TSX: JE; NYSE: JE

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PRESS RELEASE

Just Energy Reports Second Quarter Fiscal 2014 Results

Customer base and embedded gross margin increases 9% year over year
Gross margin increases 12% year over year
Base EBITDA increases 37% year over year, in line with guidance
Base Funds from operations increases 129% year over year

TORONTO, ONTARIO - - November 7, 2013 - -

Just Energy Group Inc. (TSX:JE; NYSE:JE), a competitive retailer of natural gas and electricity, today announced results for its second quarter of fiscal 2014.

Key 2Q Highlights:

- Customer additions and installs of 341,000, eighth consecutive quarter over 300,000. Net customer additions of 37,000, resulting in a total customer base of 4.6 million, increased 9% year over year.

- Gross Margin of $128.5 million, increased 12% year over year.

- Embedded Gross Margin of $2.3 billion, increased 9% year over year.

- Base EBITDA from continuing operations of $39.1 million, increased 37% year over year. Payout ratio on Base EBITDA of 79% reduced from 155% in fiscal 2013.

- Base Funds from continuing operations of $28.8 million, increased 129% from $12.6 million in fiscal 2013. Payout ratio on Base Funds from operations of 107% down from 352% in fiscal 2013.

- Second quarter and year to date results are consistent with achieving the Company's published guidance for Base EBITDA of $220 million in fiscal 2014.

For the three months ended September 30 ($ millions except where indicated and per share amounts)	Fiscal 2014	Fiscal 2013
Sales	**$853.0**	$713.2
Gross margin	**128.5**	114.3
Administrative expenses	**35.2**	33.4
Selling & marketing expenses	**48.0**	50.3
Finance costs	**22.3**	18.4
Profit (loss) from continuing operations	**(114.4)**	24.0
Profit (loss) from discontinued operations	**2.9**	(0.9)
Profit (loss)	**(111.5)**	23.1
Earnings (loss) per share from continuing operations - basic	**(0.80)**	0.17
Earnings (loss) per share from continuing operations - diluted	**(0.80)**	0.17
Dividends/distributions	**30.9**	44.4
Base EBITDA from continuing operations	**39.1**	28.6
Base Funds from continuing operations	**28.8**	12.6
Payout ratio on Base EBITDA from continuing operations	**79%**	155%
Payout ratio on Base Funds from continuing operations	**107%**	352%
For the six months ended September 30 ($ millions except where indicated and per share amounts)	**Fiscal 2014**	**Fiscal 2013**
Sales	**$1,599.1**	$1,370.1
Gross margin	**247.9**	227.9
Administrative expenses	**71.2**	67.2
Selling & marketing expenses	**100.4**	108.8
Finance costs	**44.8**	34.7
Profit (loss) from continuing operations	**(154.2)**	356.5
Profit (loss) from discontinued operations	**0.7**	(4.8)
Profit (loss)	**(153.5)**	351.7
Earnings (loss) per share from continuing operations - basic	**(1.08)**	2.56
Earnings (loss) per share from continuing operations - diluted	**(1.08)**	2.18
Dividends/distributions	**61.6**	88.8
Base EBITDA from continuing operations	**68.3**	47.6
Base Funds from continuing operations	**42.1**	13.7
Payout ratio on Base EBITDA from continuing operations	**90%**	187%
Payout ratio on Base Funds from continuing operations	**146%**	649%
Embedded gross margin	**2,324.0**	2,129.5
Energy customers (RCEs)	**4,322,000**	4,024,000
Home Services customers (installed units)	**275,000**	187,000
Total customers (RCEs and installed units)	**4,597,000**	4,211,000

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Chief Executive Officer Ken Hartwick, commenting on the quarterly results, stated: “We are again pleased with our strong results for the quarter. After six months of fiscal 2014, we remain on a path to achieve our provided guidance of $220 million in Base EBITDA for fiscal 2014, up from $175 million in fiscal 2013. New customer additions exceeded 300,000 for the eighth straight quarter and our customer base is up 9% from a year ago.”

“During the quarter we experienced continued improvement in attrition rates, down from 14% to 13% annually, and continued improvement in renewal rates, up to 72% annually from 70% reported a year ago. Our costs were tightly controlled with selling and marketing as well as administrative expenses down from those seen in the first quarter of this year and the fourth quarter of fiscal 2013.”

Executive Chair Rebecca MacDonald added: “I am very pleased with the 37% increase in Base EBITDA we were able to achieve in the second quarter. After six months, our Base EBITDA is up 43% and our Base Funds from operations is up 208%. This trend gives us comfort that our two published targets for fiscal 2014, $220 million in Base EBITDA and a payout ratio under 100% for Base Funds from operations are both achievable. It is our intention to maintain our growth profile and continue to focus on our bundling strategy.”

