Acquisition of The Good Guys

13 September 2016

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- JB Hi-Fi's acquisition of The Good Guys (the "**Acquisition**"); and
- a fully underwritten 1 for 6.60, pro-rata, accelerated, renounceable entitlement offer of new ordinary fully paid shares in JB Hi-Fi ("**New Shares**") comprising an accelerated underwritten institutional entitlement offer ("**Institutional Entitlement Offer**") and an underwritten retail entitlement offer ("**Retail Entitlement Offer**") (together, the "**Entitlement Offer**") to be made under section 708AA of the Corporations Act as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73).*

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Cooling-off rights do not apply to the acquisition of New Shares.

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JB HI-FI

01 JB HI-FI

Transaction overview

Transaction overview

JB HI-FI

JB Hi-Fi has agreed to purchase The Good Guys, a leading Australian retailer of home appliances and consumer electronics, for $870 million

Transaction details	• JB Hi-Fi to acquire 100% of The Good Guys for total cash consideration of $870 million • Implied transaction multiple of approximately 11.7x EV / FY16 pro forma normalised EBIT pre-synergies[1] (JB Hi-Fi trading on 13.2x FY16 EV / EBIT[2])
Strategic rationale	• Combination of Australia's leading consumer electronics and home appliance retailers • Aligned retailing philosophies and customer value propositions with a focus on great value everyday and exceptional customer service • Complementary customer profiles, product offerings and store locations • Significant expansion of JB Hi-Fi's capability in the attractive home appliances market • Opportunities for growth for the Combined Group, including through store roll-out and continued market share gains • Attractive financial metrics with potential for meaningful synergies
Funding	• Acquisition funded by: - a fully underwritten, pro-rata, accelerated, renounceable entitlement offer with retail entitlements trading to raise approximately $394 million ("**Entitlement Offer**"); and - balance funded through a combination of existing debt facilities plus a $450 million new multi-tranche acquisition debt facility
Financial impacts	• FY16 pro forma EPS accretion of approximately 11.6%, pre-synergies and before transaction and implementation costs[3] • Net synergies of $15 - 20 million[4] per annum to the Combined Group after a three year integration period • Expected implementation costs of $10 - 12 million[5] primarily in the first 12 months post-completion • Pro forma net debt / FY16 pro forma EBITDA 1.6x[6]

Notes: 1. FY16 EBIT for The Good Guys of $74.2 million based on The Good Guys audited special purpose accounts for the 12 months ended 30 June 2016, adjusted for certain pro forma adjustments and normalisations identified during JB Hi-Fi's due diligence. The Good Guys information has been prepared assuming all stores were 100% owned for the full FY16 year. 2. Calculated using share price of $28.85 per share as at close 12 September 2016. 3. Increase in EPS of JB Hi-Fi assuming the Good Guys acquisition had come into effect from 1 July 2015. In accordance with AASB 133, the JB Hi-Fi reported basic EPS for the year ended 30 June 2016 has been adjusted to reflect the bonus element in the Entitlement Offer. 4. Excludes one-off implementation costs. 5. Including one-off costs associated with the corporatisation of The Good Guys and Joint Venture Partners transition process. 6. Calculated as net debt post acquisition divided by FY16 pro forma EBITDA of the Combined Group pre-synergies and before transaction and implementation costs.

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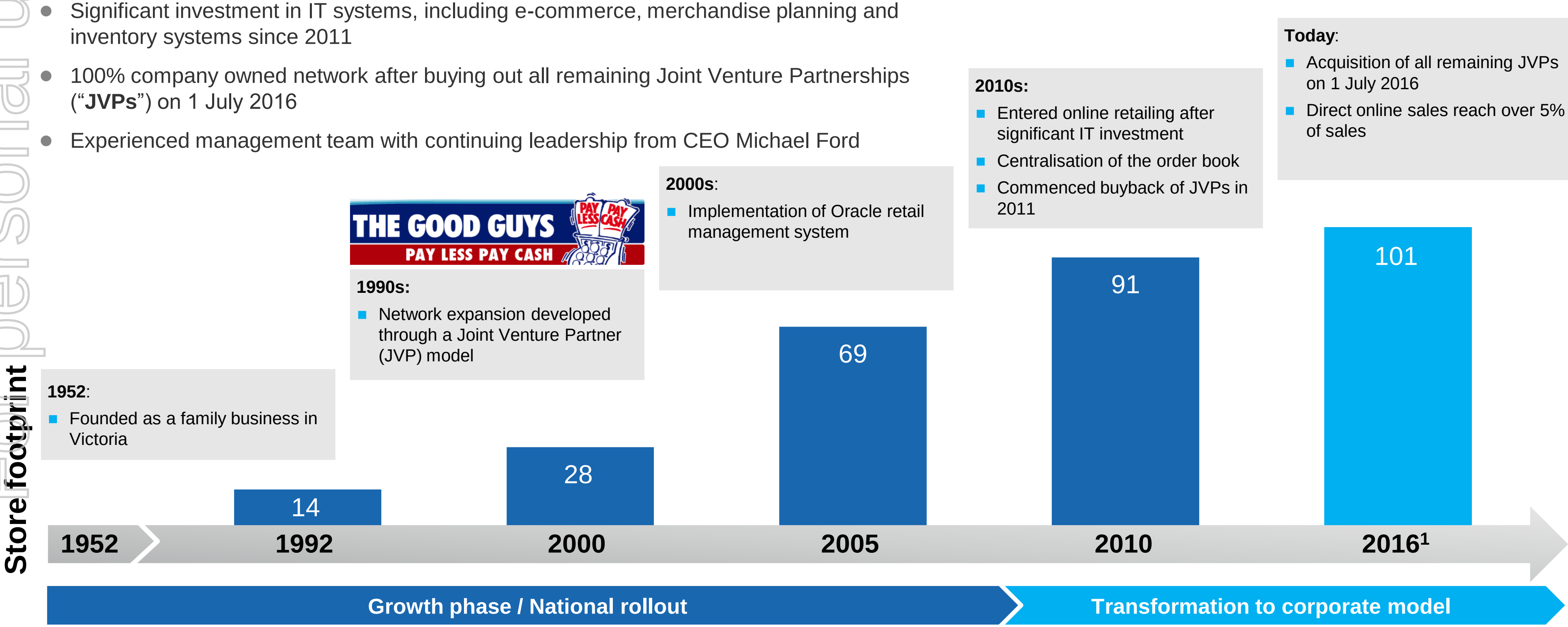
Overview of The Good Guys

History of The Good Guys

The Good Guys is a leading Australian retailer of home appliances and consumer electronics with a long and proud history as a family business since 1952

Overview

- Founded in 1952 as Mighty Muirs
- Network of 101 stores across Australia[1]
- Significant investment in IT systems, including e-commerce, merchandise planning and inventory systems since 2011
- 100% company owned network after buying out all remaining Joint Venture Partnerships ("**JVPs**") on 1 July 2016
- Experienced management team with continuing leadership from CEO Michael Ford

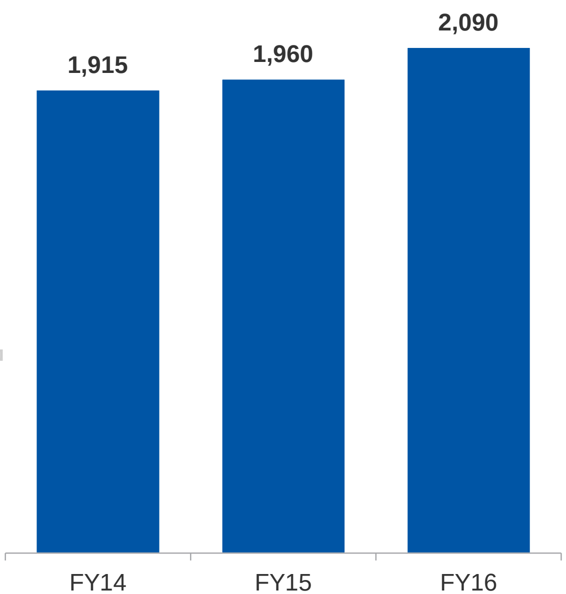


Notes: 1. As at 30 June 2016.

