



JB HI-FI LIMITED
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COMPANY ANNOUNCEMENT

10 February 2009

JB Hi-Fi reports Sales up 28%, NPAT up 41% and Dividend up 50%

JB Hi-Fi Limited today reported a record half year net profit of \$59.0 million (HY08 \$41.9 million) from \$1.262 billion of sales (HY08 \$989 million) for the six months ending 31 December, 2008.

Comparable store growth for the period was 11.1% (Australia 11.3%, NZ 11.3% in NZD). Margins remained stable at 21.4% (HY08 21.6%) despite competitor discounting and the strong performance of low margin categories. The company's cost of doing business was down 92 bps to 13.42% (HY08 14.33%). EBIT Margin increased 69 bps to 7.25% (HY08 6.56%). Cashflow from Operations increased by 132.1% to \$189.6m for the half year.

The company has raised its dividend declaring a fully franked dividend of 15.0 cents per share, an increase of 50% (HY08 10.0 cents). This reflects the company having grown to a net cash generation position following several years of net cash investment in its new store roll out. The dividend will be paid on 10 March 2009. The record date for determining the entitlement is 19 February 2009.

Sales were solid across almost all categories through the half culminating in a strong Christmas trading period.

"We are extremely pleased with this very strong result having traded well during what is considered to be the weakest economic climate for many years" said CEO Richard Uechtritz. "It again shows the strength of our retail model. JB has proven to be resilient during this tough period with home entertainment becoming more of a staple category and consumers seek out JB's large range and every day low prices."

"We continue to grow our market share as recently opened stores mature, we open new stores, expand our offering and reduce our prices on the back of increased economies of scale and a continued focus on costs" he said.

The company opened 14 new stores in the half and should open 7 new stores in the second half of FY09 bringing the total new stores for the year to 21 which will be the largest number it has opened in any year since formation. The maturing of the 33 stores opened in the last two years and the 21 new stores will continue to drive solid top and bottom line revenue and earnings growth.

The company now has 101 JB stores in Australia and New Zealand with a target of 150 JB Hi-Fi stores. With the expected opening of 13-15 JB Hi-Fi stores a year the company has 4 to 5 years of continued strong growth with the existing JB Hi-Fi retail format.

In December 2008 the company renewed its debt facilities for another three years and remains conservatively geared, with strong cash flows and an ability to take advantage of any attractive growth opportunities that may present themselves in this weak economic climate.

Sales in January and February to date have met internal expectations. Whilst the retail outlook is less certain than previous reporting dates the company is cautiously optimistic that it will have another strong year and confirms its previous guidance that sales will be circa \$2.35 billion or a 28% increase on the prior financial year.

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