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COMPANY ANNOUNCEMENT

13 February 2007

JB Hi-Fi reports Sales up 29% and NPAT up 39%

JB Hi-Fi Limited today reported a record half year net profit of \$26.2 million (HY05 \$18.8 million) from \$659 million of sales (HY05 \$510 million) for half year ending 31 December 2006.

Comparable store growth for the period was 7.7% for JB Hi-Fi stores and -7.8% for Clive Anthony's stores, resulting in a consolidated comparable store growth of 5.8%. Our cost of doing business was down 81 bps at 15.0% (HY05 15.8%). Gross Profit remained steady at 23.0% after backing out the impact of the new categories of games and computers.

The company has raised its dividend declaring a fully franked dividend of 5.0 cents per share, an increase of 38.9%, to be paid on 16 April 2007. The record date for determining the entitlement is 26 March 2007.

The company had 72 stores at the end of the calendar year having opened 7 new JB Hi-Fi stores during the half year and expects to open approximately 6 new stores in the second half of FY07.

"We are pleased with another strong result with solid Christmas sales, our new stores traded well and we continue to grow our national market share" said CEO Richard Uechtritz. "Sales in January were soft, however sales to date in February have been in line with expectations and we are comfortable with analysts forecasts (average \$32.7 million) for the full year net profit "(FY06 \$25.8 million).

Most categories were solid over Christmas with DVD, games and portable audio very strong. JB Hi-Fi has cemented itself as a leading games retailer and looks forward to further growth with the release of Sony's PlayStation 3 on 23 March 2007.

The company continues to grow its market share in the newly introduced computer category with the rollout to most stores to be completed by the end of FY07. 35 JB Hi-Fi stores traded with computers through Christmas. "There is no reason why we cannot be a substantial player in this large and growing market" said CEO Richard Uechtritz.

The company's proposed acquisition of the 11 store New Zealand chain Hill & Stewart on the 1 March 2007 is on track. Hill & Stewart had a strong Christmas and sales in January and February to date have also been strong. The company has now signed three leases in Auckland for JB Hi-Fi stores. These are in the Auckland Central Business District, Westfield Manukau City and Westfield Albany. Other potential sites are under negotiation.

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