



Appendix 4D

Half Year Report of

JB Hi-Fi Limited

for the Period Ended 31 December 2007

ABN 80 093 220 136

This Half Year Report is provided to the Australian Stock Exchange (ASX) under ASX listing Rule 4.2A.3

Current Reporting Period: Half Year ended 31 December 2007

Previous Corresponding Period: Half Year ended 31 December 2006

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue and Net Profit/(Loss)

		Percentage Change		Amount
		%		\$'000
Revenue from ordinary activities	up	50.03%	to	\$988,542
Profit/(loss) from ordinary activities after tax attributable to members	up	60.23%	to	\$41,938
Net profit/(loss) attributable to members of the parent entity	up	60.23%	to	\$41,938

Dividends (Distributions)

	Amount per security	Franked amount per security	Dividend Record date	Dividend payment date
Final dividend - year end 30 June 2007	6.0¢	6.0¢	23 Aug 2007	11 Sept 2007
Interim dividend - year end 30 June 2008	10.0¢	10.0¢	21 Feb 2008	19 Mar 2008

Net Tangible Assets Per Security

	31 Dec 2007	30 Jun 2007
	\$	\$
Net tangible assets per security	0.66	0.36

For a brief explanation of the figures above please refer to the Announcement on the results for the half-year ended 31 December 2007. The comments should be read in conjunction with the details and explanations provided herewith.

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COMPANY ANNOUNCEMENT

12 February 2008

JB Hi-Fi reports Sales up 50%, NPAT up 60% and Dividend up 100%

JB Hi-Fi Limited today reported a record half year net profit of \$41.9 million (HY07 \$26.2 million) from \$989 million of sales (HY07 \$659 million) for half year ending 31 December 2007. The profit for the half year exceeded last year's full year profit of \$40.4 million.

Comparable store growth for the period was 18.8% (JB Australia 20.1%, CA 15%, NZ 0.4%). Our cost of doing business was down 70 bps to 14.3% (HY07 15.0%). EBIT Margin increased 22bps to 6.56% (HY07 6.34%).

The company has raised its dividend declaring a fully franked dividend of 10.0 cents per share, an increase of 100% (HY07 5.0 cents). This reflects the company's confidence in its ability to consistently generate cash going forward. The dividend will be paid on 19 March 2008. The record date for determining the entitlement is 21 February 2008.

The company had 104 stores in total at the end of the calendar year, comprised of 89 Australian (81 JB and 8 CA) and 15 New Zealand (11 HS and 4 JB) stores. During the half year, 12 new Australian (10 JB and 2 CA) and 3 new JB New Zealand stores were opened and the company expects to open approximately 5 new stores in the second half of FY08.

"We are delighted with another great result" said CEO Richard Uechtritz. "Our unique and technology focused retail model continues to perform strongly. We should continue to benefit from strong comparable store sales, maturing of recently opened stores, many new store opportunities, a lower cost of doing business and better buying power" he said.

Christmas sales were very good following on from strong sales in the previous months. Most categories were solid with visual, games and computers showing very good growth.

Sales in January and February to date have continued the strong momentum of the first half of the year. We now expect sales to be circa \$1.8 billion (previously \$1.7 billion) for the full financial year, a 40% increase and we expect the full financial year NPAT to be between \$57 - \$60 million, a 41% to 49% increase on the prior year. The consensus average of analyst's forecasts is \$57.0 million.

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



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JB Hi-Fi Limited

ABN 80 093 220 136

Half year report for the half-year
ended 31 December 2007



Financial Report
for the Half-Year Ended
31 December 2007

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This half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2007 and any public announcements made by JB Hi-Fi Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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Directors' report

The directors of JB Hi-Fi Limited ("the Company") submit herewith the financial report for the half-year ended 31 December 2007. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the half-year are:

Name

Mr P. Elliott (Chairman)	Mr W. Fraser
Mr J. King	Mr G. Levin
Mr R. Uechtritz	Mr T. Smart
Mr G. Richards	

Review of operations

The consolidated net profit attributable to equity holders of the parent for the half year was \$41,938 thousand (2006: \$26,173 thousand). A review of the operations of the company during the half-year and the results of these operations are set out in the attached results announcement.

Auditor's independence declaration

The auditor's independence declaration is included on page 2 of the half-year report.

Rounding off of amounts

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors



R.A Uechtritz
Chief Executive Officer
Melbourne,
11 February 2008

Deloitte.

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The Board of Directors
JB Hi-Fi Limited
14 Spink Street
BRIGHTON VIC 3186

11 February 2008

Dear Sirs,

JB Hi-Fi Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of JB Hi-Fi Limited.

As lead audit partner for the review of the financial statements of JB Hi-Fi Limited for the half-year ended 31 December 2007, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review;
and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



B PORTER
Partner
Chartered Accountants
Melbourne, 11 February 2008

Deloitte.