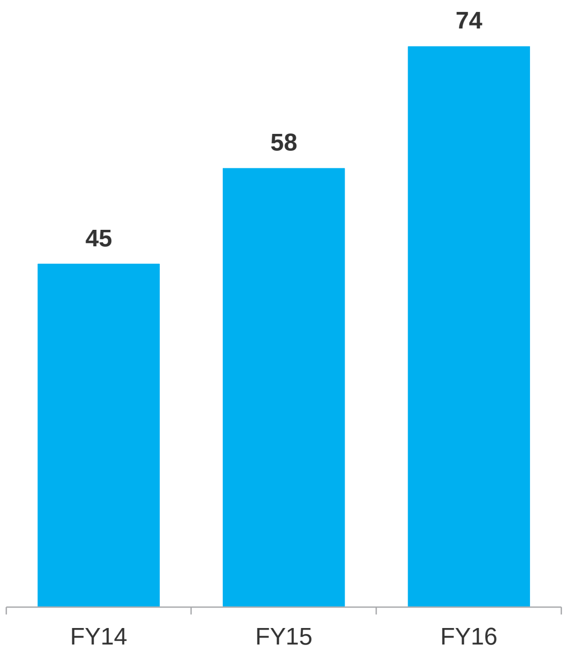
The Good Guys financial overview

The Good Guys has exhibited steady sales growth, while successfully implementing key initiatives, including corporatisation, centralisation of its order book and diversification away from consumer electronics to focus on home appliances

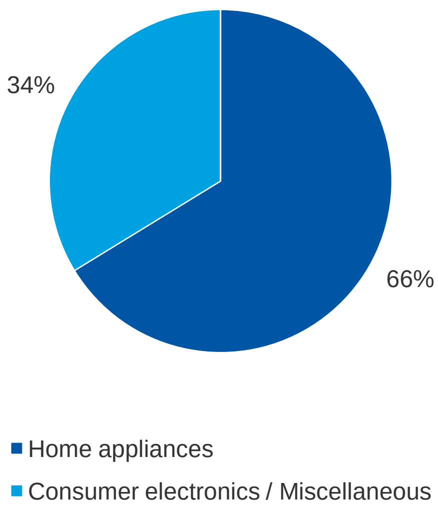
Pro forma sales ($m)[1]



Pro forma normalised EBIT ($m)[1,2]



FY16 sales by category



Notes: 1. The Good Guys information has been prepared assuming all stores were 100% owned. 2. EBIT based on The Good Guys audited special purpose accounts, adjusted for certain pro forma adjustments and normalisations identified during JB Hi-Fi's due diligence.

03 JB HI-FI

A powerful combination

A best-in-class combination

1. Dual-branded retail combination with complementary customer bases and product offerings
2. Aligned retail management philosophies, customer value propositions and customer service orientation
3. Enhanced market share from complementary product mix, store formats and locations
4. Significant opportunities for growth, including store roll-out of both brands and continued market share gains
5. Meaningful synergy benefits expected to be achieved over a three year integration period
6. FY16 pro forma EPS accretion of approximately 11.6%, pre-synergies and before transaction and implementation costs[1]

Notes: 1. Increase in EPS of JB Hi-Fi assuming the Good Guys acquisition had come into effect from 1 July 2015. In accordance with AASB 133, the JB Hi-Fi reported basic EPS for the year ended 30 June 2016 has been adjusted to reflect the bonus element in the Entitlement Offer.

Complementary customer bases and aligned retail philosophies

The Good Guys targets a core customer base of home-makers and families and uses retail philosophies that are aligned with JB Hi-Fi to promote customer loyalty

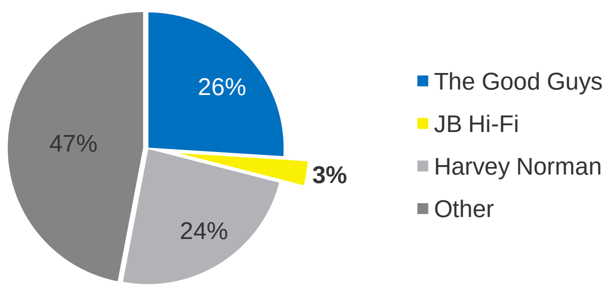
	JB HI-FI	THE GOOD GUYS
Product offering	Leading retailer of technology and consumer electronics	Leading retailer of home appliances and consumer electronics
Target customer base / demographic	Strong position with young/tech savvy demographics and Gen Ys/Millennials	Strong position with home-making demographic and families
Value proposition	Best brands at everyday low prices	
Customer focus	Exceptional customer service	
Channels	In-store, online, commercial	

A market leader

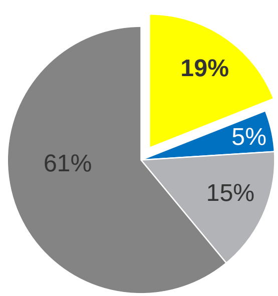
The Combined Group will be the market leader in both home appliances and consumer electronics

Pre-transaction category share[1]

Home appliances

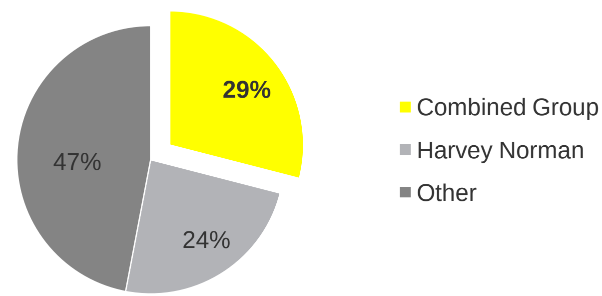


Consumer electronics

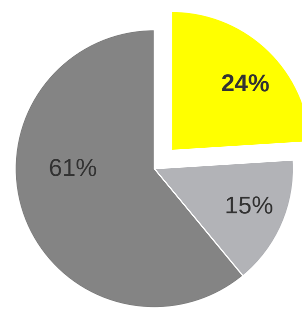


Post-transaction category share[1]

Home appliances



Consumer electronics

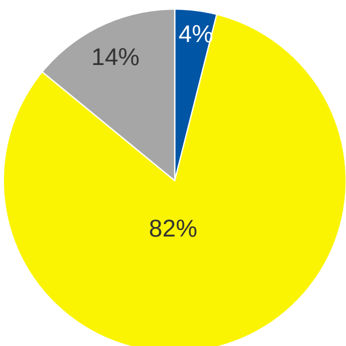


Notes: 1. Management analysis and estimates. Post-transaction category share assumes aggregation of the pre-transaction category shares.

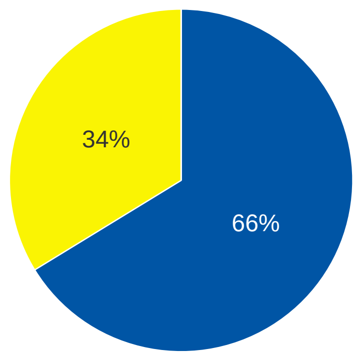
Genuine scale in home appliances

Delivers immediate scale in the $4.6 billion home appliances category and a more diversified product mix

FY16 sales $3.95 billion

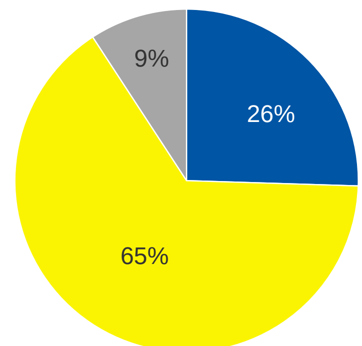


FY16 pro forma sales $2.09 billion[1]



- Home appliances
- Consumer electronics / Miscellaneous
- Software

FY16 pro forma sales $6.04 billion[1]



Notes: 1. The Good Guys information has been prepared assuming all stores were 100% owned.

