



# **JB HI-FI LIMITED**

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**Annual General Meeting**

**14<sup>th</sup> October 2008**

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# AGENDA

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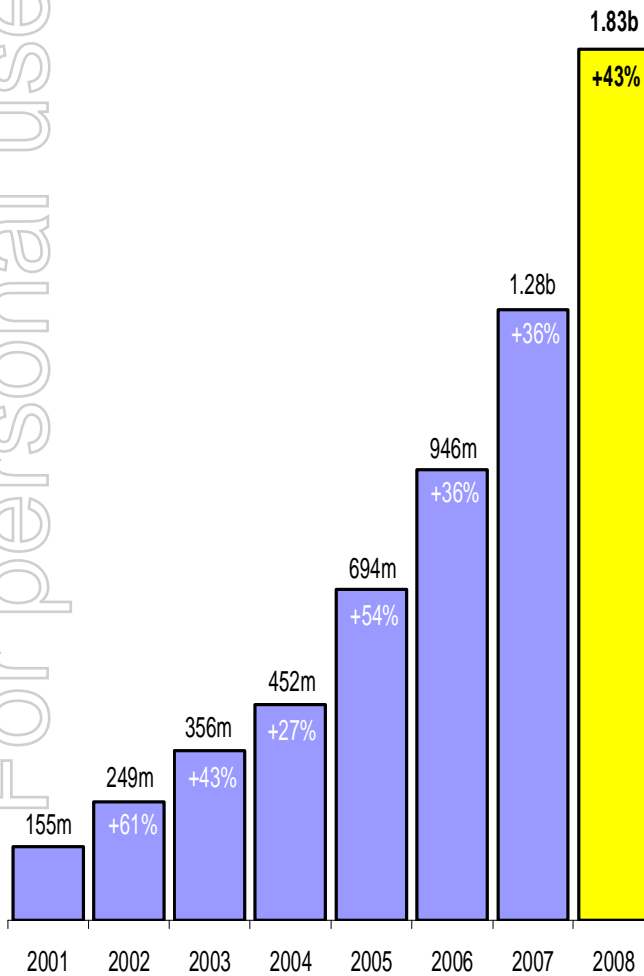
- **Presentations by Chairman and Chief Executive Officer**
- **Item 1: Tabling & Consideration of Accounts and Reports**
- **Item 2: Adoption of remuneration report**
- **Item 3: Election of directors**
- **Item 4: Approval of grant of Options to Executive Directors**
- **Other Business**

