

Appendix 4D

Just Group Limited Half-year report

ABN 97 096 911 410

The following information is provided to the Australian Stock Exchange (ASX) under ASX listing rule 4.2A.3.

Current Reporting Period: 26 Weeks ended 29 January 2005

Previous Corresponding Period: 27 Weeks ended 31 January 2004

Results For Announcement To The Market For The Half-Year Ended 29 January 2005

1. Revenue and Net Profit

| | | PERCENTAGE CHANGE | | AMOUNT |
|--|----|----------------------|----|---------|
| | | % | | \$'000 |
| Revenue from ordinary activities | Up | 8.1% | To | 340,113 |
| Profit/(loss) from ordinary activities after tax attributable to members | Up | 32.8% | To | 28,018 |
| Net profit/(loss) attributable to members | Up | 32.8% | To | 28,018 |

2. Dividends (Distributions)

| | Amount per security | Franked amount per security |
|---|------------------------|--------------------------------|
| 2005 Interim dividend declared 2 March 2005 (payable 11 May 2005) | 7.5 cents | 7.5 cents |
| Previous period: | | |
| 2004 Final dividend (Paid 17 November 2004) | 3.5 cents | 3.5 cents |

Record date for determining entitlements to the 2005 interim dividend:

| |
|-----------------------------|
| 20 th April 2005 |
|-----------------------------|

A dividend reinvestment plan was not available to shareholders during the financial period.

3. Brief Explanation of Revenue, Net Profit/(Loss) and Dividends (Distributions)

REFER TO PRESS RELEASE

4. Net tangible assets per security

| | <u>2005</u> | <u>2004</u> |
|----------------------------------|--------------------|--------------------|
| | <u>¢ PER SHARE</u> | <u>¢ PER SHARE</u> |
| Net tangible assets per security | (2.37) | (17.49)* |

* based upon 218m shares

5. Details of Entities Over Which Control Has Been Gained or Lost

CONTROL GAINED OVER ENTITIES

NONE

LOSS OF CONTROL OF ENTITIES

NONE

6. Details of Associates and Joint Venture Entities

NONE

7. Information on Audit or Review

The Half-Year accounts of Just Group Limited and its controlled entities have been subject to review.

Description of dispute or qualification if the accounts have been audited or subjected to review.

NONE

JUST GROUP LTD
(A.B.N. 97 096 911 410)
AND CONTROLLED ENTITITES

**FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
29 JANUARY 2005**

This half-year report is to be read in
conjunction with the financial report
for the year ended 31 July 2004

**JUST GROUP LTD AND CONTROLLED ENTITIES
FINANCIAL REPORT FOR THE HALF-YEAR ENDED
29 JANUARY 2005**

TABLE OF CONTENTS

| | Page |
|--|-------------|
| Directors' Report | 1 |
| Auditor's Independence Declaration | 2 |
| Financial Report for the half-year ended 29 January 2005 | |
| Condensed Consolidated Statements of Financial Performance | 3 |
| Consolidated Statements of Financial Position | 4 |
| Condensed Consolidated Statements of Cash Flows | 5 |
| Notes to the Financial Statements | 6 |
| Directors' Declaration | 11 |
| Independent Review Report | 12 |

DIRECTORS' REPORT

The directors present their report together with the financial report of the consolidated entity consisting of Just Group Ltd and the entities it controlled ("Just Group"), for the half-year ended 29 January 2005 and independent review report thereon.

Directors

The names of the company's directors in office during the half-year and until the date of this report are as below. The directors were in office for the entire period unless otherwise stated.

Jonathan Pinshaw (Chairman)
Howard McDonald (Managing Director)
Laura Anderson*
Ian Pollard
Alison Watkins

*Appointed 1st September 2004

Review of Operations

Net profit after income tax for the half-year ended 29 January 2005 was \$28 million, which reflects a 32.8% increase compared to the previous half-year. In the half-year to 29 January 2005 EBITA (earnings before interest, tax and amortisation) increased by 19.5% to \$47.2 million.

The company has a sound capital structure including a \$140 million core debt facility which is drawn to \$90 million at balance date. This loan is secured by a fixed and floating charge, a registered mortgage over assets of the Group and a registered charge over certain leases of the Group. Net debt as at 29 January 2005 of \$66.3 million is less than the company's EBITDA for the twelve months to 29 January 2005 and all debt covenants have been satisfied throughout the half-year.

The Group has sufficient funds to finance its operations and maintains a working capital facility primarily to allow the Group to manage the inter-month and intra-month fluctuations in cash flow inherent in the business.

Including bank guarantees, the company's working capital facility is \$34,000,000 of which \$32,678,640 was unused at 29 January 2005.

Auditor's Independence Declaration

A copy of the auditor's independence declaration in relation to the review for the half-year is provided on page 2 of this report.

