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COMPANY ANNOUNCEMENT

10 June 2008

## JB HI-FI ANNOUNCES PROFIT UPGRADE

JB Hi-Fi expects to exceed its guidance on profit expectations for the full year FY08.

After continued strong sales, solid margins and cost control in the 2<sup>nd</sup> half of FY08 the company expects its profit for the year ending 30 June 2008 to be circa \$64 million, a 58% increase on the prior year's NPAT of \$40.4 million (previous guidance was \$57 to \$60 million). Sales expectations continue to be in line with previous guidance of \$1.8 billion, a 40% increase on the prior year. Comparable store sales growth for the 11 months ended 31 May 2008 was 15.8%.

This strong forecast result will be achieved after absorbing the cost of a substantial first year investment in new stores in New Zealand and the rollout of Telecommunications in Australia, both of which should be positive contributors in FY09.

Gross margin in Australia will be similar to last year (FY07), despite the rapid growth of new lower margin categories such as games and computers. Our cost of doing business continues to reduce, which will give us an EBIT margin increase over the previous financial year.

"While the current retail climate has provided some variability, this outstanding result shows that we have many positives working in our favour at JB and these should continue to more than offset any tempering of consumer sentiment" said CEO Richard Uechtritz. "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.

"We have a very strong and resilient retail model in the right space. Australians' love affair with technology is alive and well. Whilst consumers may be cutting back on furniture, fashion, eating out, that new renovation and holidays, interest in home entertainment remains strong and we are the undoubted leaders in that space" he said.

The company will open 24 new stores in FY09, 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 24 new stores will continue to drive solid top and bottom line growth going forward. The company expects to have sales of circa \$2.35 billion for FY09, a 30% increase on the prior year. The company currently operates 88 JB Hi-Fi branded stores in Australia and NZ.

The circa \$2.35 billion in sales expected in FY09 will make JB Hi-Fi Australia's 6th<sup>1</sup> largest retailer ahead of David Jones.

