

MEDIA RELEASE

JUST GROUP ANNOUNCES 33% PROFIT INCREASE FOR FIRST HALF

Just Group today announced record sales and profit for the six months ending 29 January 2005.

HIGHLIGHTS

- Net Profit After Tax of \$28.0 million compared with \$21.1 million for the first half of 2004/05, an increase of 32.8%
- EBITA of \$47.2 million, an increase of 19.5% over the corresponding half \$39.5 million
- Sales of \$338.5 million, an increase of 8.2% compared with \$313.0 million for the corresponding half
- Cashflow from operating activities of \$37.8 million, up 69.7% over the corresponding half
- Net debt reduction of \$15.1 million in the half, to \$66.3 million
- A fully franked interim dividend of 7.5 cents per share to be paid on 11 May 2005 for shareholders on the register as at 20 April 2005
- Completion of the acquisition of the Dotti retail chain
- Total number of stores increased to 713 from 686

Just Group's Managing Director, Mr Howard McDonald, said he was pleased with these record results which were achieved despite a highly competitive Christmas trading period.

The result also reflects a 26-week trading period compared with 27 weeks for the first half of the previous year. Had the comparison been made on a 27-week trading period, this year's first half would have shown an increase in sales of 10.7%, EBITA of 26.7% and NPAT of 46.3%. Sales from stores open for 12 months or more increased 6.0% in the equivalent period.

	<b>HI 2004</b>	<b>HI 2005</b>	<b>HI 2005 Adjusted</b>	<b>Change 2005 Adjusted</b>
<b>No. Weeks</b>	27	26	27	
<b>Sales</b>	312,995	338,525	346,457	+10.7%
<b>Gross Profit</b>	179,968	196,861	201,346	+11.9%
<b>EBITDA</b>	48,169	54,836	57,681	+19.7%
<b>EBITA</b>	39,469	47,170	50,014	+26.7%
<b>EBIT</b>	36,151	44,666	47,511	+31.4%
<b>NPAT</b>	21,097	28,018	30,863	+46.3%
<b>GP%</b>	57.50%	58.15%	58.12%	+62bp
<b>EBITA Margin</b>	12.61%	13.93%	14.44%	+183bp
<b>Annualised Stock Turns</b>	4.51x	4.90x	4.93x	0.42x
<b>Net Debt</b>	108,515	66,331	66,331	-42,184
<b>Interest Cover</b>	8.4x	12.4x	13.2x	+4.8x

“All our brands performed well largely due to a very active brand and store management program designed to retain and enhance our close relationships with customers and each store's competitiveness in its local market. During this period, we opened 53 new stores in Australia and New Zealand and closed 26 stores as part of our active property portfolio management.

“Just Jeans had a solid year and sales of denim were healthy. We continued to reinforce the leadership of the Just Jeans brand with new in-store promotions, fit outs and fine tuning of price points. Profit increased on last year despite underperformance by the Levi brand. During the period 5 stores were closed to bring the total number to 286.

“Jay Jays, which is aimed at the youth market, continued to perform very well. Much of the capital expenditure for the year was directed towards this business, which goes from strength to strength. Jay Jays was named *Lend Lease* Retailer of the Year as well as *Ragtrader* magazine’s Retail Chain of the Year for 2004, pleasing accolades. During the half 20 new stores were opened with 2 closing bringing the total number to 207,” he said.

“Jacqui E’s result was outstanding. It has a very clear market position targeting the 30 to 35 year-old career and family woman with mid-market price points. Its new ranges introduced in this period gained excellent market acceptance. 5 stores were opened in the half bringing the total to 92.

“Portmans continued to make good progress with new television advertising re-positioning the chain as more fashionable. This refinement will continue into the winter months and we are pleased with the progress made to date. 8 stores were opened in the half and 2 closed bringing the total number to 103.

“Dotti, which was acquired in October, is on schedule with new ranges and a roll-out of additional stores. When acquired, the business comprised 10 stores and, by the end of March 2005 there will be 19 stores in total.

“The Peter Alexander brand has also performed exceptionally well with 2 new stores opening during the half. After a very successful pilot program in Melbourne, the retail store concept will be launched in Sydney during the second half,” said Mr McDonald.

“The exit from Urban Brands, announced in September, is proceeding as planned and will be successfully completed during the financial year.

“Across the Group, the roll-out of the new point of sale software is progressing well and will be completed by July as part of our \$6 million upgrade. Inventory management continues to be enhanced with the investment into systems and supply chain capability.

“Strong cashflow generation is a feature of the Group with net debt continuing to fall despite record levels of capital investment and the acquisition of Dotti. As such, the Board declared a fully franked interim dividend of 7.5 cents per share, to be paid on 11 May 2005 to shareholders with a record date of 20 April 2005,” he said.

## OUTLOOK

Mr McDonald said the overall portfolio is well positioned and in good shape to deliver the forecast enunciated at the November AGM of a full-year EBITA in excess of \$80 million, well above the prospectus forecast for FY2005 of \$73 million.

“The winter season has opened in a similar pattern to quarter two. Overall consumer spending growth has moderated relative to 12 months prior but well designed ranges and offers are delivering strong results. Our growth strategy continues to balance same store growth with a strong store rollout program for the Jay Jays, Portmans, Dotti and Peter Alexander brands.”

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

Further information about the Group is at [www.justgroup.com.au](http://www.justgroup.com.au)

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