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COMPANY ANNOUNCEMENT

16 February 2005

JB Hi-Fi reports 60% increase in half year sales and a 65% increase in NPAT.

JB Hi-Fi Limited today reported a record half year net profit of \$15.4m (up 65%) from \$376m of sales (up 60%) for the six months ended December 2004.

Comparable store growth for the six months was a strong 10.3 % and operating expenditure as a percentage of sales was 15.6% (better than PCP by 0.9%).

EBIT was \$25.4m (up 75%). The resulting EBIT margin was 6.8% (up 0.6%).

The Board has declared a fully franked dividend of 3.6 cents per share to be paid on 14 April 2005. The record date for determining a shareholders dividend entitlement is the 31 March 2004.

Sales in January & February to date have met expectations and the company is on track to achieve sales in excess of \$700 million for the full year.

The company opened 7 new (JB) stores in the six months which are trading strongly and expects to open a further 2 - 3 stores in the second half.

Sales were strong in most categories with slim line TV's, DVD software, digital cameras, music and portable audio showing strong growth.

Clive Anthonys business had a good first half, trading in line with expectations. A new Clive Anthonys store will open in Brisbane late in the second half.

"Our Clive Anthonys business has proven an astute purchase both in terms of its performance, extra buying power and as a growth opportunity" said Richard Uechtritz, CEO.

"Overall we are very happy with our performance in the first half in a highly competitive market and sit here today very confident of strong growth into the future" said Richard Uechtritz. "There seems to be no reason why we can't achieve the consumer acceptance and market leadership we have in Melbourne in all categories throughout the country over the next few years".

Richard Uechtritz
Chief Executive Officer

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JB....you've done it again!