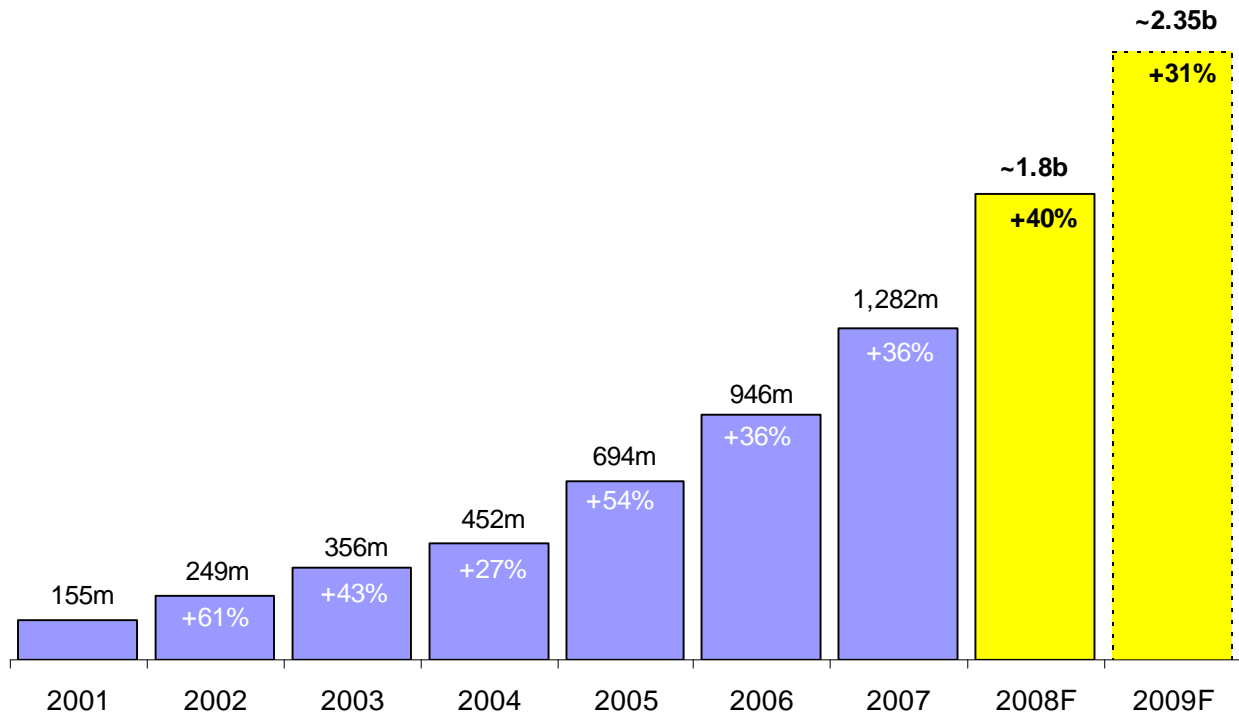
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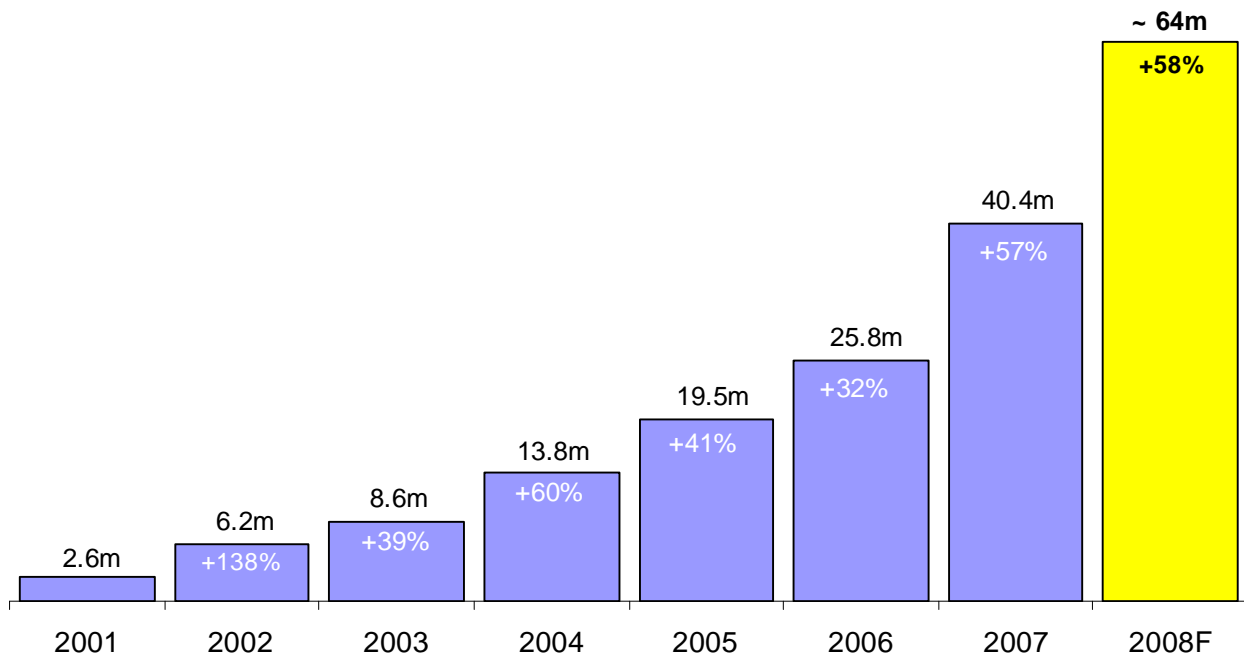
<sup>1</sup> Behind Woolworths, Wesfarmers, Harvey Norman, Myer and Aldi.

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

### Sales Growth FY01 to FY09



### NPAT Growth FY01 to FY09



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