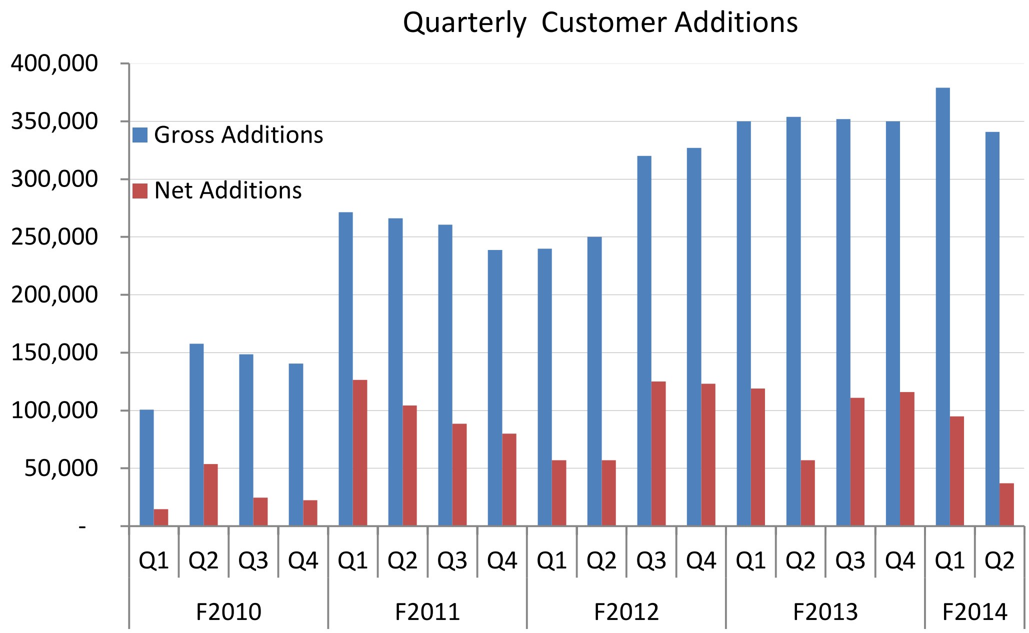
Second Quarter Operating Performance

The second quarter financial results showed continued benefit from record customer additions seen over the past two years. The resultant build-up of embedded gross margin continued to deliver substantial gross margin growth which, combined with tight cost control, led to a second consecutive quarter of Base EBITDA and Base Funds from operations growth. These key measures of Just Energy’s cash flow are both running at the rate necessary to meet Just Energy’s published guidance.

Growth

Customer additions in the second quarter were 341,000, down 4% from fiscal 2013. This is the eighth consecutive quarter that additions have exceeded 300,000. The overall customer base, including installations for the Home Services division grew to 4.6 million, up 9% from a year earlier.

New additions were comprised of 164,000 new residential customers, down 1% from the 166,000 added in the second quarter of fiscal 2013. Commercial additions totaled 160,000, down 10% from 178,000 added in the prior comparable quarter. The Home Services division saw a 47% year over year growth in total installations growing to 275,000 customers. Included in this total are 19,000 smart thermostats installed either in product bundles or on a stand-alone basis.



The Company maintains its focus on the preservation and profitability of the energy customer base. A total of 304,000 customers were lost through attrition and failure to renew during the quarter and replaced by new additions. This compares to 297,000 lost a year earlier and 284,000 lost in Q1, fiscal 2014.

In addition to the 324,000 new energy customers added to offset this, a further 224,000 customers renewed their contracts during the quarter. The Company's traditional sales force was augmented by strong results from telemarketing, internet sales and network marketing. Traditional door-to-door marketing accounted for 31% of second quarter additions, while non-door-to-door channels contributed the remaining 69%. Prior to the acquisition of Hudson Energy in fiscal 2011, the vast majority of new customers were signed through door-to-door sales. These figures provide clear evidence of the success of the Company's efforts to diversify its sales efforts.

