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**COMPANY ANNOUNCEMENT**

**1 March 2005**

## **JB Hi-Fi Enters \$800 million Games Market**

JB Hi-Fi has entered the \$800 million plus (2004; GKF, at retail) console games market incorporating both hardware and software. This market compares favourably with the music market at approx \$850 million and DVD software market at approx \$950 million. JB has a significant market share in both these markets.

Sony PlayStation and X Box format dominate the console game market with Nintendo and Game Boy the other players. Console games grew 34% in value over the previous year. PC games also account for approx \$100 million of sales.

Retailers in this space include Electronic Boutique, Harvey Norman, Big W, Kmart and Target. JB Hi-Fi will follow its range policy and ensure it has a range of games as extensive as the specialist retailers. Compared to CDs & DVDs the floor space required to achieve this ranging is significantly less as new releases account for most of the market and the back catalogue is limited. The games player demographic is typically the 18 - 39 year old male which is also the largest demographic of shoppers at JB Hi-Fi.

The company trialed games in 10 stores late last year with a view to rolling it out nationally. Results from the trial were very encouraging. JB Hi-Fi expects to complete the roll out by the end of May.

"We are very confident that this initiative will be an extremely good fit within our stores having a proven model for successfully selling both hardware and software. Games is one of the fastest growing areas of home entertainment and within a short period we expect to be a significant player" said CEO Richard Uechtritz. "Many gamers already shop at JB for their music, DVDs and home entertainment systems which should give us a running start to becoming a major retailer in this segment. Games were a significant gap in our home entertainment offering. The size and growth of the games market and its fit with our other categories made its introduction to JB Hi-Fi compelling."

Richard Uechtritz  
Chief Executive Officer

03 8530 7333

\*\*\* Company Announcement Ends \*\*\*

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



\*\*\* For Information Purposes Only \*\*\*

## Company Profile:

### JB Today

JB Hi-Fi Limited operates two under two retail brand, JB Hi-Fi and Clive Anthonys. JB Hi-Fi is a national retailer of consumer electronics, music and movies in 39 stores across Australia. Clive Anthonys retails White Goods, Consumer Electronics, Cooking and Computers in 5 stores in the Gold Coast and Tweed Heads in southern NSW.

JB Hi-Fi Limited recent reported a record half year net profit of \$15.4m (up 65%) from \$376m of sales (up 60%) for the six months ended December 2004. The company opened 7 new (JB) stores in the six months.

JB is forecasting sales to in excess of \$700 million for the full year.

Brand Portfolio	Number of Stores	Locations
JB Hi-Fi Branded Stores	39	Nationally
Clive Anthonys Branded Stores	5	Queensland
<b>Total Stores in JB Group</b>	<b>44</b>	

### Company History

The JB Hi-Fi business was established in 1975 by Mr. John Barbuto (JB), trading from a single store in East Keilor, Victoria. He had one simple philosophy: to deliver a specialist range of Hi-Fi and recorded music at Australia's lowest prices.

The business was sold in 1983 and by 1999 another nine stores were opened.

In July 2000 JB Hi-Fi was purchased by a consortium of investors and senior management who grew the number of stores to 23, with the aim of taking the successful formula national.

In October 2003, JB Hi-Fi was floated on the Australian Stock Exchange.

Now, maintaining Barbuto's original philosophy, JB is Australia's fast growing independent retailer of home entertainment and recorded music, throughout the Country.

JB offers the world's leading brands of Hi-Fi, Speakers, Televisions, DVD's VCR's, cameras, car sound, Home Theatre and Portable Audio and continues to stock an exclusive range of specialist Hi-Fi products.

JB also offers Australia's largest range of recorded music, DVD Music and DVD Movies with over 150,000 CD Titles and every major studio DVD release, all at Australia's cheapest prices!

JB has it all - best brands, huge range, cheapest prices, convenient locations, but most importantly genuine personal service from our experienced specialist staff.

In August 2004 JB Hi-Fi Limited acquired a 70% of Queensland electrical retailer Clive Anthonys. Clive Anthonys retails White Goods, Consumer Electronics, Cooking and Computers. Clive Anthonys has 4 stores in the Gold Coast region of Queensland and one in Tweed Heads in Northern NSW. Clive Anthonys was founded in 1996 by Clive Anthony Savage who was the founder of Clive Peeters, the successful large Melbourne based retailer which he sold in 1993. The business operates separately from JB, with all existing management remaining with the company.

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