



**Franchise
Introduction**
justcuts.com

Current as at June 2012

**NOT JUST
A FRANCHISE.
IT'S A FAMILY.**

justcuts[™]

No appointments[™]. Just come in[™].

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JUST FREEDOM

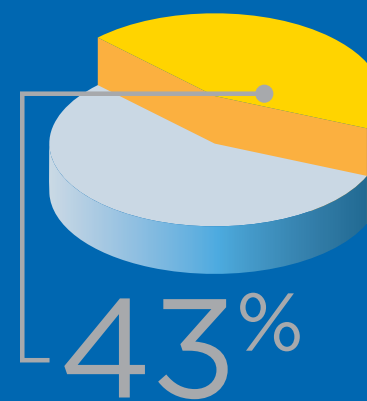
JUST A GREAT STORY

Just Cuts™ is a hairdressing salon that bridges the gap between the old-style barber shop and the high-end hair salon. The Just Cuts™ “walk-in, no appointment necessary, fixed price haircut” is a practical, commonsense system that offers a great product: a convenient, quality Style Cut™ at an affordable price.

JUST CUTS™ was the brainchild of Denis McFadden, who, back in 1982, had a hairdressing salon with six months of a lease to run out. So he decided to hold a promotion offering a “No appointment \$6 Style Cut.™” The response was outstanding, and the idea of Just Cuts™ was born.

The inaugural Just Cuts™ salon opened its door to the public in 1983. In 1990, the first Just Cuts™ franchise opened in the suburb of Engadine. Just Cuts™ has continued to expand ever since, with over 175 locations in Australia and New Zealand.

Since that very first Just Cuts™ salon, we have opened on average one new salon every six weeks. Many of our franchisees own more than one salon, in fact, 43% are multi-site franchise owners* who have carved out successful businesses. By our latest calculations, Just Cuts™ perform over 65,000 Style Cuts™ a week!



OF FRANCHISEES HAVE
MORE THAN ONE SALON*

DID YOU KNOW?

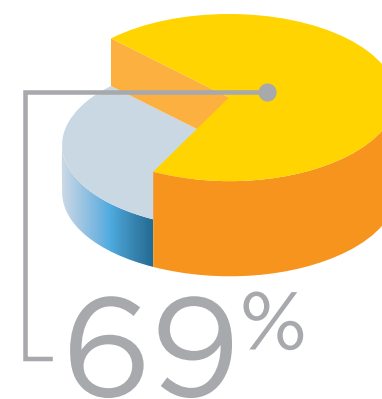
- / Most of our Just Cuts™ franchise owners are not hairdressers.
- / Plus, the average franchise owner goes on to own multiple stores.
- / Why? Because proven systems, support and training means your hairdressers become the technicians and easily run the business for you.
- / Many of our franchisees spend less than 30 hours a week* working on the business, making a Just Cuts™ franchise a great lifestyle choice.

JUST VISUALISE YOUR FUTURE

*Our stylish and modern salons
are bright and open plan:
they represent the quality and
efficiency of our service.*

// *Owning my own business has given me the freedom to work when I want, so I have more time with my children. I have never looked back in the 14 years I have been a Just Cuts™ franchise owner. //*

LYNNE RYAN, 39 NSW



JUST THE BUSINESS

While Just Cuts™ head office offers our franchisees an unprecedented level of support, remember you are still an entrepreneur with all the responsibilities of running your own business.

YOU'LL be responsible for your employees, beginning with recruitment and selection, and then training, supervision, performance, wages, taxes and superannuation.

You will be responsible for maintaining the high standards of the Just Cuts™ image and system and complying with the terms of your Franchise Agreement.

You'll be responsible for any local advertising for your individual salon. (Advertising templates are available.)

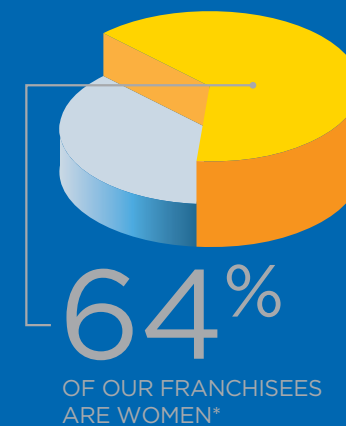
You'll need to obtain the necessary permits and comply with any laws and legislation.