Deloitte Touche Tohmatsu
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Independent Auditor's Review Report to the Members of JB Hi-Fi Limited

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Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of JB Hi-Fi Limited, which comprises the condensed consolidated balance sheet as at 31 December 2007, and the condensed consolidated income statement, condensed consolidated cash flow statement, condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 4 to 11.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of an Interim Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of JB Hi-Fi Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of JB Hi-Fi Limited is not in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Deloitte Touche Tohmatsu.

DELOITTE TOUCHE TOHMATSU



B PORTER
Partner
Chartered Accountants
Melbourne, 11 February 2008

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Directors' declaration

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the Corporations Act 2001.

On behalf of the Directors



R.A Uechtritz
Chief Executive Officer
Melbourne,
11 February 2008

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Condensed consolidated income statement for the half-year ended 31 December 2007

	Consolidated	
	Half-year ended 31 Dec 2007 \$'000	Half-year ended 31 Dec 2006 \$'000
Continuing operations		
Revenue from sale of goods	988,542	658,898
Cost of sales	(775,232)	(513,010)
Gross profit	213,310	145,888
Other income	822	1,174
Marketing expenses	(100,388)	(70,349)
Occupancy expenses	(29,546)	(20,589)
Administration expenses	(10,708)	(7,497)
Finance costs	(4,193)	(3,796)
Other expenses	(9,034)	(6,524)
Profit before tax	60,263	38,307
Income tax expense	(18,325)	(11,556)
Profit for the period from continuing operations	41,938	26,751
Profit for the period	41,938	26,751
Attributable to:		
Equity holders of the parent	41,938	26,173
Minority interest	-	578
	41,938	26,751
Earnings per share:		
From continuing operations:		
Basic (cents per share)	39.97	25.27
Diluted (cents per share)	39.22	24.61

Notes to the condensed consolidated financial statements are included on pages 9 to 11.

**Condensed consolidated balance sheet
as at 31 December 2007**

	Note	Consolidated		
		31 December 2007 \$'000	31 December 2006 \$'000	30 June 2007 \$'000
Current assets				
Cash and cash equivalents		46,365	83,429	23,707
Trade and other receivables	3	82,234	55,360	45,177
Inventories		272,506	188,664	211,311
Other		4,389	3,259	3,549
Total current assets		405,494	330,712	283,744
Non-current assets				
Investments accounted for using the equity method		-	689	689
Other financial assets		885	917	847
Property, plant and equipment		105,055	69,721	80,858
Deferred tax assets		9,406	4,637	7,094
Goodwill		34,589	20,015	34,110
Other intangible assets		46,636	46,636	46,636
Other		-	5	-
Total non-current assets		196,571	142,620	170,234
Total assets		602,065	473,332	453,978
Current liabilities				
Trade and other payables	4	307,012	237,896	185,288
Borrowings	5	28	246	702
Current tax payables		14,157	6,945	7,576
Provisions		17,685	12,152	15,166
Other		1,060	253	1,244
Total current liabilities		339,942	257,492	209,976
Non-current liabilities				
Borrowings	6	102,351	100,098	117,732
Provisions		659	496	682
Other		7,988	7,200	6,786
Total non-current liabilities		110,998	107,794	125,200
Total liabilities		450,940	365,286	335,176
Net assets		151,125	108,046	118,802
Equity				
Issued capital		39,328	34,525	35,883
Reserves		1,303	2,340	2,344
Retained earnings		110,494	65,898	74,883
Parent entity interest		151,125	102,763	113,110
Minority interest		-	5,283	5,692
Total equity		151,125	108,046	118,802

Notes to the condensed consolidated financial statements are included on pages 9 to 11.

**Condensed consolidated statement of changes in equity
for the half-year ended 31 December 2007**

	Consolidated	
	31 December 2007 \$'000	31 December 2006 \$'000
(a) Retained earnings		
Retained earnings at the beginning of the period	74,883	43,880
Profit for the period	41,938	26,173
Payment of dividends	(6,327)	(4,155)
Retained earnings at the end of the period	110,494	65,898
(b) Reserves		
Reserves at the beginning of the period	2,344	2,036
Movement in reserves	(1,041)	304
Reserves at the end of the period	1,303	2,340
(c) Share capital		
Share capital at the beginning of the period - 104,628,745 fully paid ordinary shares	35,883	33,036
Issue of shares under share option plan	3,445	1,489
Share capital at the end of the period - 105,825,373 fully paid ordinary shares	39,328	34,525
(d) Total recognised income and expenses for the period		
Net profit for the period	41,938	26,751
Profit attributable to minority interest	-	(578)
Net profit attributable to members of the parent entity	41,938	26,173
Net income recognised directly in equity:		
Net Investment	393	-
Interest rate swap	(12)	195
Total recognised income and expenses for the period	42,319	26,368

Notes to the condensed consolidated financial statements are included on pages 9 to 11.

