgrade 163 stores and open 48 new stores. An additional \$7 million has been spent on a point-of-sale upgrade and on our new distribution centre at Altona, which commenced operation in January this year. We also closed 16 under-performing stores.

"We believe this commitment to continual investment in our brands, with a drive to deliver what we call 'affordable fast fashion', have contributed significantly to growth," Mr McDonald said.

Based on the strong result, the Board has announced a fully franked dividend of 3.5 cents per share, a 25% increase on the prospectus forecast of 2.8 cents per share. The dividend will be paid on 17 November 2004 to shareholders with a record date of 27 October 2004.

All Just Group brands recorded sales levels above prospectus predictions, with the exception of Urban Brands.

The Group's womenswear businesses delivered a standout performance, achieving an EBITA of \$21 million, surpassing the prospectus forecast of \$13.6 million by 54 per cent.

"Portmans in particular achieved a substantial lift in sales and profitability. Peter Alexander continues to grow and we're confident this will carry through to the next year. In addition, the first Peter Alexander concept store was opened in Melbourne Central early this month," said Mr McDonald.

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“Portmans and Jacqui E enjoyed high single digit comparable store growth this year, and we are on track with our acquisition of fashion label Dotti, which, once completed in late October, will further strengthen our offering in the female fashion sector.”

The Group’s casualwear businesses also yielded a strong result, delivering EBITA of \$54 million, 5.9 per cent above the prospectus forecast of \$51 million.

In this segment, Just Jeans produced a sound result, with stronger winter sales across all areas following a flat summer season. Jay Jays continues to establish a strong presence, especially in the youth market, achieving double digit comparable store growth and opening 26 new stores.

Mr McDonald said Urban Brands was the one exception to the Group’s record performance. He said given the absence of scalability, and an inability to fully leverage the Group’s supply chain capability, Just Group would exit the Urban Brands business next month.

“In combination with the sales coming from Dotti, the exit from Urban Brands will not have a material effect on the Group’s revenue or profitability in 2005,” Mr McDonald said.

“On the whole, we enjoyed buoyant trading conditions in Australia and steady conditions in our New Zealand operations,” he said.

Overall margins increased, bolstered by double digit sales growth and significant gross margin improvements. This was reinforced by the tight management of markdowns and a focus on higher margin own label products, and assisted by the Group’s continuing ability to capture the benefits of the higher Australian dollar.

Just Group produced a strong cash flow performance with a reduction of net debt to \$82 million as at 31 July 2004, from \$115 million at 1 January 2004.

Mr McDonald said the Group was well positioned for a continuing strong performance in the current year.

“We have opened the new season well and feel very confident about the first half year’s result. On this basis, we believe the 2004/05 full year EBITA will exceed \$80 million, well in excess of the prospectus forecast of \$73 million,” Mr McDonald said.

Just Group is a leading specialty apparel retailer operating 700 stores in Australia and New Zealand. Founded in 1970, the Company operates leading apparel brands including Just Jeans, Jay Jays, Portmans, Jacqui E and Peter Alexander. Women’s fashion retailer, Dotti, will also join the portfolio from October 2004. Just Group was listed on the ASX (JST) on 7 May, 2004.

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

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