As with all businesses, there are some risks involved. Poor returns can occur due to poor store location, unexpected competition, mismanagement, inadequate control of operating expenses, incompetent bookkeeping, poor cash control or failure to implement the Just Cuts™ system.

With a long and successful history in the franchising sector, Just Cuts™ is well-positioned to take the guesswork out of opening your own business. Our success is closely aligned to the success of each and every Just Cuts™ salon. We're here to mentor and guide you as you become a part of our growing family of franchisees who have built great businesses and enjoy a lifestyle that's just the ticket!

// *I opened my first Just Cuts™ franchise 6 years ago and it's been so successful that I now own 8 salons! I was previously a Stylist but decided to stop cutting, have more time with my wife and children and an overall better lifestyle – I now work when it suits me! Just Cuts™ head office give me support and my 60 Stylists are great; I enjoy working with my team and running my own business is truly rewarding.* //

OLIVER ADAMS, 8 JUST CUTS™ AUSTRALIA



ALWAYS DREAMED OF OWNING YOUR OWN BUSINESS?

// *I've always dreamt of running my own business and within 6 months of my first Just Cuts™ franchise I knew my dream had been realised. //*

BROOK EDMONDS, ROCKDALE JUST CUTS™, AUSTRALIA

THE franchise business model is a perfect fit for Just Cuts™. It means the Just Cuts™ brand can continue to grow, while giving many people the opportunity to own and manage their own business, with the back-up of a tried and tested business system.

EXPERTS generally agree that franchised businesses have a better chance of success than independent small businesses. The reason is simple – with a franchise like Just Cuts™ you have substantial business support with a well-branded product – whereas as an independent business owner you are just that – totally on your own!

You don't have to be a hairdresser to own a salon: you just need to be committed to the growth of your business. Just Cuts™ offers a successful, proven and evolving system in hairdressing, where there is always demand and where the customer's loyalties lie with the brand.

The Just Cuts™ business model has proved that regardless of the economy, hair never stops growing and people are always on the lookout for a high quality haircut at a reasonable price.

Investing in a Just Cuts™ salon means you're buying into a thriving business model with an established brand image. As the southern hemisphere's largest hairdressing network, Just Cuts™ offers a successful and continually expanding system with proven opportunity for growth. Our trusted range of retail hair care products gives you second tier earning potential.

A primary point of difference between Just Cuts™ and other franchise systems is that the royalty is a fixed flat fee, so a franchisee's earning potential is not restricted. The more your client base grows, the more your earning potential increases.

Many of our franchisees say they appreciate the increased flexibility that the Just Cuts™ system allows. They are able to combine the management of their salon with other commitments such as family or other work.

JUST SOME OF THE BENEFITS OF A JUST CUTS™ FRANCHISE:

COMBINE SECURITY WITH INDEPENDENCE

INCREASED FLEXIBILITY AND WORK / LIFE BALANCE

GROW YOUR SALON WITHIN AN EXISTING NETWORK

BE PART OF AN ESTABLISHED BRAND

SHARE A COMMON POOL OF RESOURCES, IDEAS AND INFORMATION

BENEFIT FROM SHARED MARKETING COSTS AND GREATER PUBLIC AWARENESS OF YOUR BUSINESS

OBTAIN ON-GOING TRAINING AND OPERATIONAL SUPPORT

SAVE TIME, EFFORT AND MONEY RELATED TO MARKETING ACTIVITIES AND CONCENTRATE ON THE BUSINESS

WORK ON THE BUSINESS, NOT NECESSARILY IN THE BUSINESS

DO YOU HAVE JUST WHAT IT TAKES TO BE A SUCCESSFUL JUST CUTS™ FRANCHISEE?

There is far more involved in being a franchise owner than just having the money to buy a franchise. While the vast majority of franchisees find that running a franchised business is satisfying and exciting, it is not for everyone. Franchisees need to have a particular balance of attributes to be successful.

EXPERIENCE in hairdressing or salon management is not necessary. Nor do you have to commit to working full-time in the salon: many of our franchisees appoint managers to see to the day-by-day running of their salons. The main thing is you need to have a keen interest in the business and a commitment to maintaining your salon at a consistently high standard.

At Just Cuts we have identified the characteristics we believe set our franchisees in good stead at the helm of a Just Cuts™ salon. How do you score?

