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COMPANY ANNOUNCEMENT

19 February 2004

JB Hi-Fi reports 50% increase in half year NPAT On track to achieve full year prospectus forecasts

JB Hi-Fi Limited today reported a record half year net profit after tax of \$9.3 million for the six months ended December 2003, up 49.2% on the previous corresponding period of \$6.2 million.

Chief Executive Officer Richard Uechtritz said JB continued its strong growth through the opening of four stores in the first half, two in Western Australia and one each in Queensland and South Australia. JB's most recent store opening was in mid February 2004 at Erina Fair, on the Central NSW coast.

Total sales were up 26.3% to \$234.6 million and comparable store growth was 8.4%. Gross margin was strong for the period, increasing 0.8 to 23.3%.

Operating expenditure as a percentage of sales has remained stable at 16.5 percent for the period.

EBIT was up 35.8% to \$14.5 million. The resulting EBIT margin was 6.2%, up 0.5 percentage points from the same period last year.

The Board has declared a fully franked interim dividend of 3.6 cents a share.

Operating highlights for the period include:

- Continued strong growth in emerging categories of Digital Camera's, Plasma TV's and DVD software
- Music showed good growth in both CD's (3.6% comp. store) and Music DVD's
- Store rollout ahead of plan with 5 stores opened to Feb 2004 and further 2 to 3 stores likely in second half.

JB Hi-Fi's cash flow remained strong during the 6 months to December 2003, with cash flow from operations of \$20.3 million.

Management are confident of achieving full year prospectus earnings.

Richard Uechtritz
Chief Executive Officer

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