Rounding

The amounts contained in this report and in the half-year financial report have been rounded to the nearest thousand dollars under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the Directors.



.....
Jonathan Pinshaw
Chairman

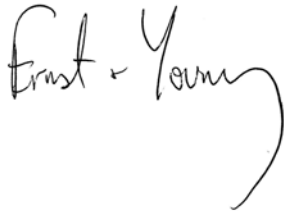


.....
Howard McDonald
Managing Director

Dated 2nd of March 2005

Auditor's Independence Declaration to the Directors of Just Group Ltd

In relation to our review of the financial report of Just Group Ltd for the period ended 29 January 2005, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



Ernst & Young



Robert Perry
Partner
Melbourne
2 March 2005

Condensed Statements of Financial Performance for the half-year ended 29 January 2005**CONSOLIDATED**

| | Notes | 26 WEEKS ENDED 29 JANUARY 2005 \$'000 | 27 WEEKS ENDED 31 JANUARY 2004 \$'000 |
|---|-------|---|---|
| Revenues from ordinary activities | 2 | 340,113 | 314,552 |
| Expenses from ordinary activities | 2 | (299,240) | (283,084) |
| Profit from ordinary activities before income tax | | 40,873 | 31,468 |
| Income tax expense | | (12,855) | (10,371) |
| Profit from ordinary activities after income tax | | 28,018 | 21,097 |
| Net exchange difference on translation of financial report of foreign controlled entity | | (52) | (130) |
| TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS ATTRIBUTABLE TO MEMBERS AND RECOGNISED DIRECTLY IN EQUITY | | (52) | (130) |
| TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS | | 27,966 | 20,967 |
| Basic earnings per share (cents per share) | | 12.85 | - |
| Diluted earnings per share (cents per share) | | 12.85 | - |

The above condensed statements of financial performance should be read in conjunction with the accompanying notes.

Statements of Financial Position as at 29 January 2005

| | CONSOLIDATED | |
|--------------------------------------|------------------------|---------------------|
| | 29 JANUARY 2005 | 31 JULY 2004 |
| | \$'000 | \$'000 |
| ASSETS | | |
| <i>Current assets</i> | | |
| Cash assets | 23,832 | 23,814 |
| Receivables | 587 | 799 |
| Inventories | 57,784 | 59,756 |
| Other | 3,819 | 2,101 |
| Total current assets | 86,022 | 86,470 |
| <i>Non-current assets</i> | | |
| Other financial assets | 133 | 133 |
| Property, plant and equipment | 45,715 | 44,156 |
| Intangible assets | 76,879 | 74,925 |
| Deferred tax assets | 7,857 | 7,822 |
| Total non-current assets | 130,584 | 127,036 |
| TOTAL ASSETS | 216,606 | 213,506 |
| LIABILITIES | | |
| <i>Current liabilities</i> | | |
| Payables | 30,570 | 28,841 |
| Interest bearing liabilities | 39 | 131 |
| Current tax liabilities | 7,374 | 9,965 |
| Provisions | 6,936 | 6,969 |
| Other | 2,359 | 4,725 |
| Total current liabilities | 47,278 | 50,631 |
| <i>Non-current liabilities</i> | | |
| Interest bearing liabilities | 90,124 | 105,117 |
| Deferred tax liabilities | 2,002 | 1,465 |
| Provisions | 2,437 | 2,088 |
| Other | 3,052 | 2,828 |
| Total non-current liabilities | 97,615 | 111,498 |
| TOTAL LIABILITIES | 144,893 | 162,129 |
| NET ASSETS | 71,713 | 51,377 |
| EQUITY | | |
| Contributed equity | 15,405 | 15,405 |
| Foreign currency translation reserve | 1,492 | 1,544 |
| Retained profits | 54,816 | 34,428 |
| TOTAL EQUITY | 71,713 | 51,377 |

The above statements of financial position should be read in conjunction with the accompanying notes.

Condensed Statements of Cash Flows for the half-year ended 29 January 2005**CONSOLIDATED**