COOPERATION
BEING WILLING TO COLLABORATE
AND WORK WITH OTHERS

COMMUNICATION SKILLS
WILLINGNESS TO INTERACT AND
COMMUNICATE WITH OTHERS

INTRINSIC MOTIVATION
BEING MOTIVATED BY PERSONAL GOALS AND
SELF-IMPROVEMENT

LEADERSHIP POTENTIAL
HAVING A PREFERENCE TO LEAD
AND MOTIVATE OTHERS

POSITIVE OUTLOOK
HAVING A BELIEF THAT THINGS WILL
WORK OUT IF YOU PERSEVERE

BRAND PASSION
HAVING CONFIDENCE AND A
STRONG BELIEF IN THE BRAND

PROACTIVITY
BEING ACTION-ORIENTATED AND COMMITTED
TO ACHIEVING RESULTS

PERSONAL ORGANISATION
BEING SYSTEMATIC AND
WELL ORGANISED

FAMILY AND SOCIAL SUPPORT
HAVING A NETWORK OF SUPPORTIVE FAMILY
OR FRIENDS

EMOTIONAL RESILIENCE
BEING ABLE TO HANDLE PRESSURE WITHOUT
GETTING TOO ANXIOUS

VIGOUR
HAVING HIGH LEVELS OF ENERGY
IN ONE'S APPROACH TO LIFE

JUST THE SUPPORT YOU NEED

Just Cuts™ supports our franchise owners with a proven, successful procedure that will guide you through every step of opening your salon.

OUR business system includes training, pre-opening assistance, on-going management support, a comprehensive Operations Manual, plus the continuing support of Just Cuts™ marketing, newsletters and seminars.

Once we have identified a suitable site for a new salon, and government requirements and regulations are met, we will help you in the planning of the interior and external design.

To ensure that the construction, fit out and opening run smoothly, we will assign a member

of the Just Cuts™ management team to be your in-house support person prior to opening.

The Just Cuts™ head office is responsible for marketing the group to the general public. This includes advertising, point-of-sale and website, which is professionally prepared and carefully targeted. This kind of professional marketing is a benefit that many small businesses simply cannot afford. Just Cuts™ head office also engages an independent public relations firm to capitalize on our success story and grow our brand in the media.

JUST BRILLIANT!

Kiosk launched in April 2012

// *The Just Cuts™ kiosk concept is a great opportunity for potential franchisees who want to start out at a more affordable entry level. It's also a good fit for franchisees to have a second site in the same centre.* //

DENIS MCFADDEN, CEO, JUST CUTS™

INTRODUCING THE NEW MODULAR JUST CUTS™ KIOSK

2012 is an exciting year for Just Cuts™ as we launch our latest innovation – the Just Cuts™ kiosk salon. With considerably lower entry costs for our franchisees, the kiosk represents a fantastic new opportunity for new franchisees, for our existing franchisees to expand, and for Just Cuts™ to continue to be the market leader in our industry.

The four-chair kiosk is designed to the same high standards as our salons: however with the added benefits of short term leases, less maintenance and upkeep, and significantly reduced initial investment, plus the positioning in shopping centres in prominent locations with high traffic flow.

THE SUCCESS OF JUST CUTS™ IS LARGELY DUE TO A SPIRIT OF COOPERATION BETWEEN MEMBERS OF THE GROUP.

When you join the Just Cuts™ group, you'll be surprised at the return on your investment. Not only are you joining a highly successful business, you're joining a group of highly talented individuals whose team spirit and enthusiasm is infectious. You'll come to think of us as a second family.

WE'RE sure you have many questions about the franchise operation, and we will be happy to help with your inquiries. Of course, as with any major financial transaction, you should seek independent advice and do your own homework.

