

THE JUST GROUP

ASX RELEASE

March 5, 2008

JUST GROUP DELIVERS RECORD FIRST HALF RESULT EPS UP 19.6%; OUTLOOK CONFIRMED

THE HALF IN BRIEF

- Sales of \$424.8 million, up 10.3%, EBITA \$64.3 million, up 15.3%* and PAT \$41.0 million, up 10.4%* for the 26 weeks to 26 January 2008. Another set of record results for the Just Group.
- Earnings per share of 20.36 cents, up 19.6%*
- Strong operating cashflow of \$46.8 million
- New Zealand business maintains profit despite tough economy
- Improvement in stock turn continued with increase to 5.51 times
- Net debt of only \$98.1 million, with facilities in place until June 2009
- Directors declare interim dividend of 10.5 cents per share fully franked compared with an interim dividend of 9.5 cents per share fully franked for the previous year, up 10.5%
- Two new non-executive directors appointed – Michael McLeod and Terry McCartney – nominees of Just Group's largest shareholder, Metrepark

DRIVERS OF GROWTH AND VALUE

- Casualwear brands, Just Jeans and Jay Jays, strong
- Dotti turnaround pleasing
- Improvement in Jacqui E and Portmans
- Peter Alexander trading well and planned stores in California on track
- Smiggle, acquired in mid 2007, making excellent contribution, exceeding expectations
- Net 45 new stores opened in the half (plus 20 Smiggle stores acquired)
- South African joint-venture continues to expand, 20 stores now open
- Investment in Fast-Fashion Retail Machine
- Outlook for the 2007/08 full year confirmed

*Note: *All growth calculations exclude the net gain of \$2.6m recognised in H1 2007 arising from the disposal of the company's strategic investment in Colorado Limited.*

dotti

peteralexander

JACQUIE E

Just
Jeans

JayJays

portmans

smiggle

“The Just formula of strong retail brands backed by an outstanding fast fashion retail machine produced another record half” – Jason Murray, Managing Director, Just Group.

1. The best portfolio of clearly segmented and continuously refreshed retail fashion brands....

All Just brands made contributions in the half. **Just Jeans** continued to generate good returns with the store portfolio now optimised. **Jay Jays** continued its momentum opening new stores and introducing new categories to its offering. **Dotti's** repositioning yielded positive outcomes and the brand is now profitable and beginning to show its true potential. **Portmans** did not meet expectations in a tough womenswear market, however the brand is now well positioned and improvement actions are underway. **Jacqui E** made a pleasing improvement to its margins after a difficult 2006/07 and is now trading well. **Peter Alexander's** strong growth continued with new store openings and a 5.2% increase in same store sales. Plans are on target for the 3 stores, with leases signed, to open in California. Our newest brand, **Smiggle**, contributed above expectations with a 21.1% increase in same store sales. Strong trading in peak seasons – Christmas and back-to-school – enabled this brand to deliver earnings of 1.3 cents per share for the 5 months, ahead of the minimum 1 cent per share promised for the 2007/08 year.

2.plugged into the market's most diverse and capable Fast Fashion Retail Machine....

During the half the **store network** in Australia and New Zealand increased from 810 to 875 stores and from 14 to 20 Jay Jays stores in **South Africa**.

Ongoing improvements have been made to the underlying **infrastructure** of the business to ensure rapid response times and cost competitiveness. A particular focus has been made on upgrading our e-commerce platform and on improving the supply chain to counter cost pressures arising in China and to reduce sourcing risk. Construction of our new distribution centre in Auckland, New Zealand has also commenced, which will increase our distribution capacity and efficiency in that country when it is operational early in the new financial year.

3.delivering exceptional returns and sustainable earnings growth.

Earnings per share increased by 19.6% to 20.36 cents per share. Net profit after tax increased by 10.4%. Gross margin increased substantially, aided by the continued appreciation of the Australian dollar, range and markdown management and the contribution of Smiggle. Stock turnover increased to 5.51 times and return on capital employed increased to 67.3% despite a significant increase in capital expenditure during the period. Operating cash flow increased by 2.2% compared to the same period last year, while net debt increased by \$14.4m during the period, inclusive of funding the acquisition of Smiggle. Financing facilities are secured until June 2009 and we do not anticipate any issues with renewal given the company's strong cash flows. An interim dividend of 10.5 cents per share fully franked was declared, an increase 10.5% compared to last year.