| | 26 WEEKS ENDED 29 JANUARY 2005 | 27 WEEKS ENDED 31 JANUARY 2004 |
|---|---|---|
| | \$'000 | \$'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash receipts in the course of operations | 338,516 | 313,865 |
| Payments to suppliers and employees | (282,316) | (273,895) |
| Royalties received | 4 | 53 |
| Dividends received | 2 | - |
| Interest received | 331 | 328 |
| Borrowing costs paid | (3,805) | (7,293) |
| Income taxes paid | (14,905) | (10,765) |
| NET CASH INFLOW FROM OPERATING ACTIVITIES | 37,827 | 22,293 |
| CASH OUTFLOW FROM INVESTING ACTIVITIES | | |
| Proceeds from sale of business operations | 1,072 | - |
| Payments for business operations | (6,860) | - |
| Proceeds from sale of plant & equipment | 24 | 171 |
| Payment for plant, equipment and leasehold premiums | (9,324) | (12,603) |
| NET CASH OUTFLOW FROM INVESTING ACTIVITIES | (15,088) | (12,432) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends paid | (7,630) | (20,000) |
| Proceeds from share issue | - | 716 |
| Repayment of borrowings | (15,000) | (10,436) |
| Lease payments | (91) | (117) |
| NET CASH OUTFLOW FROM FINANCING ACTIVITIES | (22,721) | (29,837) |
| NET INCREASE / (DECREASE) IN CASH HELD | 18 | (19,976) |
| Cash at the beginning of the financial period | 23,814 | 22,282 |
| CASH AT THE END OF THE FINANCIAL PERIOD | 23,832 | 2,306 |

The above condensed statements of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

I. Statement of significant accounting policies

a) Basis of preparation

The half-year financial report is a general purpose financial report, which has been prepared in accordance with Accounting Standard AASB 1029 “Interim Financial Reporting”, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the Annual Report of Just Group Limited as at 31 July 2004. It is also recommended that the half-year financial report be considered together with any public announcements made by the Just Group during the half-year ended 29 January 2005 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The financial statements have been prepared in accordance with the historical cost convention.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

b) Changes in accounting policies

The accounting policies adopted are consistent with the most recent annual financial report for the year ended 31 July 2004.

c) Comparative figures

Where necessary, comparatives have been reclassified and repositioned for consistency with current period disclosures.

The current reporting period 1 August 2004 to 29 January 2005 represents 26 weeks and the comparative reporting period 27 July 2003 to 31 January 2004 represents 27 weeks.

Earning per share comparatives have not been provided for the previous financial year as AASB 1027 “Earnings per Share” was not applicable to the consolidated entity in the previous financial half-year.

Notes to the Financial Statements

| | CONSOLIDATED | |
|---|--|--|
| | 26 WEEKS ENDED 29 JANUARY 2005 \$'000 | 27 WEEKS ENDED 31 JANUARY 2004 \$'000 |
| 2. PROFIT FROM ORDINARY ACTIVITIES | | |
| Revenues from operating activities: | | |
| Revenue from sale of goods | 338,525 | 312,995 |
| Amortisation of deferred income | 622 | 515 |
| Recovery of bad debts | 300 | 344 |
| Other | 666 | 698 |
| | 340,113 | 314,552 |
| Expenses | | |
| Cost of goods sold | 141,664 | 133,027 |
| Employee expenses | 60,231 | 56,904 |
| Operating lease rental | 51,723 | 46,876 |
| Depreciation of non current assets | 7,654 | 8,700 |
| Amortisation of non current assets | 2,504 | 3,318 |
| Borrowing costs | 3,793 | 4,683 |
| 3. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES | | |
| Dividends paid during the half-year | | |
| Franked Dividends | 7,630 | 20,000 |
| Cents per share | 3.5 | 1.35* |

*The dividend paid in the prior period occurred before the conversion of shares and listing.

Notes to the Financial Statements

4. Segment Reporting

a) Business

The consolidated entity operates in one industry segment, being the retailing of apparel.

b) Geographic segments

| | Australia | | New Zealand | | Eliminations | | Consolidated | |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | 26 weeks 2005 \$'000 | 27 weeks 2004 \$'000 | 26 weeks 2005 \$'000 | 27 weeks 2004 \$'000 | 26 weeks 2005 \$'000 | 27 weeks 2004 \$'000 | 26 weeks 2005 \$'000 | 27 weeks 2004 \$'000 |
| Sales to customers outside the economic entity | 293,394 | 273,410 | 45,131 | 39,585 | - | - | 338,525 | 312,995 |
| Inter-segment dividend | - | 14,602 | - | - | - | (14,602) | - | - |
| Other revenue | 1,455 | 1,315 | 133 | 242 | - | - | 1,588 | 1,557 |
| Total revenue | 294,849 | 289,327 | 45,264 | 39,827 | - | (14,602) | 340,113 | 314,552 |
| Profit before tax (including inter-segment dividend) | 34,530 | 40,459 | 6,315 | 5,671 | 28 | (14,662) | 40,873 | 31,468 |
| Inter-segment dividend | - | (14,602) | - | - | - | 14,602 | - | - |
| Profit before tax (excluding inter-segment dividend) | 34,530 | 25,857 | 6,315 | 5,671 | 28 | (60) | 40,873 | 31,468 |

Applicable head office costs incurred in Australia are recovered from the New Zealand operation on an arms length basis.

Notes to the Financial Statements

5. ACQUISITION OF BUSINESS

The business assets of ten Dotti fashion stores were acquired on 22 October 2004. The total consideration paid was \$5,023,001 which was entirely funded from operating cash flows. A new company was set up to operate the Dotti fashion business.

6. IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

As disclosed in the Annual Report as at 31 July 2004, Just Group Ltd has commenced transitioning its accounting policies and financial reporting from current Australian Standards to Australian equivalents of International Financial Reporting Standards (IFRS). Set out below is an update of the key areas where the consolidated entity believes accounting policies will change and may have an impact on the financial report.

The figures disclosed in this section are best estimates as at the date of preparing the half-year financial statements and these figures could change due to further work being undertaken, and potential amendments to Australian Equivalents of International Financial Reporting standards, and interpretations thereof, being issued by the standard-setters and the International Financial Reporting Interpretations Committee.

(i) Share based payments

The implications of AASB 2 "Share Based Payments" would be to expense the value of options over the period from grant date, when the value is determined, until vesting date. The value of options granted was \$7,760 at 31 July 2004.

(ii) Intangible Assets

The major impact of AASB 3 "Business Combinations" is that intangible assets with an infinite life will no longer be amortised but subject to an annual impairment test based on discounted cash flow analysis. Whilst the consolidated entity has not performed a discounted cash flow analysis to date, it has good reason to believe that goodwill is not impaired. If so, the earnings before interest and tax, net profit before tax and net profit after tax will increase by the amount of goodwill, which will no longer be amortised. Amortisation charges included in the Statement of Financial Performance for the half-year that would not be expensed under IFRS amounted to \$2,419,437.

(iii) Impairment of assets

Under AASB 136 "Impairment of Assets" the impairment of assets is considered at the individual asset level, however where this is not possible, it is considered at the higher cash generating unit level. Retailers typically define a cash generating unit at the individual store level. Adopting this definition, initial calculations suggest the impact to be immaterial on first-time adoption of IFRSs.

(iv) Income Taxes

Under AASB 112 "Income Taxes" a balance sheet approach will be adopted under which temporary differences are identified for each asset and liability rather than accounting for differences between taxable and accounting profit (due to timing and permanent adjustments). Management are currently calculating the impact of adopting this standard and initial calculations suggest that the amount, if any, will be immaterial.

(vi) Derivative Financial Instruments

Under AASB 139 "Financial Instruments: Recognition and Measurement" foreign exchange contracts held for hedging future inventory purchase commitments will be accounted for as cash flow hedges. The current treatment sees exchange gains and losses deferred and included in the purchase cost of inventory and subsequently in cost of goods sold at the point-of-sale in accordance with AASB 1012 "Foreign Currency Translation". Under AASB 139 the exchange gain and losses would be recorded to equity rather than inventory. Hedge transactions will be required to be formally documented and tested for effectiveness to continue to qualify for hedge accounting treatment.

Notes to the Financial Statements

7. SUBSEQUENT EVENTS

On 2 March 2005, the board of directors declared a fully franked dividend of 7.5 cents per share to be paid on 11 May 2005.

Since the end of the reporting period there have been no other matters that have come to the attention of the directors that require disclosure in the half-year report.

8. CONTINGENT LIABILITIES

Since the last annual reporting date, there has been no material change of any contingent liabilities or contingent assets.

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 3 to 10:

- (a) Comply with Accounting Standards, the Corporations Act 2001 and other mandatory professional reporting requirements, and
- (b) Give a true and fair view of the financial position of the consolidated entity as at 29 January 2005 and of its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that Just Group Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



.....
Jonathan Pinshaw
Chairman



.....
Howard McDonald
Managing Director

Dated 2nd of March 2005

Independent review report to members of Just Group Ltd

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows and accompanying notes to the financial statements for the consolidated entity comprising both Just Group Ltd (the company) and the entities it controlled during the period, and the directors' declaration for the company, for the period ended 29 January 2005.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the consolidated entity, and that complies with Accounting Standard AASB 1029 "Interim Financial Reporting", in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review of the financial report in order to make a statement about it to the members of the company, and in order for the company to lodge the financial report with the Australian Stock Exchange and the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the *Corporations Act 2001*, Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and of its performance as represented by the results of its operations and cash flows.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

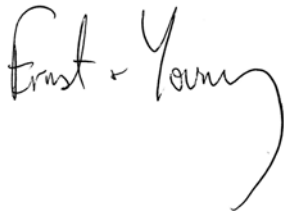
Independence

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report. In addition to our review of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of the consolidated entity, comprising Just Group Ltd and the entities it controlled during the period is not in accordance with:

- (a) the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the consolidated entity at 29 January 2005 and of its performance for the period ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 “Interim Financial Reporting” and the *Corporations Regulations 2001*; and
- (b) other mandatory financial reporting requirements in Australia.



Ernst & Young



Robert Perry
Partner
Melbourne
2 March 2005