Customer aggregation

	July 1, 2013	Additions	Attrition	Failed to renew	**Sept. 30, 2013**	% increase (decrease)	Sept. 30, 2012	% increase (decrease)
Consumer Energy								
Gas	785,000	45,000	(44,000)	(15,000)	**771,000**	(2)%	819,000	(6)%
Electricity	1,207,000	119,000	(95,000)	(25,000)	**1,206,000**	0%	1,171,000	3%
Total Consumer RCEs	1,992,000	164,000	(139,000)	(40,000)	**1,977,000**	(1)%	1,990,000	(1)%
Commercial Energy								
Gas	213,000	11,000	(4,000)	(15,000)	**205,000**	(4)%	206,000	0%
Electricity	2,097,000	149,000	(28,000)	(78,000)	**2,140,000**	2%	1,828,000	17%
Total Commercial RCEs	2,310,000	160,000	(32,000)	(93,000)	**2,345,000**	2%	2,034,000	15%
Total Energy Marketing RCEs	4,302,000	324,000	(171,000)	(133,000)	**4,322,000**	0%	4,024,000	7%
Home Services								
Water heaters	224,000	12,000	-	-	**236,000**	5%	174,000	36%
Air conditioners / Furnaces	19,000	1,000	-	-	**20,000**	5%	13,000	54%
Smart thermostats[1]	15,000	4,000	-	-	**19,000**	27%	-	-
Total installs	258,000	17,000	-	-	**275,000**	7%	187,000	47%
Combined - RCEs and installs	4,560,000	341,000	(171,000)	(133,000)	**4,597,000**	1%	4,211,000	9%

[1]Of the smart-thermostat installations as of September 30, 2013, 58% were bundled with energy or furnace contracts and the remaining 42% were sold as stand-alone units.

The attrition rate was 13% on a trailing 12-month basis, down from 14% in the prior year period, with the consumer markets higher and commercial markets lower. Overall attrition remains at target levels.

Renewal rates were 72% on a trailing 12-month basis, up from the Company's target level of 70% realized a year earlier. Management believes that there is an opportunity for further improvement in renewal rates. However, commercial renewal rates can be volatile on a quarter by quarter basis.

Profitability

Operating profits rose during the quarter. Gross margin for the quarter was $128.5 million, up 12% from $114.3 million in fiscal 2013. Base EBITDA was $39.1 million, up 37% from $28.6 million in the prior year. Base Funds from continuing operations were $28.8 million, up 129% from $12.6 million a year earlier. Given that the first two quarters are traditionally the lowest consumption quarters of the year, Base EBITDA remains well on track to meet the Company's published guidance of $220 million for the year. The increase in Base Funds from continuing operations is consistent with the Company's goal to reduce its payout ratio below 100% for fiscal 2014.

The following factors drove quarterly profitability:

- The 9% year over year growth in customers led to a 12% increase in gross margin. This disparity in growth rates is due to improved profitability of the gas book compared to fiscal 2013.
- Despite the flat Consumer customer base year over year, Consumer gross margin rose 21% as the Company had minimal utility reconciliations in fiscal 2014 compared to the previous year as the last winter's consumption was normal.
- Commercial Energy division's gross margin declined 14% despite a 15% increase in customers. Realized prices on new and renewed customers were $72 per year versus $83 per year on customers lost during the quarter. This was an improvement over the $66 per annum new customer margins seen in the first quarter. Total realized Commercial margins were $70 per customer, down from the $103 seen a year earlier. Faced with aggressive competition across U.S. markets and the need to offset unforeseen capacity costs in the Northeast U.S., management believes that Commercial margins will stabilize around current levels. While less profitable than in the past, commercial customers continue to generate margins more than double annual aggregation costs, ensuring a continued high level of profitability within the business segment. This has been accomplished through continued achievement of economies of scale in the division.
- Home Services division's gross margin increased by 55% reflecting a 37% growth in water heaters, furnaces and air conditioner unit installs as well as contractual price increases.
- Selling and marketing costs declined 5% versus the second quarter of fiscal 2013. Selling costs declined due to fewer gross additions and the growing use of lower cost aggregation channels. Only 31% of the customers added in the quarter came from traditional door-to-door sales.
- Administrative costs per customer were an annualized $30.64, down from $31.71 a year earlier. Quarterly administrative expenses were $35.2 million, down from $36.0 million in the first quarter and $36.7 million in the fourth quarter of fiscal 2013. Management sees the quarterly decline in costs despite a growing customer base to be a positive trend.
- Bad debt amounted to 2.1% of relevant sales, down from 2.3% in the second quarter of fiscal 2013. Nominal bad debt expense of $11.9 million was up 54% reflecting customer growth in markets where the Company bears credit risk.
- Financing costs were $22.3 million for the quarter, up from $18.4 million in the prior comparable period. The increase reflects inclusion of the $105 million unsecured debentures and growth in NHS and HES non-recourse financing.

- Just Energy maintained its position as a leader in sales of green energy in North America. 27% of new Consumer customers over the past year took green supply for an average of 84% of their annual consumption. Green supply now composes 18% of the Consumer division electricity portfolio and 9% of the Consumer division natural gas supply.

Just Energy has focused on building long term value for its shareholders. While cash flow has grown significantly over the past two quarters, the best measure of long term expectations remains embedded gross margin. Embedded gross margin is an estimate of cash flow from existing contracts based on the spread between contract price and underlying supply. The table below shows the change in this value over the quarter and the last year. While, over the past three months, the amount is down slightly due to the decline in the U.S. dollar versus the Canadian dollar, the annual growth of 9% matches the growth of the customer base.