# CHAIRMAN'S ADDRESS

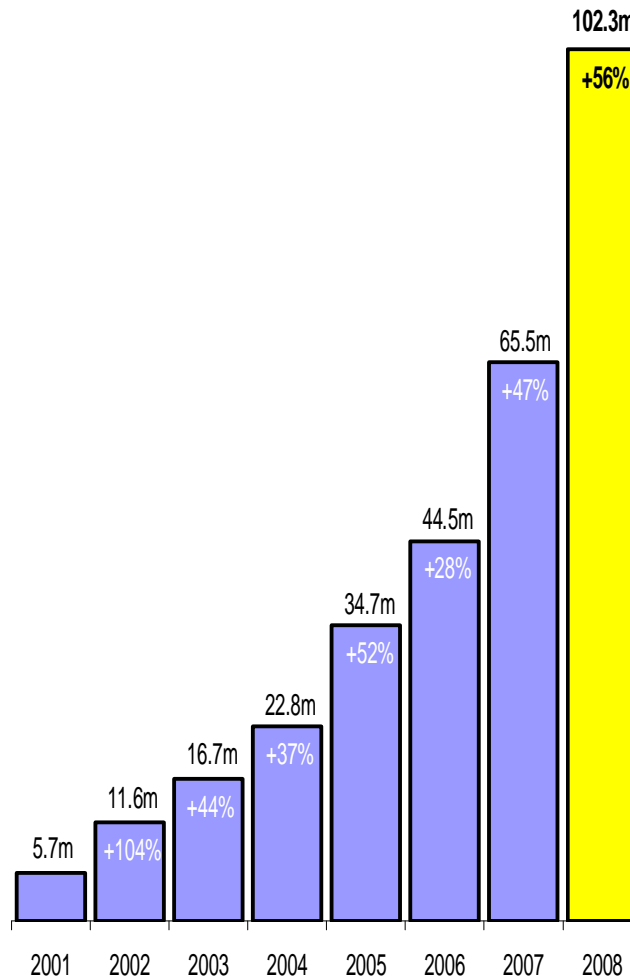


Mr Patrick Elliott

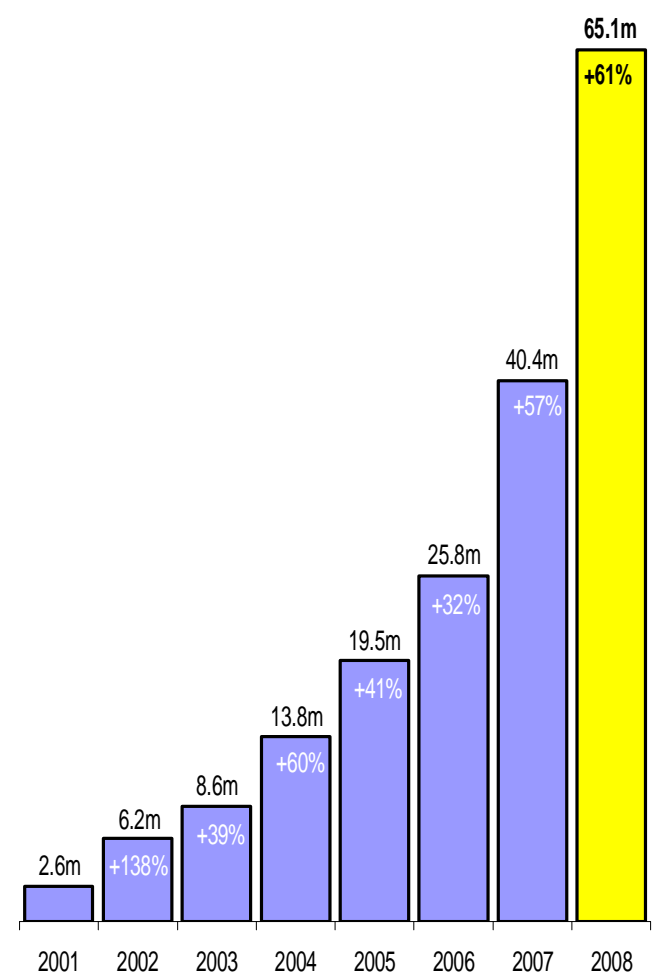
## SALES +43%



## EBIT +56%



## NPAT +61%



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## CHAIRMAN'S ADDRESS....

### Strong Shareholder Return:

- Dividends of 26.0 cents per share up 136%, resulting in payout ratio 42%
- Since the IPO in October 2003 annual compound growth of 44.7% vs. 5.1% for the ASX 200.\*

\* As at 13 October 2008



## CHAIRMAN'S ADDRESS....

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### Sustainable Competitive Advantage:

- The company's strategy:
  - every day focus on lowest cost of doing business; and
  - a broad range of every day low priced products for our customers.
- JB's unique product ranging, mix and branding that drives very high levels of store productivity and a real focus on cost control. Our cost of doing business was 15.3% vs. 16.0%.
- This cost advantage is continually enhanced by:
  - increasing sales from established stores and the new store roll out, which improves our economies of scale in buying and head office costs
  - technology and training



## CHAIRMAN'S ADDRESS....

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### Roll Out Continues:

- We have a strong store representation in all Australian states and territories and aim to have seven JB Hi-Fi branded stores in New Zealand by 31 December 2008.
- Successfully expanding into major regional centres.
- Continued success in a variety of operation formats including shopping centres, home maker or big box centres and stand alone destination stores.
- Flexible format provides JB with the flexibility to secure the best possible locations in each area.



## CHAIRMAN'S ADDRESS....

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### Diversified Product Offering:

- Increasing penetration of new technology such as plasma and LCD TVs, MP3 players and DVD recorders.
- Shift of product mix to be an early leader in new technologies promising high growth and significant volume (e.g. games market and the growing IT/computers market).
- Continued penetration into the mobile consumer electronics market.
- Software categories of music, movies and games.
- Speakers, hi-fi components and car audio represent a strong and profitable stream of business.



## CHAIRMAN'S ADDRESS....

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### Funding of Growth Plans:

- Funding of growth via strong levels of cash flow generated from established stores and a prudent level of borrowings.
- JB is one of the more conservatively geared listed retailers with fixed charges cover of 3.3 times.
- Interest cover ratio of 11.0 times.
- In determining level of debt, we consider both operational and financial leverage.
- JB enjoys one of the lowest rental burdens at 2% of sales.
- Target payout ratio of 40%.