Diversified store locations and formats

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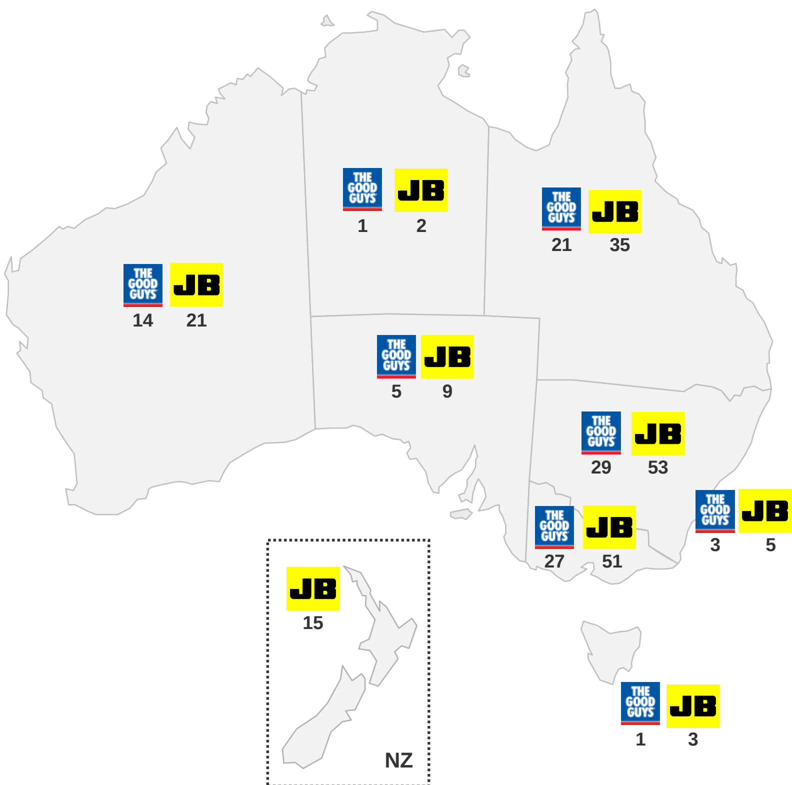
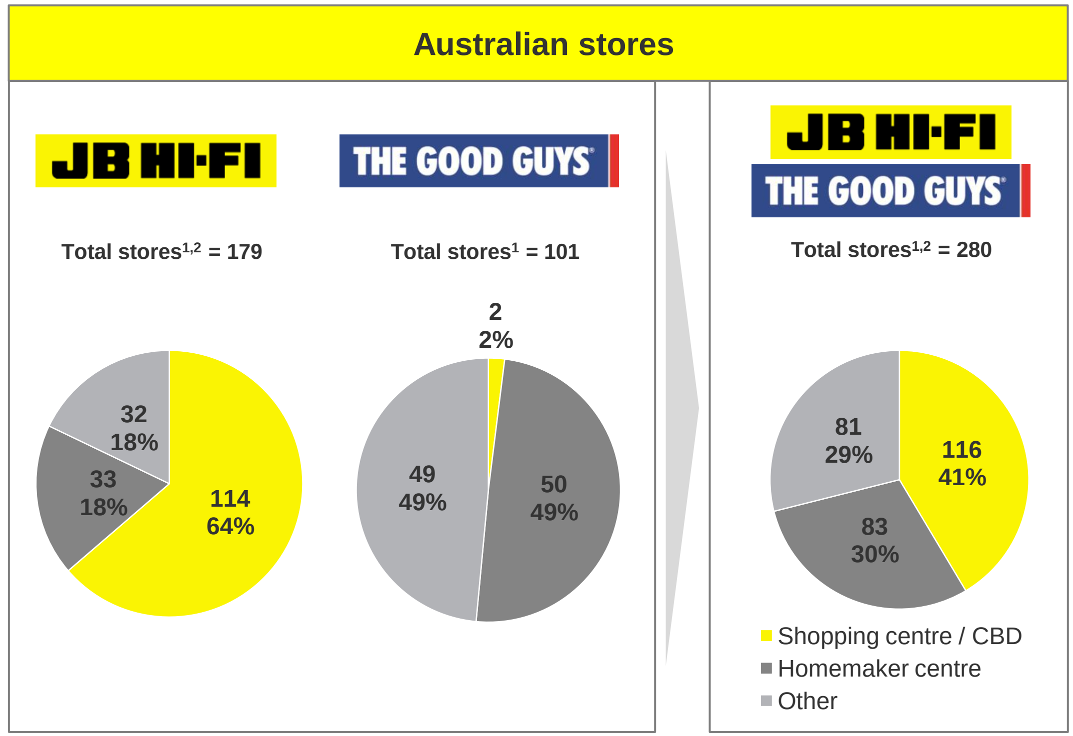
The combination of JB Hi-Fi and The Good Guys has 280 stores in Australia, plus 15 JB Hi-Fi stores in New Zealand, with a balance of location and store format profiles across shopping centre and CBD locations, homemaker centres, and standalone sites





Notes: 1. As at 30 June 2016. 2. Only includes JB Hi-Fi stores in Australia. Including New Zealand JB Hi-Fi has a total of 194 stores and the Combined Group would have 295 stores (as at 30 June 2016).

Continued store roll-out opportunities

JB HI-FI

Combined store portfolio of 295[1] stores across Australia and New Zealand with opportunities for continuation of the roll-out

- There are opportunities to roll-out The Good Guys branded stores in under represented catchment areas
- JB Hi-Fi's core competency of rolling-out stores will assist in driving an efficient roll-out program
- Potential for 4 - 5 The Good Guys store openings per year over the next three years, in addition to the continuation of the JB Hi-Fi store roll-out

Notes: 1. Store numbers presented as at 30 June 2016.

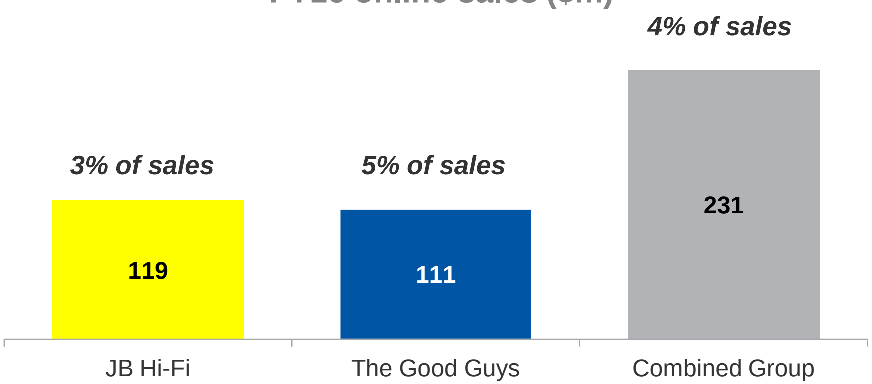
Strong multi-channel customer proposition

The acquisition adds scale to JB Hi-Fi's existing online customer proposition and The Goods Guys strength in home appliances adds depth to the JB Hi-Fi Solutions (commercial) offering

Online

- Combined Group online sales of $231 million to customers in FY16
  - — Approximately 4% of total Combined Group FY16 sales
- The combination provides the ability to share best practice across the brands
- The increased scale provides the opportunity to leverage the value from our combined investment in digital assets over time

FY16 online sales ($m)



Commercial

- The Good Guys has recently launched a commercial business
  - — Previously the majority of commercial purchases were transacted within the store network
- JB Hi-Fi Solutions has a centralised commercial sales capability servicing B2B, government, education and insurance customers
- The combination of the commercial businesses is expected to drive continued growth as we offer clients a broader product range, scale and enhanced capability

Meaningful synergy benefits

The acquisition of The Good Guys is expected to deliver annual net synergies of $15 - 20 million[1] to the combined business after a three year integration period. One-off implementation costs are expected to be approximately $10 - 12 million primarily in the first 12 months post-completion

Synergies

Buying synergies	• Potential savings through enhanced buying capability over time
Logistics and supply chain synergies	• Opportunities to realise scale benefits and optimise logistics and supply chain over time
Procurement synergies	• Opportunities to leverage scale and best practices from each business across procurement functions over time
Support functions efficiencies	• Opportunities to realise support function efficiencies and share capability over time

One-off implementation costs

Implementation costs	• One-off costs associated with the three year integration plan • One-off costs associated with The Good Guys corporatisation and JVP transition process

Notes: 1. Excludes one-off implementation costs.

