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COMPANY ANNOUNCEMENT

29 March 2011

JB Hi-Fi FY11 Sales and Earnings Guidance

JB Hi-Fi Limited ("JB Hi-Fi") today made two announcements that will impact its previous FY11 Sales and Earnings Guidance issued on 7 February 2011.

1. Buy-back

JB Hi-Fi announced its intention to buy-back up to 10% of its shares on issue, representing approximately \$170 million worth of its shares, through an off-market share buy-back. As the buy-back will be largely funded through JB Hi-Fi's senior debt facility, the likely financial impact on FY11 earnings is approximately one month's financing cost (\$0.7 million) on the expected cash outflow relating to the buy-back.

2. Clive Anthonys

JB Hi-Fi announced that it will pursue a restructuring of its Clive Anthonys business following a detailed review of that business. As part of this process, JB Hi-Fi will book a one-off consolidated post-tax charge of \$24.8 million relating to its Clive Anthonys business in its full year 2011 results.

After adjusting for the items above, Statutory NPAT guidance for FY11 will be between \$108.5 million to \$113.5 million. Subject to this, JB Hi-Fi confirms its guidance of 7 February 2011 that the underlying¹ NPAT for FY11 will be between \$134 million and \$139 million.

The expected financial impact is summarised below:

	Sales (\$b)	NPAT (\$m)	
		Low	High
Guidance issued 7 February 2011	3.0	134.0	139.0
Forecast financing cost of Buy-Back ²	-	(0.7)	(0.7)
Adjusted guidance post Buy-Back	3.0	133.3	138.3
Impact of Clive Anthonys restructure charge ²	-	(24.8)	(24.8)
Statutory guidance post Buy-Back and Clive Anthonys restructuring charge	3.0	108.5	113.5

FY11 Dividend Impact

JB Hi-Fi's policy of a 60% dividend payout ratio will be maintained on normalised³ FY11 earnings of between \$133.3 million to \$138.3 million.

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¹ Underlying NPAT excludes the expected finance costs relating to the buy-back and Clive Anthonys one-off restructuring charge

² Post tax

³ Normalised NPAT excludes Clive Anthonys one-off restructuring charge