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COMPANY ANNOUNCEMENT

1 March 2007

JB Purchases NZ Stores

JB Hi-Fi has taken possession of the Auckland based 11 store electrical chain Hill and Stewart today. As previously announced the purchase price was a multiple of 7 times 06/07 EBIT (year ends 31st March). Trading was strong into Christmas and the new year and the expected 06/07 EBIT is circa NZ\$ 2.8 million implying a purchase price of circa NZ \$ 19.5 million. Final settlement will be shortly after 31st March.

"We are very happy to have completed the purchase" said CEO Richard Uechtritz. "This will give us a terrific base in NZ on which to roll out the JB Hi-Fi store model. We remain confident that NZ consumers will embrace the JB Hi-Fi offering which will be unique in this market".

With JB Hi-Fi entering the NZ market, NARTA, Australia's biggest buying group (of which JB Hi-Fi is the largest member), is also in the process of setting up in NZ. Some of the larger non aligned NZ retailers have expressed interest in joining with NARTA in New Zealand to leverage the greater purchasing power NARTA offers.

Three leases have now been signed for JB stores in Auckland with others under negotiation. It is expected the company will have four to five JB stores operating in NZ before Christmas.

Richard Uechtritz
Chief Executive Officer

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*** Company Announcement Ends ***

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