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JB HI-FI

Transaction funding, pro forma financials and terms

Acquisition funding and terms

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Acquisition terms

Purchase price	• Total cash consideration of $870 million • Purchase price adjustment mechanism relating to movements in working capital and debt like items (if any) at completion
Funding	• Fully underwritten 1 for 6.60 Entitlement Offer to raise approximately $394 million • Balance funded through a combination of existing debt facilities plus a $450 million new multi-tranche acquisition debt facility
Timing and closing conditions	• The Acquisition is subject to closing conditions appropriate for a transaction of this size and scale including obtaining certain consents in relation to leases of The Good Guys and is expected to complete in late 2016 or early 2017

Sources and uses of funding

Sources	$m
Entitlement Offer	$394 million
Debt facilities	$500 million
Total sources	**$894 million**

Uses	$m
The Acquisition	$870 million
Transaction costs	$24 million
Total uses	**$894 million**

FY16 pro forma profit and loss

FY16 pro forma profit and loss statement (pre-synergies and one-off costs associated with the transaction)

$m	JB Hi-Fi	The Good Guys[1]	Adjustments for Acquisition	Pro forma Combined Group
Sales	**3,954.5**	**2,090.2**		**6,044.7**
EBITDA	**262.1**	**94.4**		**356.5**
Depreciation and amortisation	40.9	20.2		61.1[6]
EBIT	**221.2**	**74.2**		**295.4**
EBIT margin	*5.59%*	*3.55%*		*4.89%*
NPAT	**152.2**	**52.0[2]**	**(10.9)[3]**	**193.2**
Basic EPS (cps)	**151.9[4]**			**169.5[5]**

Notes: 1. Based on The Good Guys audited special purpose accounts for the 12 months ended 30 June 2016, adjusted for certain pro forma adjustments and normalisations identified during JB Hi-Fi's due diligence, assuming all stores were 100% owned for the full FY16 year. 2. Assumes no interest and 30% tax rate for The Good Guys wholly owned group. 3. Net interest expense (post-tax) on $500 million debt drawn to fund the acquisition. 4. In accordance with AASB 133, JB Hi-Fi standalone EPS restated based on an adjustment factor to take into account the bonus element in the Entitlement Offer (JB Hi-Fi unadjusted FY16 Basic EPS of 153.8 cents). 5. Basic pro forma EPS for the Combined Group calculated using the weighted average number of shares on issue for FY16 (as reported by JB Hi-Fi), plus the New Shares issued under the Entitlement Offer. 6. Reflects the current depreciation and amortisation charges recognised by The Good Guys. On completion a formal purchase price allocation exercise will be completed, which may give rise to a change in depreciation and amortisation costs.

Pro forma balance sheet

JB HI-FI

Pro forma balance sheet as at 30 June 2016

$m	JB Hi-Fi [1]	Adjustments for Acquisition[2]	Pro forma Combined Group
Cash	51.9		51.9
Receivables	98.1	14.3	112.4
Inventory	546.4	222.5	768.9
Fixed assets	183.6	28.6	212.2
Intangibles and goodwill	85.6	913.8[3]	999.4
Other	26.8	78.0	104.8
Total assets	**992.4**	**1,257.1**	**2,249.5**
Payables	384.9	130.5	515.4
Borrowings	109.7	498.3[4]	608.0
Other	93.0	252.7	345.7
Total liabilities	**587.6**	**881.5**	**1,469.1**
Net assets	**404.7**	**375.7[5]**	**780.4**
Net debt / (net cash)	**57.9**	**498.3**	**556.2**
Net debt / FY16 pro forma EBITDA[6]	**0.2x**		**1.6x**
FCCR[7]	**3.5x**		**2.9x**

Notes: 1. JB Hi-Fi as reported at 30 June 2016. 2. Extracted from The Good Guys audited balance sheet at 30 June 2016 to reflect the assets and liabilities to be acquired (on a cash and debt free basis). 3. The purchase price accounting for the acquisition has been shown on an illustrative basis by allocating the difference between the purchase consideration and the carrying value of assets and liabilities in the 30 June 2016 consolidated balance sheet of The Good Guys to intangibles. The pro forma adjustments to reflect the estimated financial effect of the accounting for the business combination are illustrative only. Australian Accounting Standards require an allocation of fair value of assets and liabilities acquired. JB Hi-Fi will undertake a formal allocation of its acquisition subsequent to the date when the transaction completes. Accordingly that allocation may give rise to material differences in values allocated to the above balance sheet line items and may also give rise to fair value being allocated to other balance sheet items. 4. Represents incremental acquisition debt financing of $500 million, net of total establishment fees of $1.6 million. 5. Represents equity capital raised to fund the acquisition of The Good Guys, less transaction costs (net of tax). 6. Calculated as net debt post acquisition divided by FY16 pro forma EBITDA of the Combined Group pre-synergies and before transaction and implementation costs. 7. Fixed Charge Cover Ratio calculated as FY16 pro forma EBITDA pre-synergies plus rent expense divided by rent expense plus gross interest expense.

05 JB HI-FI

Trading update and outlook

Trading update and outlook

JB HI-FI

JB Hi-Fi sales update

- August 2016 YTD consolidated total sales growth was +11.6% (August 2015 YTD: +7.4%) and consolidated comparable sales growth was +7.7% (August 2015 YTD: +5.7%)
- The closure of DSE during the second half of FY16 has contributed positively to sales growth in the first two months of FY17. JB Hi-Fi anticipates this will continue to drive sales growth in the first half of FY17; however the impact will moderate as JB Hi-Fi cycles through DSE's decline and eventual market exit
- JB Hi-Fi reaffirms its FY17 JB Hi-Fi sales guidance of sales of circa $4.25 billion

FY17 outlook

- JB Hi-Fi notes The Good Guys are in the early stages of the JVP transition process. This transition, whilst critical to positioning the business for long term growth, is expected to result in The Good Guys FY17 sales and earnings being in line with FY16 results
- Consistent with previous years, JB Hi-Fi will provide earnings guidance in February post the important JB Hi-Fi Christmas trading period
- The Board expects to maintain the current dividend payout ratio of 65% of earnings

06

Entitlement Offer summary

Details of the Entitlement Offer

Offer structure and size	• Fully underwritten 1 for 6.60 pro-rata, accelerated, renounceable entitlement offer with retail entitlements trading to raise approximately $394 million • Approximately 15.0 million New Shares to be issued (equivalent to approximately 15.2% of existing shares on issue)
Offer price	• Entitlement Offer will be conducted at $26.20 per New Share ("**Offer Price**") - 9.2% discount to the last traded price of $28.85 on Monday, 12 September 2016 - 8.1% discount to TERP[1] of $28.50
Use of proceeds	• Proceeds from the Entitlement Offer will be used to fund the Acquisition and pay associated transaction costs
Institutional investors	• The Institutional Entitlement Offer will be conducted from Tuesday, 13 September 2016 to Wednesday, 14 September 2016. The Institutional Shortfall Shares[2], together with the right to subscribe for those shares will be sold via an institutional shortfall bookbuild to be conducted on Thursday, 15 September 2016
Retail investors	• The Retail Entitlement Offer will open on Wednesday, 21 September 2016 and close on Friday, 30 September 2016 with the retail shortfall bookbuild conducted on Thursday, 6 October 2016 • The retail entitlements can be traded on the ASX from Friday, 16 September 2016 to Friday, 23 September 2016
Ranking	• New Shares issued will rank equally with existing fully paid ordinary shares from their time of issue
Underwriting	• Entitlement Offer is fully underwritten by Macquarie Capital (Australia) Limited

Notes: 1. The theoretical ex-rights price is the theoretical price at which JB Hi-Fi shares should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which JB Hi-Fi shares trade immediately after the ex-date for the Entitlement Offer may vary from TERP. TERP is calculated by reference to JB Hi-Fi's closing price of $28.85 per share on Monday, 12 September 2016, being the last trading day prior to the announcement of the Entitlement Offer. 2. Institutional Shortfall Shares are the new shares that would have been issued in respect of Entitlements not taken up by eligible institutional shareholders by the close of the Institutional Entitlement Offer and the Entitlements of ineligible institutional shareholders (had such eligible institutional shareholders taken up their Entitlements and had such ineligible institutional shareholders been eligible and taken up their Entitlements).