Board & management changes

As announced on 26 February 2008, Mr Michael McLeod and Mr Terry McCartney, nominees of Just Group's largest shareholder Metrepark, have joined the Board as Non-Executive Directors. The resignation of Ms Alison Watkins, Independent Director, was announced in December. Alison has served the company with distinction during her time on the Board, both in her previous role as Chairman of the Remuneration & Nomination Committee, and most recently as Chairman of the Audit & Risk Committee. A successor to Alison will be announced in due course.

Ms Rachel Kelly has been appointed Retail Director to strengthen the senior management team. She was previously General Manager, Australasian Commercial Operations.

OUTLOOK

Just Group's first five weeks of trading for the second half have been solid.

"We recognise that increased petrol costs, increased interest rates and fears about the global economy have led to a fall in investor and consumer confidence. We have, however, not seen any material impact on our businesses, and are well prepared to meet any downturn in economic conditions between now and the end of July." said Just Group's Managing Director, Mr Jason Murray.

"Just Group has excellent financial fundamentals, with strong cash flow and low debt, powerful brands and an outstanding retail machine that is capable of rapidly adjusting to changes in the business environment.

The current economic environment may produce great opportunities to expand market share and/or acquire other businesses at modest prices," said Mr Murray.

"We remain confident that we will deliver a FY08 full year earnings result consistent with the 32c to 35c earnings per share range expected by equity analysts, and reiterate our strategic goal of delivering earnings per share in FY2010 of at least 38.4 cents. This represents double digit annual earnings per share growth on average through the life of the strategic plan.

"Earnings per share will continue to benefit in FY08 from the acquisition of Smiggle, last year's share buyback, the higher Australian dollar and the recovery in trading, from the prior year, of the Dotti and Jacqui E businesses.

"Overall, Just Group is well positioned for continued sales and profit growth," said Mr Murray.

* * *

Just Group is a leading specialty fashion retailer operating nearly 900 stores in Australia and New Zealand and 20 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

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JUST GROUP LIMITED
H1 2008

Stores & Space				
		Jan-08	Jul-07	CHANGE
Stores (year end)	No.	875	810	+65
Retail space	Sqm	127,854	119,124	+7.3%

Financials						
		H1 2008	H1 2007		CHANGE	
			Reported	Adjusted*	Reported	Adjusted
Sales	\$'000's	424,833	385,240		10.3%	
Same store sales growth	%	2.6%	1.0%			
Gross Profit margin	%	59.56%	57.15%		+241 bps	
EBITDA	\$'000's	75,443	67,766	65,091	11.3%	15.9%
EBITA	\$'000's	64,274	58,406	55,731	10.0%	15.3%
EBITA margin	%	15.1%	15.2%	14.5%	-3 bps	+66 bps
NPAT	\$'000's	40,983	39,733	37,131	3.1%	10.4%
Earnings per share	cents	20.36	18.23	17.02	11.7%	19.6%
Operating cash flow	\$'000's	46,747	45,748		2.2%	
Net Debt	\$'000's	98,053	23,492		74,561	
Stock turnover**	times	5.51	5.36		+0.15	
Return on Capital Employed (ROCE)**	%	67.3%	61.80%	60.10%	+553 bps	+723 bps
Capital Expenditure	\$'000's	16,884	11,284		49.6%	
Interest Cover**	times	11.06	15.09		-4.03	
Fixed charge cover**	times	1.78	1.65		+0.13	
Dividends per share	cents	10.5	9.5		10.5%	

* Adjusted to exclude net gain of \$2.6m arising on disposal of strategic investment in Colorado Ltd.

** Calculated based on last 12 months

Brands				
	Stores	Sales	Growth	LFL Sales Growth
Just Jeans	270	116,455	2.8%	3.8%
Jay Jays	244	125,539	8.8%	3.8%
Portmans	132	71,954	2.9%	-2.2%
Jacqui E	107	48,238	0.0%	-1.8%
Group	1			
	754	362,186	4.4%	1.9%
Dotti	70	28,456	33.1%	11.3%
Peter Alexander	22	23,617	38.6%	5.2%
TOTAL (excluding Smiggle)	846	414 259	7.5%	2.4%
Smiggle	29	10,574	n/a	21.1%
TOTAL GROUP	875	424,833	10.3%	2.6%
South Africa – Jay Jays	20	4,089	n/a	25.0%