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COMPANY ANNOUNCEMENT

15 February 2005

## JB Hi-Fi Reports Sales Up 36%, Profit Up 29%

JB Hi Fi Limited today reported a record half year net profit\* of \$18.8 million (2004 \$14.6m) from \$510 million of sales (2004 \$376m) for the six months ended 31 December 2005.

Comparable store growth for the six months was 7.1% for JB Hi-Fi stores and -5.0% for Clive Anthonys stores, resulting in consolidated comparable store growth of 5.3%. Operating expenditure as a percentage of sales remained a low 15.8%. Gross profit remained steady at 22.8% after backing out the impact of games.

The Company has declared a fully franked dividend of 3.6 cents per share to be paid on 13 April 2006. The record date for determining the entitlement is the 31 March 2006.

CEO Richard Uechtritz commented "After strong Christmas and post Christmas sales consumers seem to have reverted to similar spending patterns experienced in 2005 with sales in January and February to date softer than the growth achieved in December."

The company opened 12 new JB stores in the six month period and expects to open 6 new JB stores in the second half to bring the total for the year to 18. The company expects to open approximately 13 new stores in FY 2007.

Visual, portable audio and games showed strong growth, music, movies and cameras were steady whilst audio and car audio were slowing. The move into the games business in particular has been a great success with the company already placed as one of the major retailers in the market.

The Clive Anthonys business in south east Queensland has traded well in a difficult market, and December and January were good months with stronger sales in air conditioning and computers.

"We are very pleased with this strong result in what has been a difficult trading period for all retailers. We were chasing some big numbers from the previous corresponding period before weaker consumer spending became evident early in calendar year 2005." Mr Uechtritz said.

"Our unique and low cost model is proving to be very resilient in these difficult times. Notwithstanding more intense competition and a shift in our product mix to lower margin items our scale and discount positioning has protected our gross margin."

"All 12 new stores traded well and we continue to grow our national market share. We were particularly pleased with our 7 new Sydney stores. Sydneysiders have taken to our retail concept enthusiastically and we look forward to good growth in this market."

Richard Uechtritz  
Chief Executive Officer  
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\* Based on new International Financial Reporting Standards (IFRS). Under previous AGAAP accounting standards, the half year NPAT for the six months ended 31 December 2005 would have been \$19.4m (2004 \$15.4m)

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