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COMPANY ANNOUNCEMENT

7 June 2007

JB ANNOUNCES PROFIT UPGRADE

JB Hi-Fi expects to exceed its guidance on profit expectations for the full year FY07.

JB Hi-Fi advised the market when releasing its strong first half result in mid February 2007 that it was comfortable with the then average analyst expectations of a full year 2007 NPAT of \$32.7 million.

After better than expected trading since February JB Hi-Fi announces that it expects its profit for the year ending 30 June 2007 to be in the range of \$37 to \$39 million, a 43% to 51% increase on the previous year NPAT of \$25.8 million. Sales are expected to be in excess of \$1.2 billion for the year ending 30 June 2007 or a circa 30% increase on the prior year. Comparable store sales have increased to 10.2% for the 11 months to the 31st May 2007 (HY07 5.8%).

"Our unique retail model is performing strongly and should continue to benefit from strong comparable store growth, many new store opportunities, a low cost of doing business, better buying power and good management " said CEO Richard Uechtritz.

"The newer games and computer categories continue to show promising growth as we finalise the roll out of the computer category to most stores by early FY08. These categories should be solid performers for JB Hi-Fi in years to come" he said.

The performance of our Clive Anthonys business has improved in the second half. Stronger trading conditions together with some management changes and a closer alignment to the JB Hi-Fi way of operating has resulted in improved comparable store sales, currently at -0.95% (11 months to the 31st May 2007) compared to -7.8% at the half year. The first Clive Anthonys store in Sydney will open at Castle Hill in August and the company is perusing other opportunities for Clive Anthonys in Sydney.

The company has taken control of the Hill & Stewart chain in New Zealand as of 1st March 2007. It is trading to expectations. The first New Zealand JB Hi-Fi store opened at the end of April and is trading well with at least three further JB Hi-Fi stores to open in New Zealand before Christmas.

Media & Investors:

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