## CHAIRMAN'S ADDRESS....

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### People & Culture:

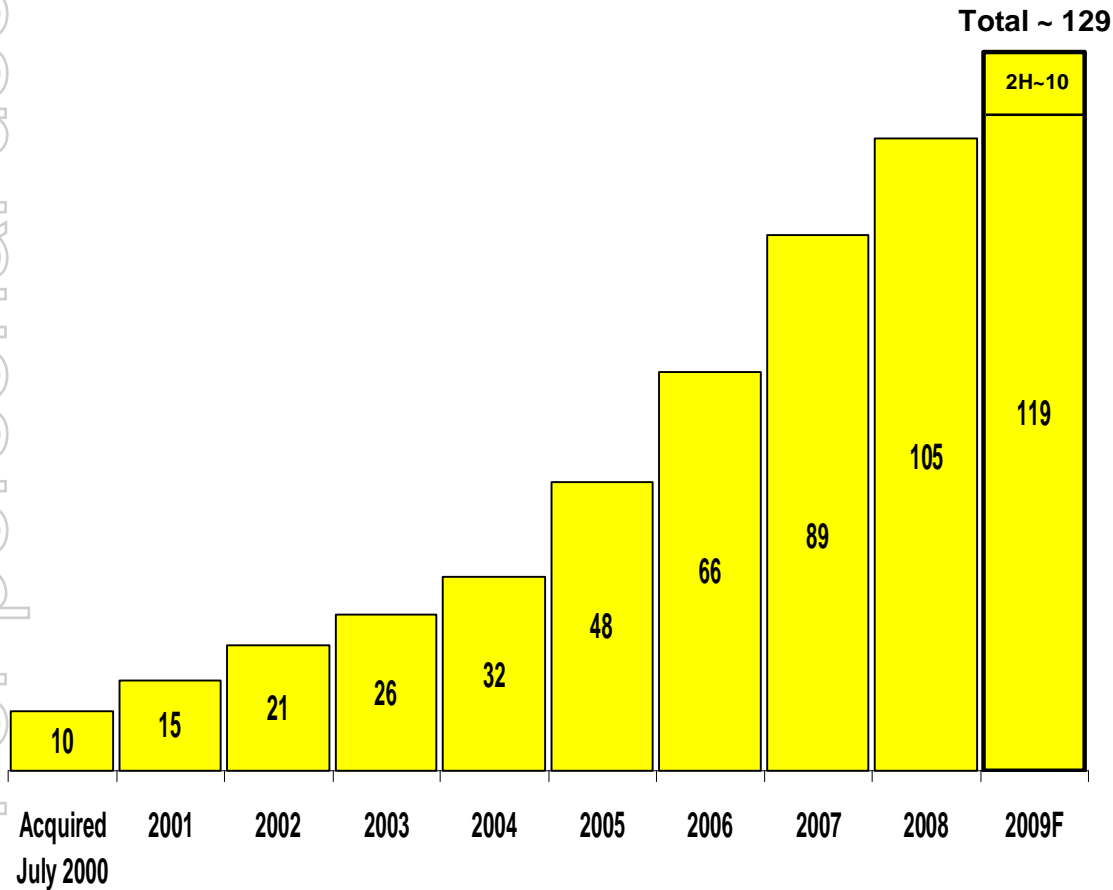
- Our ability to operate profitably and to expand as quickly and successfully as we have is a testament to our people and the company's continued ability to attract and retain them.
- Store staff are typically enthusiasts of the product categories they work in.
- Support staff are equally dedicated and responsible for our success to date.
- We continue to attract high calibre people and motivate them, and we are well positioned to maintain our growth for many more years.
- Strength and depth of management.