**Condensed consolidated cash flow statement
for the half-year ended 31 December 2007**

	Consolidated	
	Half-year ended 31 Dec 2007 \$'000	Half-year ended 31 Dec 2006 \$'000
Cash flows from operating activities		
Receipts from customers	1,054,844	698,352
Payments to suppliers and employees	(955,464)	(586,510)
Interest and bill discounts received	537	589
Interest and other costs of finance paid	(4,196)	(3,852)
Income tax paid	(14,043)	(8,468)
Net cash provided by operating activities	81,678	100,111
Cash flows from investing activities		
Payment for property, plant and equipment	(31,948)	(17,937)
Proceeds from sale of property, plant and equipment	-	47
Payments for businesses	(7,474)	-
Net cash used in investing activities	(39,422)	(17,890)
Cash flows from financing activities		
Proceeds from issues of equity securities	2,785	1,142
Repayment of borrowings	(16,057)	-
Repayment of lease liabilities	-	(273)
Dividends paid:		
- members of the parent entity	(6,326)	(4,154)
Net cash used in financing activities	(19,598)	(3,285)
Net (decrease)/increase in cash and cash equivalents	22,658	78,936
Cash and cash equivalents at the beginning of the period	23,707	4,493
Cash and cash equivalents at the end of the period	46,365	83,429

Notes to the condensed consolidated financial statements are included on pages 9 to 11.

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Notes to the condensed consolidated financial statements

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting.' Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting.' The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed financial statements have been prepared on the basis of historical costs, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2007 annual financial report for the financial year ended 30 June 2007.

2. Segment information

The consolidated entity operates in one segment being the home consumer products retail industry including audiovisual equipment, computing equipment, whitegoods, kitchen appliances and other related equipment, and operates in Australia and New Zealand.

3. Current trade and other receivables

	Consolidated		
	31 December 2007	31 December 2006	30 June 2007
	\$'000	\$'000	\$'000
Trade receivables	20,931	11,784	13,867
Allowance for doubtful debts	(295)	(310)	(211)
	20,636	11,474	13,656
Goods and services tax (GST) recoverable	-	-	469
Non-trade receivables	61,598	43,886	31,052
	82,234	55,360	45,177

4. Current trade and other payables

	Consolidated		
	31 December 2007	31 December 2006	30 June 2007
	\$'000	\$'000	\$'000
Trade payables	275,734	217,271	168,196
Other creditors and accruals	8,819	9,725	9,573
Deferred income	12,992	7,237	6,611
Goods and services tax (GST) payable	9,467	3,663	908
	<u>307,012</u>	<u>237,896</u>	<u>185,288</u>

5. Current borrowings

	Consolidated		
	31 December 2007	31 December 2006	30 June 2007
	\$'000	\$'000	\$'000
Secured:			
At amortised cost			
Hire purchase liabilities (i)	28	246	702
	<u>28</u>	<u>246</u>	<u>702</u>

- (i) Secured by the assets leased, the current market value of which exceeds the value of the hire purchase liability.

6. Non current borrowings

	Consolidated		
	31 December 2007	31 December 2006	30 June 2007
	\$'000	\$'000	\$'000
Secured:			
At amortised cost			
Bank loans (i)	102,333	100,098	117,714
Hire purchase liabilities (ii)	18	-	18
	<u>102,351</u>	<u>100,098</u>	<u>117,732</u>

- (i) Secured by a fixed and floating charge over the consolidated entity's assets, the current market value of which exceeds the value of the loan
- (ii) Secured by the assets leased, the current market value of which exceeds the value of the hire purchase liability.

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7. Dividends

	Half-year ended 31 December 2007		Half-year ended 31 December 2006	
	Cents per share	Total \$'000	Cents per share	Total \$'000
Recognised amounts				
Fully paid ordinary shares				
Final dividend	6.0	6,327	4.0	4,154
Unrecognised amounts				
Fully paid ordinary shares				
Interim dividend	10.0	10,583	5.0	5,204

The interim dividend for the half year ended 31 December 2007 has not been recognised because the interim dividend was declared subsequent to 31 December 2007. As a result, amounts recognised are the final dividend in respect of the prior year.

8. Issuances, repurchases and repayments of equity securities

During the half-year reporting period, JB Hi-Fi Limited issued 1,196,628 (2006: 610,150) ordinary shares for \$2,785 thousand (2006: \$1,142 thousand) on exercise of 1,196,628 (2006: 610,150) share options issued under its executive share option plan. As a result of this share issue, \$660 thousand (2006: \$346 thousand) was transferred from the equity-settled employee benefits reserve to issued capital. There were no other movements in the ordinary share capital or other issued share capital of the company in the current reporting period. JB Hi-Fi Limited issued 1,117,268 share options (2006: 1,015,000) over ordinary shares under its executive share option plan during the half-year reporting period.

9. Subsequent events

On 11 February 2008, the directors declared an interim dividend for the half-year ended 31 December 2007, as set out in the Dividends section of this report.

10. Changes in composition of the group

On 2 July 2007 the company acquired:

- (i) The remaining 30% interest in Clive Anthonys Pty Ltd for \$6.9m, and
- (ii) The remaining 50% interest in Rocket Replacements Pty Ltd for \$597 thousand. The final consideration is still subject to a potential future earn-out based on the performance of this business in the 2008 financial year.

Both companies are now wholly owned by JB Hi-Fi Limited.