EMBEDDED GROSS MARGIN

(millions of dollars)

Management's estimate of the future embedded gross margin is as follows:

	As at Sept. 30, 2013	As at June 30, 2013	Sept. vs. June 2013 variance	As at Sept. 30, 2012	2013 vs. 2012 variance
Energy marketing[1]	**$ 1,668.5**	$ 1,711.7	(3)%	$ 1,618.8	3%
Home Services	**655.5**	628.9	4 %	510.7	28%
Total embedded gross margin	**$ 2,324.0**	$ 2,340.6	(1)%	$ 2,129.5	9%

[1]Energy marketing also includes embedded gross margin related to Hudson Energy Solar.

Dividend Policy

Dividends were $0.21 per share in the quarter. Payout ratio on Base Fund from operations was 107% down from 352% a year earlier. Based on results to date, management continues to believe that the payout ratio on Base Funds from operations will be less than 100% for fiscal 2014, down from 184% in fiscal 2013. In changing the dividend for fiscal 2014, management and the board of directors concluded that the new monthly $0.07 per share level met the criteria of providing adequate funding of growth expenditures and making a necessary contribution to the cash repayment of future debt maturities. The combination of anticipated future growth and this lower dividend level is expected to allow the Company to reduce its debt to EBITDA ratio to a target range of 3.5 to 4.0 times by the end of fiscal 2016.

Outlook

Continued strong customer additions with the corresponding positive impact on embedded margin, combined with tight cost control have resulted in a second quarter of positive results for Just Energy.

The Company’s published guidance calls for $220 million in Base EBITDA for fiscal 2014, up from the $175 million realized in fiscal 2013. Results to date are consistent with this level of growth, although investors should note that the first two quarters are the lowest consumption quarters of the year and that results from the third and fourth quarters will be more meaningful in defining the year's growth.

"We have built and broadened the base of our business over the past two years. This has involved both geographic expansion and the introduction of new, low cost marketing channels." CEO Hartwick said, commenting on the outlook for the Company. "These additions came with an upfront cost which depressed our Base EBITDA last year. At the same time, we were confident that they would pay off in improved cash flow and a more solid financial position for Just Energy. The second quarter is clear evidence that we are on the right track and we expect future periods to show the same positive trend."

Earnings Call

The Company will host a conference call and live webcast to review the second quarter results beginning at 11:00 AM eastern standard time on Friday November 8, 2013 followed by a question and answer period. Those who wish to participate in the conference call may do so by dialing 1-866-232-9440 and entering pass code 15650535#. The call will also be webcast live over the internet at the following link:

http://event.onlineseminarsolutions.com/r.htm?e=703904&s=1&k=8226839BBB88F7AF3D4203B656D0A89E

About Just Energy Group Inc. Established in 1997, Just Energy is primarily a competitive retailer of natural gas and electricity. With offices located across the United States, Canada and the United Kingdom, Just Energy serves close to 2 million residential and commercial customers (4.6 million RCEs) through a wide range of energy programs and home comfort services, including fixed-price or price-protected energy program contracts, the rental of water heaters, furnaces and air conditioners and the installation of solar panels. The Company's JustGreen®products provide consumers with the ability to help them reduce the environmental impact of their everyday energy use. Just Energy is the parent to Amigo Energy, Commerce Energy, Hudson Energy, Hudson Energy Solar, National Home Services, Momentis, Tara Energy, Green Star Energy and Terra Grain Fuels.

FORWARD-LOOKING STATEMENTS

Just Energy's press releases may contain forward-looking statements including statements pertaining to customer revenues and margins, customer additions and renewals, customer attrition, customer consumption levels, general and administrative expenses, dividends, distributable cash and treatment under governmental regulatory regimes. These statements are based on current expectations that involve a number of risks and uncertainties which could cause actual results to differ from those anticipated. These risks include, but are not limited to, levels of customer natural gas and electricity consumption, rates of customer additions and renewals, rates of customer attrition, fluctuations in natural gas and electricity prices, changes in regulatory regimes and decisions by regulatory authorities, competition and dependence on certain suppliers. Additional information on these and other factors that *could affect Just Energy's operations, financial results or dividend levels are included in Just Energy's annual information form and other reports on file with Canadian securities regulatory authorities which can be accessed through the SEDAR website at www.sedar.com, on the U.S. Securities Exchange Commission's website at www.sec.gov or through Just Energy's website at www.justenergygroup.com.*

Neither the Toronto Stock Exchange nor the New York Stock Exchange has approved nor disapproved of the information contained herein.

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