Entitlement Offer timetable

Event	**Date**[1]
Trading halt and announcement of the Acquisition, Institutional Entitlement Offer opens	**Tuesday, 13 September 2016**
Institutional Entitlement Offer closes	Wednesday, 14 September 2016
Institutional shortfall bookbuild	Thursday, 15 September 2016
Trading halt lifted – shares recommence trading on ASX on an “ex-entitlement” basis	Friday, 16 September 2016
Retail Entitlements commence trading on ASX on a deferred settlement basis	Friday, 16 September 2016
Record Date for determining entitlement to subscribe for New Shares	7:00pm (AEST)[2] Friday, 16 September 2016
Retail Entitlement Offer opens	9:00am (AEST)[2] Wednesday, 21 September 2016
Retail Entitlement Offer Booklet despatched and retail Entitlements allotted	Wednesday, 21 September 2016
Retail Entitlements commence trading on ASX on a normal settlement basis	Wednesday, 21 September 2016
Settlement of Institutional Entitlement Offer	Friday, 23 September 2016
Retail Entitlement trading on ASX ends	Friday, 23 September 2016
Allotment and normal trading of New Shares under the Institutional Entitlement Offer	Monday, 26 September 2016
Retail Entitlement Offer closes	5:00pm (AEST)[2] Friday, 30 September 2016
Retail shortfall bookbuild	Thursday, 6 October 2016
Settlement of retail shortfall bookbuild	Monday, 10 October 2016
Allotment of New Shares under the Retail Entitlement Offer	Tuesday, 11 October 2016
Normal trading of New Shares issued under the Retail Entitlement Offer	Wednesday, 12 October 2016
Despatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Thursday, 13 October 2016

Notes: 1. All dates and times are indicative and subject to change without notice. 2. Australian Eastern Standard Time.

A

JB HI-FI

Key risks

Key acquisition risks

Risk	Description
Due diligence in relation to The Good Guys	JB Hi-Fi has undertaken a due diligence review in respect of the Acquisition. JB Hi-Fi has not been able to verify the accuracy, reliability or completeness of all the information provided against independent data. There is a risk that information provided by The Good Guys (including financial information) was incomplete, inaccurate or unreliable and there is no assurance that the due diligence was conclusive or identified all material issues in relation to The Good Guys business. Limited contractual representations and warranties have been obtained from the vendors of The Good Guys (the "**Vendors**") in the acquisition agreement relating to the Acquisition (the "**Acquisition Agreement**") regarding the accuracy of the materials disclosed during the due diligence process.
Risks associated with transition of The Good Guys to a wholly owned model	Immediately prior to 1 July 2016, The Good Guys' store network was comprised of: (i) 45 wholly owned stores; and (ii) a further 55 stores owned in joint venture structures with JVPs responsible for operating and managing these stores. On 1 July 2016, the interests owned by the JVPs were acquired by The Good Guys such that The Good Guys business moved to a model under which all stores are wholly owned. Some of the JVPs elected to leave the business as a result of this transition; other JVPs have elected to stay on as store manager employees of The Good Guys by accepting a 12 month fixed term management agreement which expires on 30 June 2017 (unless terminated earlier). This process of change has created risks that: • The Good Guys business is impacted by unforeseen disruption associated with the transition process; • The Good Guys is not able to identify and hire sufficient high quality and experienced store managers to replace outgoing JVPs; and • the JVPs who have elected to stay on as store manager employees of The Good Guys may not be sufficiently incentivised under their management agreements to the extent they were when the relevant stores were owned in joint venture structures. This may cause a decline in earnings performance of the relevant stores. JB Hi-Fi has reviewed the transition plan put in place by The Good Guys with respect to this process and will actively monitor its progress following completion of the Acquisition. Further, following the transition to a wholly-owned model, a number of legacy unit trusts and companies will form part of The Good Guys group that JB Hi-Fi will acquire as part of the Acquisition. Following the Acquisition, JB Hi-Fi will need to maintain or rationalise these legacy entities, which is likely to require significant time and costs to complete.
Analysis of acquisition opportunity	It is possible that the financial, operational, business and/or other analysis undertaken by JB Hi-Fi in relation to The Good Guys or the Acquisition, as well as its best estimates and forecasts, are inaccurate or are not realised in due course. To the extent that actual results achieved by The Good Guys are weaker than those assumed by JB Hi-Fi's analysis and forecasts, there is a risk that this may have an adverse impact on the financial position and financial performance of the Combined Group and/or JB Hi-Fi's share price.
Assumed liabilities	As part of the Acquisition, JB Hi-Fi will assume the liabilities of The Good Guys entities, including any actual contingent liabilities associated with The Good Guys' past operations. This includes exposure to possible taxation or legal claims. JB Hi-Fi, as part of its due diligence review has sought to identify the existence, scope and quantum of these potential liabilities and has sought to address the risk that these potential liabilities may eventuate through specific warranties and indemnities in the Acquisition Agreement. However, there is a risk that potential liabilities were not identified as part of JB Hi-Fi's due diligence review in relation to the Acquisition, or the scope or quantum of potential liabilities were not fully accounted for. If JB Hi-Fi assumes these new or additional potential liabilities, and such liabilities materialise, it may have an adverse impact on the Combined Group's financial position and financial performance and/or JB Hi-Fi's share price. Further, there is a risk that these new or additional potential liabilities are not covered by warranties or indemnities in the Acquisition Agreement and as such, JB Hi-Fi may be unable to recover any losses which occur following the Acquisition.

Key acquisition risks (continued)

Risk	Description
Warranty & indemnity insurance	JB Hi-Fi has obtained warranty and indemnity insurance to cover claims for breach of certain warranties and indemnities, including a tax indemnity and an indemnity for breach of warranty, under the Acquisition Agreement. JB Hi-Fi's primary remedy for breach of warranties and claims under the relevant indemnities is to make a claim under the warranty and indemnity insurance policy. JB Hi-Fi is prevented from seeking recourse from the Vendors except in certain limited circumstances. The warranty and indemnity insurance policy is subject to certain exclusions and limitations on liability. Accordingly, there is a risk that JB Hi-Fi will not be able to fully recover losses arising from a breach of warranty or make claims under the relevant indemnity through the warranty and indemnity insurance, and will not have further recourse to recover from the Vendors.
Operational implementation risk and realisation of synergies	The integration of a business of the size of The Good Guys carries risk, including potential delays or costs in implementing necessary changes, and difficulties in integrating various operations. The success of the Acquisition and, in particular, the ability to realise the expected synergy benefits of the Acquisition outlined in this Presentation, will be dependent upon the effective and timely integration of The Good Guys business alongside the JB Hi-Fi business following completion of the Acquisition. While JB Hi-Fi has undertaken analysis in relation to the synergy benefits of the Acquisition outlined in this Presentation, they remain JB Hi-Fi's estimate of the synergy benefits expected to be achievable as part of the Acquisition, and there is a risk that the actual synergies able to be realised as part of the Acquisition may be less than expected or delayed, or that the expected synergy benefits of the Acquisition may not materialise at all. There is a risk that JB Hi-Fi's future profitability and prospects could be adversely affected if integration of The Good Guys business alongside the JB Hi-Fi business is not completed efficiently and effectively, with minimal disruption to the JB Hi-Fi and The Good Guys businesses. Although JB Hi-Fi and The Good Guys have progressed some of the integration planning, there remains a risk that unforeseen events may arise causing the expected synergy benefits of the Acquisition to be delayed, not be obtained, or cost more to achieve than originally expected. These risks include: • disruption to the ongoing operations of both businesses; • higher than anticipated integration costs; • unforeseen costs relating to the integration of some of the IT platforms, management information systems and financial and accounting systems of both businesses; • unintended loss of key personnel or expert knowledge or reduced employee productivity due to uncertainty arising as a result of the Acquisition; • unforeseen costs or disruption as a result of the transition of The Good Guys business to a wholly owned model; and • a failure to maintain key supplier relationships.
Termination of leases where landlord consents have not been obtained	It is possible that at the time of completion of the Acquisition, not all store landlord consents will have been obtained in accordance with the terms of the relevant lease, and that in due course some of these leases may not be renewed or may be terminated by the lessor. There is also a risk that the relevant landlord may seek concessional terms or increased rent. This may result in JB Hi-Fi losing revenue and/or incurring significant costs to obtain alternative store locations and re-locating the relevant store or increased leasing costs.
The Good Guys store roll-out risk	The future growth of The Good Guys business will depend, in part, on securing appropriate properties for new stores. If appropriate properties cannot be secured then there is a risk that The Good Guys will underperform the future expected growth assumed by JB Hi-Fi's analysis and forecasts underpinning JB Hi-Fi's valuation of The Good Guys.