INVESTMENT SCHEDULE

	NEW! KIOSK (AUS)	SALON (AUS)
INITIAL FRANCHISE FEE PAYABLE TO THE FRANCHISOR	\$17,500	\$35,000
EQUIPMENT PACKAGE STYLING CHAIRS, SHAMPOO BASINS, TOWELS, CASH REGISTERS ETC	\$7,000 – \$12,000	\$10,000 – \$15,000
INITIAL INVENTORY STATIONERY (MENUS, DOCKET BOOKS) SALON USE PRODUCTS, CLEANING MATERIALS ETC	\$2,500 – \$4,500	\$4,000 – \$8,000
LEASEHOLD IMPROVEMENTS BUILDING WORK, FLOORING, ELECTRICAL AND PLUMBING, INTERIOR DÉCOR PACKAGE, SHOP FRONT ETC	\$60,000 – \$80,000	\$120,000 – \$170,000
OPENING PROMOTIONS NEWSPAPER ADVERTISING, GIVE-AWAYS, BALLOONS AND PUBLIC RELATIONS	\$1,000 – \$3,000	\$3,000 – \$5,000
RETAIL PRODUCTS	\$2,000 – \$3,000	\$4,000 – \$8,000
OTHER ITEMS UTILITY EXPENSES, LOCAL COUNCIL FEES, SOLICITORS AND ACCOUNTING FEES, STAMP DUTY, DESIGN FEES, PREPAYMENTS AND INCIDENTAL EXPENSES	\$10,000 – \$13,000	\$10,000 – \$17,000
TOTAL ESTIMATED COST TO SET UP YOUR JUST CUTS™ FRANCHISE	\$100,000 – \$133,000	\$186,000 – \$258,000



INITIAL INVESTMENT

The initial franchise fee covers the following:

THE RIGHT TO ESTABLISH A SALON USING THE JUST CUTS™ BRAND AND NAME
CONFIDENTIAL OPERATIONS MANUAL
ACCESS TO EXTRANET FACILITY
INITIAL TRAINING AND ORIENTATION
GRAND OPENING PROMOTION SUPPORT
JUST CUTS™ ASSISTANCE AND SUPPORT REGARDING LOCATION SELECTION, LEASE TERMS AND LEASEHOLD IMPROVEMENT, SALON DÉCOR AND DESIGN SPECIFICATIONS, SOURCES OF FINANCIAL ASSISTANCE, EQUIPMENT SELECTION, APPROPRIATE INSURANCE PACKAGES, APPROPRIATE BOOKKEEPING SYSTEMS, TEAM MEMBER RECRUITMENT AND INITIAL MARKETING

YOUR WEEKLY INVESTMENT: JUST 12 HAIRCUTS A WEEK

Just Cuts™ has a fixed weekly franchise service fee, based on 12 units a week, a “unit” being the current price of a Style Cut.™ Regardless of the number of haircuts you do each week, the fee remains the same. The franchise service fee covers the following:

A CONTINUING LICENCE TO UTILIZE THE JUST CUTS™ TRADEMARK AND BUSINESS NAME
VISITS BY JUST CUTS™ PERSONNEL TO ENSURE CONSISTENT HIGH QUALITY AND UNIFORM OPERATING STANDARDS OF ALL OUR SALONS. THIS IS VERY USEFUL FOR ABSENTEE FRANCHISE OWNERS.
CONFIDENTIAL OPERATIONS MANUAL UPDATES
EXTRANET FACILITY
INVITATIONS TO ATTEND ANNUAL MEETINGS, SEMINARS AND CONFERENCES
CONTINUING SUPPORT ON PRODUCT DEVELOPMENT, MEDIA AND ADVERTISING SELECTION, GROUP INSURANCES, PRICING OF SERVICES, SALON EXPANSION, GROUP PRINTING, RECOMMENDED VENDORS, EQUIPMENT AND MERCHANDISE

MARKETING INVESTMENT

In order to cover the costs of the Just Cuts™ group marketing, there is a fixed monthly advertising fee, which is five units a week, paid monthly. The marketing fee covers the following:

CORPORATE MARKETING OF THE JUST CUTS™ BRAND
PUBLIC RELATIONS
OUR JUST CUTS™ MASCOT JUSTINE
SPECIAL PROMOTIONS
POINT OF SALE, MARKETING MATERIAL AND WEBSITE DESIGN
WIDESPREAD EXPOSURE OF THE JUST CUTS™ BRAND
NEW MARKETING INITIATIVES SUCH AS THE JUST CUTS™ IPHONE APP

We regularly meet to assess and analyse the success of our advertising campaigns, and a regular newsletter will keep you up to date on forthcoming promotional campaigns, product development and recent media events. And our Just Cuts™ on-line marketing system takes all the hard work out of local area marketing.

JUST CALL

If you are interested in becoming a Just Cuts™ franchisee, or if you would like to discuss the opportunities further, we would love to hear from you. Please call, email or drop in and see us for a confidential chat. Alternatively go to our website justcuts.com.au and fill out the confidential online franchise application.

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