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COMPANY ANNOUNCEMENT

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JB Hi-Fi purchases 70% of Queensland electrical retailer Clive Anthonys for \$24.15m

JB has today purchased 70% of Queensland electrical retailer Clive Anthonys for \$24.15 million. Clive Anthonys retails White Goods, Consumer Electronics, Cooking and Computers. The company had sales in FY2004 of \$82.5 million with a normalised EBIT of \$7.5 million. With a recently opened 5th store in June 2004, Clive Anthonys expected sales in FY2005 are in excess of \$100 million.

Clive Anthonys was founded in 1996 by Clive Anthony Savage who was the founder of Clive Peeters, the successful large Melbourne based retailer which he sold in 1993. Clive Savage will stay on as Executive Chairman of Clive Anthonys and retain 15% of the business. Existing Senior Management will retain a further 15%. The business will operate separately from JB, with all existing management remaining with the company. Clive Savage is regarded in the trade as one of Australia's best electrical retailers, the Mermaid Waters store is one of the best stand alone outlets in the country and his new Capalaba store (opened June 2004) regarded as the most attractively presented store of its type in the country.

"We are very excited about the investment" said Richard Uechtritz, CEO of JB Hi-Fi.

"This business is clearly the best small electrical retail chain in the country with fabulous management". "It gives us a wonderful model and base to expand on, enhances our buying power and puts us into the substantial white goods, cooking and computer markets".

"The investment in Clive Anthonys will in no way impede JB's roll out of 7 to 8 stores per year. Clive Anthonys will remain as a totally separate business, albeit with many synergies and will continue to trade under the Clive Anthonys brand".

"We see the JB shareholding as very positive" said Clive Savage. "We have reached a point, with 5 stores and sales heading towards \$100 million, that to grow further, we need the financial support and expertise, purchasing power and management information systems that JB can provide. We think we are to whitegoods and cooking, what JB Hi-Fi is to home entertainment".

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