Key acquisition risks (continued)

Risk	Description
Conditions to drawdown of debt financing	JB Hi-Fi has entered into financing arrangements pursuant to which its banks agree to provide additional debt financing to partly fund the Acquisition, subject to the terms and conditions of an amendment to JB Hi-Fi’s existing debt financing agreement with its banks. If certain conditions are not all satisfied or certain events occur, the financiers would have the right to terminate the amended debt financing arrangements. Termination of the amended debt financing arrangements would have an adverse impact on JB Hi-Fi’s sources of funding for the Acquisition. The key conditions/events are: • JB Hi-Fi has received subscriptions for equity sufficient to fund at least 40% of the Acquisition price; • the Acquisition agreement has not been terminated (before the Acquisition completes); • there is no change in control of any JB Hi-Fi group entity; and • each of the JB Hi-Fi group entities are solvent.
Guarantees required to be given by The Good Guys entities to JB Hi-Fi's banks	Under the terms of the bank facilities which will be used to partially fund the proposed Acquisition, after the Acquisition completes JB Hi-Fi is required to ensure that The Good Guys entities acquired give guarantees and other related financial assistance to JB Hi-Fi's banks (such as certain undertakings and warranties of the kind which JB Hi-Fi and its subsidiaries currently give to its banks) within 21 days of JB Hi-Fi’s 2017 AGM or any earlier general meeting of JB Hi-Fi that occurs after JB Hi-Fi’s 2016 AGM. This means that the shareholders of JB Hi-Fi will need to approve the giving of the guarantees and other financial assistance by The Good Guys entities by passing a special resolution at JB Hi-Fi’s 2017 AGM or any earlier general meeting of JB Hi-Fi shareholders that occurs after JB Hi-Fi’s 2016 AGM. If the giving of the guarantees and other financial assistance by The Good Guys entities is not approved by special resolution of JB Hi-Fi shareholders as required, then JB Hi-Fi will be in breach of its bank facilities. As a consequence of any such breach of its bank facilities, JB Hi-Fi may (at the option of its banks) be required to renegotiate the terms of its bank facilities or to refinance its bank facilities on terms that may be less advantageous than the current terms, or its banks may potentially terminate the bank facilities and require repayment of the amounts lent.

Business risks

Risk	Description
Competition risks	The markets in which the Combined Group operates remain highly competitive and any increased competition from new and existing competitors may lead to a decline in sales and profitability.
Reputation risk	A decline in the high level of loyalty and trust that the Combined Group enjoys with its customers could compromise its market leading position and adversely affect the Combined Group's operating and financial performance. This could occur as a result of a wide range of factors or events, including: • a loss or erosion of the Combined Group's reputation for price leadership and high levels of customer service; • a major information security breach of the Combined Group's IT systems; • a major workplace health and safety incident or customer injury occurring in one of the Combined Group's stores; or • a significant breach of regulatory or legislative requirements.
Changes in consumer spending	The Combined Group is exposed to consumer spending cycles and changes in consumer demands. A reduction in consumer spending and demand may lead to a decline in sales and profitability.
Online competition taking sales from the Combined Group	The Combined Group is exposed to the risk of a growing number of online retailers competing for sales from the Combined Group. Such additional competition from online retailers may lead to further declining sales and profitability.
Digitisation of physical software leading to a fall in traditional software sales	JB Hi-Fi's product offering includes physical software, which will decline in sales as the digitisation of such physical software grows. This decline in traditional physical software sales will have an adverse impact on the Combined Group's financial performance and position if such decline is not offset against sales growth in other existing or new product categories. JB Hi-Fi intends maintaining a physical software product offering in-store while the category is still providing solid returns.
Failure to maintain key supplier relationships	Failure to maintain key supplier relationships could adversely impact on the Combined Group's operating and financial performance, which may in turn impact on JB Hi-Fi's share price.
Increasing cost of doing business	Certain costs of doing business are outside of the Combined Group's control. For example JB Hi-Fi's cost of doing business is impacted by the annual Fair Work Award wage reviews (which have resulted in increases totalling 15.3% over the past 5 years to 30 June 2016).
Price deflation	This has always been a feature of consumer electronics retail and may lead to a decline in sales and profitability.
Leasing arrangements	The ability to identify suitable sites and negotiate suitable leasing terms for new and existing stores is key to the Combined Group's ongoing growth and profitability, and failure to secure appropriate new store sites or the renewal of existing store sites could adversely impact on the Combined Group's operating and financial performance and position.
Loss of, or inability to attract and retain, key staff	The Combined Group's ability to attract and retain talented staff is critical to its operating and financial performance, and loss of key staff and the inability to attract talented staff would have a detrimental impact.
IT systems	The Combined Group's increasing reliance on IT systems means that outages and disruptions could have a detrimental impact on its operating and financial performance, and any failure to maintain and upgrade its IT systems over time has the potential to inhibit the achievement of the Combined Group's business initiatives.

Business risks (continued)

JB HI-FI

Risk	Description
Changes in regulatory environment	Changes in the regulatory environment in which the Combined Group operates may increase compliance costs, and even (in extreme cases) affect the ability of the Combined Group to sell certain types of products and services or conduct certain activities.
Tax/accounting risk	The Australian Accounting Standards are set by the Australian Accounting Standards Board (AASB). Changes to the Australian Accounting Standards issued by AASB could materially adversely affect the financial performance and position reported in the Combined Group's financial statements.
Interest rate risk	The Combined Group will be subject to the risk of rising interest rates associated with borrowing on a floating rate basis. The Combined Group seeks to manage all or part of its exposure to adverse fluctuations in floating interest rates through interest rate hedging arrangements, including derivative financial instruments. Such arrangements involve risk, such as the risk that counterparties may fail to honour their obligations under these arrangements, and that such arrangements may not be effective in reducing exposure to movements in interest rates. To the extent that the Combined Group does not hedge effectively (or at all) against movements in interest rates, such interest rate movements may adversely affect the Combined Group's results.
Litigation	Legal proceedings and claims may arise from time to time in the ordinary course of the Combined Group's business and may result in high legal costs, adverse monetary judgments and/or damage to the Combined Group's reputation which could have an adverse impact on the Combined Group's financial position and financial performance and the price of JB Hi-Fi shares.

General risks

Risk	Description
General market and share price risks	The operating and financial performance of the Combined Group is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest and exchange rates, access to debt and capital markets, and government fiscal, monetary and regulatory policies. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, may have an adverse impact on the Combined Group's business or financial condition. These factors may cause the price of JB Hi-Fi shares to trade below the price at which they are offered under the Offer, notwithstanding the Combined Group's financial or operating performance.
Other risks	The above risks should not be taken as a complete list of the risks associated with an investment in JB Hi-Fi. The risks outlined above and other risks not specifically referred to may in the future materially adversely affect the value of JB Hi-Fi shares and their performance. Accordingly, no assurance or guarantee of future performance or profitability is given by JB Hi-Fi in respect of JB Hi-Fi shares.

Share and Entitlement Offer risks

Risk	Description
Risks associated with an investment of shares	There are general risks associated with investments in equity capital such as JB Hi-Fi shares. The trading price of JB Hi-Fi shares may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the Offer Price. Generally applicable factors which may affect the market price of shares include: • general movements in Australian and international stock markets; • investor sentiment; • Australian and international economic conditions and outlook; • changes in interest rates and the rate of inflation; • changes in government legislation and policies, in particular taxation laws; • announcement of new technologies; and • geo-political instability, including international hostilities and acts of terrorism. No assurances can be given that the New Shares will trade at or above the Offer Price. None of JB Hi-Fi, its directors or any other person guarantees the market performance of the New Shares. Further, the effect of these conditions on JB Hi-Fi's ability to refinance its debt obligations, and the terms on which any such refinancing can be obtained, is uncertain. If these conditions result in JB Hi-Fi being unable to refinance its debt obligations, or to do so on reasonable terms, this may have an adverse effect on the financial position and performance of the Combined Group and JB Hi-Fi's share price. The operational and financial performance and position of the Combined Group and JB Hi-Fi's share price may be adversely affected by a worsening of general economic conditions in Australia, as well as international market conditions and related factors. It is also possible new risks might emerge as a result of Australian or global markets experiencing extreme stress or existing risks may manifest themselves in ways that are not currently foreseeable.