# CHIEF EXECUTIVE OFFICER'S ADDRESS

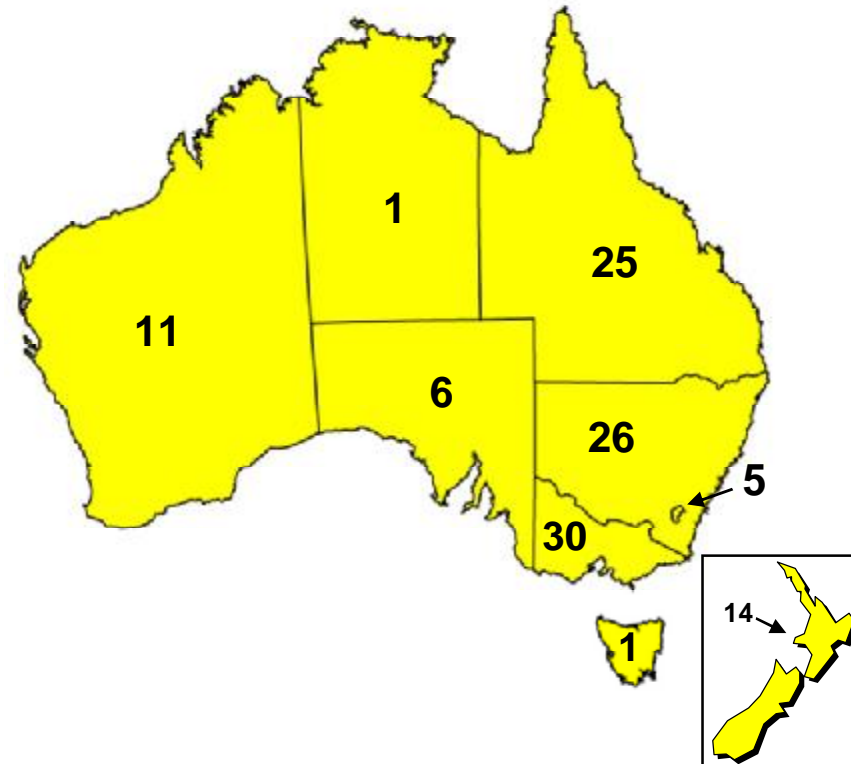
Mr Richard Uechtritz



## Store Growth



**Total Stores: 119\***  
(JB Aust. 94, CA 11, JB NZ 7, H&S 7)



\* Forecast 31 Dec 2008

# ITEM 1



## Tabling & Consideration of Accounts and Reports:

**To receive and consider the financial report of the Company for the financial year ended 30 June 2008 together with the directors' report and auditor's reports for the financial year ended 30 June 2008.**

Proxies:

In respect to this item of business, the following proxies have been received:

- In favour 55,388,271
- Against 9,046
- Open and undirected 2,020,194

Also in respect to this item of business, the following proxies have been received nominating the Chairman:

- In favour 55,380,801
- Against 9,046
- Open/undirected 1,990,749

The Chairman intends voting the open and undirected proxies in favour of the resolution.

## ITEM 2



### Adoption of Remuneration Report:

**To adopt the remuneration report for the year ending 30 June 2008.**

Proxies:

In respect to this item of business, the following proxies have been received:

- In favour 59,567,460
- Against 4,811,855
- Open and undirected 2,019,294

Also in respect to this item of business, the following proxies have been received nominating the Chairman:

- In favour 59,560,240
- Against 4,811,605
- Open/undirected 1,989,849

The Chairman intends voting the open and undirected proxies in favour of the resolution.

## ITEM 3



### Election of Directors:

In accordance with the Company's Constitution:

- (a) Dr Will Fraser retires by rotation and, being eligible, offers himself for re-election;
- (b) Mr Terry Smart retires by rotation and, being eligible, offers himself for re-election; and
- (c) Mr Greg Richards, having been appointed by the Board on 18 December 2007 retires and, being eligible, offers himself for election.

Proxies:

In respect to this item of business, the following proxies have been received:

	<b>3(a)</b>	<b>3(b)</b>	<b>3(c)</b>
• In favour	64,396,392	64,380,305	64,398,317
• Against	10,658	38,568	11,891
• Open and undirected	2,032,154	2,022,154	2,022,434

Also in respect to this item of business, the following proxies have been received nominating the Chairman:

	<b>3(a)</b>	<b>3(b)</b>	<b>3(c)</b>
• In favour	64,387,382	64,371,295	64,389,307
• Against	10,658	38,568	11,891
• Open and undirected	2,004,249	1,994,249	1,994,529

The Chairman intends voting the open and undirected proxies in favour of the resolution.

## ITEM 4

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### Approval of grant of Options to Executive Directors:

#### **(a) Approval of grant of Options to an Executive Director – Mr Richard Uechtritz**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That pursuant to ASX Listing Rule 10.11 and for all other purposes, approval be and is hereby given, to the grant of 221,555 Options over Shares in the Company to Mr Richard Uechtritz, exercisable at \$12.98 each, expiring on 25 August 2013, on the terms and conditions described in the Explanatory Notes.”

#### **(b) Approval of grant of Options to an Executive Director – Mr Terry Smart**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That pursuant to ASX Listing Rule 10.11 and for all other purposes, approval be and is hereby given, to the grant of 147,703 Options over Shares in the Company to Mr Terry Smart, exercisable at \$12.98 each, expiring on 25 August 2013, on the terms and conditions described in the Explanatory Notes.”

## ITEM 4



### Approval of grant of Options to Executive Directors:

#### Proxies:

In respect to this item of business, the following proxies have been received:

	<b>4(a)</b>	<b>4(b)</b>
• In favour	61,750,470	61,698,003
• Against	2,629,201	2,629,345
• Open and undirected	2,023,335	403,093

Also in respect to this item of business, the following proxies have been received nominating the Chairman:

	<b>4(a)</b>	<b>4(b)</b>
• In favour	61,748,930	61,696,463
• Against	2,621,731	2,621,875
• Open and undirected	1,995,430	375,188

The Chairman intends voting the open and undirected proxies in favour of the resolution.

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## OTHER BUSINESS

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