Share and Entitlement Offer risks (continued)

Risk	Description
Underwriting risk	JB Hi-Fi has entered into an underwriting agreement under which Macquarie Capital (Australia) Limited ("**Macquarie**") has agreed to fully underwrite the Offer, subject to the terms and conditions of the underwriting agreement between Macquarie and JB Hi-Fi (the "**Underwriting Agreement**"). Macquarie's obligation to underwrite the Offer is conditional on certain customary matters, including JB Hi-Fi delivering certain shortfall certificates, sign-offs and opinions. Further, if certain events occur, Macquarie may terminate the Underwriting Agreement. Termination of the Underwriting Agreement would have an adverse impact on the amount of proceeds raised under the Offer and JB Hi-Fi's ability to pay the purchase price for the Acquisition. If the Underwriting Agreement is terminated, JB Hi-Fi will not be entitled to terminate the Acquisition Agreement. In these circumstances, JB Hi-Fi would need to find alternative funding to meet its contractual obligations under the Acquisition Agreement to pay the purchase price. Termination of the Underwriting Agreement could materially adversely affect JB Hi-Fi's business, cash flow, financial performance, financial condition and share price. Macquarie's rights to terminate the Underwriting Agreement if certain events occur include, if: • the Acquisition Agreement, or JB Hi-Fi's debt financing agreement in relation to the Acquisition is breached, withdrawn, revoked or varied in any material respect; • the ASX/S&P 200 Index falls by a prescribed level from its level at market close on the day immediately prior to the date of the open of the Institutional Entitlement Offer and is at or below that level at the close of trading on 2 consecutive business days from (and including) the date of the open of the Institutional Entitlement Offer to the day of the close of the institutional shortfall bookbuild, and the parties are unable to agree a revised offer price, timetable or number of New Shares to be issued under the Offer; • ASX announces that JB Hi-Fi is delisted, removed from quotation or its ordinary shares are suspended from trading or quotation; • any of the offer information documents (including this Presentation, the ASX announcement and the cleansing notice) omit certain material required by the Corporations Act, or contain a statement that is misleading or deceptive; • JB Hi-Fi fails to perform any of its obligations under the Underwriting Agreement; • JB Hi-Fi contravenes the Corporations Act or the Listing Rules; • JB Hi-Fi's directors commit certain offences; or • the ASX or ASIC withdraws or revokes any waivers or modifications granted to JB Hi-Fi. In some cases, Macquarie's ability to terminate the Underwriting Agreement will depend on whether the event has or is likely to have a materially adverse effect on the marketing, success or settlement of the Offer, or has given or is likely to give rise to a contravention by Macquarie of any applicable law.

Share and Entitlement Offer risks (continued)

Risk	Description
Risk of renouncing retail entitlements under the Offer	If a JB Hi-Fi shareholder is an eligible retail shareholder, and they do not take up some or all of their Entitlements under the Offer and those Entitlements are not sold or transferred to another person or entity other than on the ASX during the relevant entitlement trading period, then those Entitlements will be treated as renounced and will be offered (together with the New Shares that would have been issued had those Entitlements been taken up) in the retail bookbuild and any premium over the Offer Price per New Share under the Entitlement Offer which is achieved in the retail bookbuild will be paid to them. However, there is no guarantee that any such premium will be achieved in the retail bookbuild, or that any value will be received by such eligible retail shareholders for their renounced entitlements through the retail bookbuild process. The ability to sell New Shares under the retail bookbuild and the ability to obtain any premium will be dependent upon various factors, including market conditions. Further, the bookbuild price may not be the highest price available – the bookbuild price will be determined having regard to a number of factors, including having binding and bona fide offers which, in the reasonable opinion of Macquarie (as the underwriter), will, if accepted, result in acceptable allocations of all renounced entitlements. To the maximum extent permitted by law, JB Hi-Fi, Macquarie and the respective related bodies corporate, affiliates or the directors, officers, employees or advisers of any of them, will not be liable, including for negligence, for any failure to procure applications under the retail bookbuild at a price in excess of the Offer Price. If there is a retail premium achieved on the retail bookbuild, it may be less than, more than, or equal to any premium achieved on the institutional bookbuild. Accordingly, it is possible that retail shareholders who do not take up their full entitlements under the Offer will receive less value than their institutional shareholders, or no value at all.
Risk of selling or transferring retail entitlements under the Offer	If a JB Hi-Fi shareholder is an eligible retail shareholder and does not wish to take up their entitlements, they can sell them on ASX or transfer them to another person or entity during the retail entitlements trading period. Prices obtainable for retail entitlements may rise and fall over the retail entitlements trading period and liquidity may vary. If an eligible retail shareholder sells or transfers their entitlements at one point in time during the retail entitlements trading period, they may receive a higher or lower price than a shareholder who sells or transfers their entitlements at a different point in time during the retail entitlement trading period or if the shareholder renounces their entitlements and those renounced entitlements are sold through the retail bookbuild (as described above). There is no guarantee that there will be a viable market during, or on any particular day in, the retail entitlement trading period, on which to sell retail entitlements on ASX. Eligible retail shareholders who wish to sell their entitlements may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market for entitlements under the Offer.
Dilution risk of selling or transferring retail entitlements under the Offer	Eligible shareholders should also note that if they do not take up their full entitlements under the Offer, then their percentage shareholding in JB Hi-Fi will be diluted by not participating to the full extent of their entitlement under the Offer. This will be the case regardless of whether eligible retail shareholders choose to sell or transfer their entitlements to another person or entity on the ASX during the retail entitlements trading period or renounce their entitlements, which are then sold through the retail bookbuild.
Sell-down by existing shareholders	There is a risk that existing substantial shareholders (including directors) may seek to sell-down their shareholdings in JB Hi-Fi. A significant sale of shares, or a perception that a sell-down may occur, could adversely affect the price of JB Hi-Fi shares.
Tax consequences of entitlements	The tax consequences from selling Entitlements or from doing nothing may be different. Before selling Entitlements or choosing to do nothing in respect of Entitlements, a JB Hi-Fi shareholder should seek independent tax advice and may wish to refer to the "Australian Tax Considerations" section contained in the Retail Offer Booklet which will provide further information on potential taxation implications for Australian shareholders.

B

JB HI-FI

Offer jurisdictions

Offer jurisdictions

International Offer Restrictions

This Presentation does not constitute an offer of entitlements ("**Entitlements**") or New Shares in any jurisdiction in which it would be unlawful. In particular, this Presentation may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This Presentation constitutes an offering of Entitlements and New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "**Provinces**") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such Entitlements and New Shares. This Presentation is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This Presentation may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of National Instrument 45-106 – Prospectus Exemptions ("**NI 45-106**"), of the *Canadian Securities Administrators*, or section 73.3(2) of the *Securities Act (Ontario)*.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Shares or the offering of Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Entitlements or New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Further, JB Hi-Fi is not a "reporting issuer" (as such term is defined under applicable Canadian securities legislation) in any province or territory of Canada and it does not expect to become a reporting issuer in any province or territory of Canada in the future. As a result, the resale or transfer of the Entitlements or the New Shares will be subject to a restriction period that may never expire. Any resale of the Entitlements or the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements. These resale restrictions may in some circumstances apply to resales of the Shares outside Canada and, as a result, Canadian purchasers should seek legal advice prior to any resale of the Shares.

JB Hi-Fi, and the directors and officers of JB Hi-Fi, may be located outside Canada, and as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon JB Hi-Fi or its directors or officers. All or a substantial portion of the assets of JB Hi-Fi and such persons may be located outside Canada, and as a result, it may not be possible to satisfy a judgement against JB Hi-Fi or such persons in Canada or to enforce a judgement obtained in Canadian courts against JB Hi-Fi or such persons outside Canada.

Any financial information contained in this Presentation has been prepared in accordance with the Australian Accounting Standard and also complies with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages or rescission. Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defences contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Entitlements or the New Shares purchased pursuant to this Presentation (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against JB Hi-Fi if this Presentation or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against JB Hi-Fi. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, section 130.1 of the *Securities Act (Ontario)* provides that, if this Presentation contains a misrepresentation, a purchaser who purchases the Entitlements or the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against JB Hi-Fi, provided that (a) JB Hi-Fi will not be liable if it proves that the purchaser purchased the Entitlements or the New Shares with knowledge of the misrepresentation, (b) in an action for damages, JB Hi-Fi is not liable for all or any portion of the damages that JB Hi-Fi proves does not represent the depreciation in value of the Shares as a result of the misrepresentation relied upon, and (c) in no case shall the amount recoverable exceed the price at which the Shares were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the Shares as any discussion of taxation related matters in this document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Entitlements or the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

Offer jurisdictions (continued)

European Economic Area – Austria and Germany

The information in this Presentation has been prepared on the basis that all offers of Entitlements and New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("**Prospectus Directive**"), as amended and implemented in Member States of the European Economic Area (each a "**Relevant Member State**"), from the requirement to produce a prospectus for offers of securities.

An offer to the public of Entitlements and New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- to any legal entity that is authorised or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000, (ii) annual net turnover of at least €40,000,000, and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, MiFID); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

European Economic Area – Denmark, Luxembourg and Netherlands

The information in this Presentation has been prepared on the basis that all offers of Entitlements and New Shares will be made pursuant to an exemption under the Prospectus Directive from the requirement to produce a prospectus for offers of securities.

An offer of Entitlements or New Shares to the public has not been made, and may not be made, in a Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Entitlements or New Shares referred to in (a) to (c) above shall require JB Hi-Fi to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Entitlements or New Shares to the public" in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offer and the Entitlements and the New Shares to be offered so as to enable an investor to decide to purchase or subscribe the Entitlements and the New Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

France

This Presentation is not being distributed in the context of a public offering of financial securities (*offre au public de titres financiers*) in France within the meaning of Article L.411-1 of the *French Monetary and Financial Code* (*Code monétaire et financier*) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ("**AMF**"). The Entitlements and New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This Presentation and any other offering material relating to the Entitlements or New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the *French Monetary and Financial Code* and any implementing regulation, unless the qualified investors, at their own initiative or per their client's request, shall opt to be treated as non-professionals (*client non professionnel*) pursuant to Articles D.533-12 and D.533-14 of the French Monetary and Financial Code.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the Entitlements and New Shares cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the *French Monetary and Financial Code*.

Offer jurisdictions (continued)

Hong Kong

WARNING: This Presentation has not been, and will not be, registered as a prospectus under the *Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)*, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**"). No action has been taken in Hong Kong to authorise or register this Presentation or to permit the distribution of this Presentation or any documents issued in connection with it. Accordingly, the Entitlements and the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in section 1 of Part 1 of Schedule 1 to the SFO (including professional investors falling within paragraph (j) of the definition of professional investor in that section)).

No advertisement, invitation or document relating to the Entitlements or the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Entitlements and New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Entitlements or New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Presentation have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Presentation, you should obtain independent professional advice.

Ireland

This Presentation does not constitute a prospectus for the purposes of Article 5.4 of Directive 2003/71/EC on prospectuses, the Irish Companies Act 2014, the Irish Prospectus ("**Directive 2003/71/EC**") Regulations 2005, as amended ("**Irish Prospectus Regulations**") or the Prospectus Rules issued by the Central Bank of Ireland. This Presentation has not been prepared in accordance with Directive 2003/71/EC or any measures under that directive or the Irish Prospectus Regulations.

This Presentation has not been filed with or approved by the Central Bank of Ireland or any other Irish regulatory authority and may not contain all of the information required where a document is prepared pursuant to the Irish Prospectus Regulations and other relevant Irish securities laws.

The Entitlements and New Shares may not be, and have not been, offered or sold, and will not be offered, sold or delivered directly or indirectly to the public in Ireland, except that the Entitlements and New Shares may be offered or sold in Ireland by way of a private placement made solely to "qualified investors" as defined in Regulation 2(1) of the Irish Prospectus Regulations.

Japan

The Entitlements and the New Shares have not been and will not be registered for the public offering pursuant to Article 4, Paragraph 1 of *the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended*) (the "**FIEA**") and, accordingly, may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Article 6, Paragraph 1, Item 5 of the F*oreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)*, and the same applies hereinafter), or others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of Entitlements or New Shares. The Entitlements and New Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 and/or Part I of Schedule 7 of the *Malaysian Capital Markets and Services Act*.

New Zealand

This Presentation has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* ("**FMC Act**").

The Entitlements and the New Shares in the entitlement offer are not being offered to the public within New Zealand other than to existing shareholders of JB Hi-Fi with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the *FMC Act and the Securities Act (Overseas Companies) Exemption Notice 2013*.

Norway

This Presentation has not been approved by, or registered with, any Norwegian securities regulator under the *Norwegian Securities Trading Act* of 29 June 2007. Accordingly, this Presentation shall not be deemed to constitute an offer to the public in Norway within the meaning of the *Norwegian Securities Trading Act* of 2007.

The Entitlements and the New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876, including to non-professional clients having met the criteria for being deemed to be professional and for which an investment firm offering the Entitlements or the New Shares has accepted such client's request for waiver of the protection applicable to non-professional clients, in accordance with the procedures and requirements set forth in the aforementioned regulation).

Offer jurisdictions (continued)

JB HI-FI

Singapore

Consent has not been obtained for the circulation of this Presentation as a public offer within the Republic of Singapore under the Securities and Futures Act (Chap 289) of Singapore (the "**SFA**"). This Presentation and any other materials relating to the Entitlements or the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Presentation and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of the Entitlements or the New Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the SFA, or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Presentation has been given to you on the basis that you are (i) an existing holder of JB Hi-Fi's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Entitlements or the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Entitlements or New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly. By accepting this Presentation, the recipient hereof represents and warrants that he is entitled to receive it in accordance with the on-sale restrictions and agrees to be bound by the limitations contained herein. Any failure to comply with these limitations may constitute a violation of law.

Switzerland

The Entitlements and the New Shares may not be publicly offered, distributed or redistributed in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Presentation has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss *Code of Obligations* or the disclosure standards for listing prospectuses under the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Presentation nor any other offering or marketing material relating to the Entitlements and New Shares may be publicly distributed or otherwise made publicly available in Switzerland in any way that could constitute a public offering within the meaning of art. 652a or art. 1156 of the Swiss Code of Obligations. The Entitlements and the New Shares will only be offered to qualified investors being regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this Presentation nor any other offering or marketing material relating to the Entitlements or the New Shares has been or will be filed with or approved by any Swiss regulatory authority. In particular, this Presentation will not be filed with, and the offer of Entitlements or New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority ("**FINMA**").

This Presentation is personal to the recipient only and not for general circulation in Switzerland. It may not be copied, reproduced, distributed or passed on to others without JB Hi-Fi's prior written consent.

United Kingdom

Neither the information in this Presentation nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the *Financial Services and Markets Act 2000*, as amended ("**FSMA**")) has been published or is intended to be published in respect of the Entitlements or the New Shares. This Presentation is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of the FSMA) in the United Kingdom, and the Entitlements and the New Shares may not be offered or sold in the United Kingdom by means of this Presentation, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This Presentation should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to JB Hi-Fi.

In the United Kingdom, this Presentation is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the *Financial Services and Markets Act 2000 (Financial Promotions) Order 2005* ("**FPO**"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together, "**relevant persons**"). The investments to which this Presentation relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

United States

This Presentation may not be distributed or released in the United States or to a person who are acting for the account or benefit of persons in the United States. This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal. Neither the entitlements nor the New Shares have not been, or will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, neither the Entitlements nor the New Shares may be offered or sold, directly or indirectly, in the United States or to a person acting for the account or benefit of a person in the United States, unless they have been registered under the U.S. Securities Act (which JB Hi-Fi has no obligation to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable state securities laws.