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COMPANY ANNOUNCEMENT

16 August 2006

JB Hi-Fi reports Sales up 36% and NPAT up 33%

JB Hi Fi Limited today reported a record full year net profit of \$25.8 million (2005 \$19.5) from \$946 million of sales (2005 \$694 million) for year ending 30 June 2006.

Comparable store growth for the 12 months was 7.1% for JB Hi Fi stores and -5.5% for Clive Anthony stores. Resulting in a consolidated comparable store growth of 5.3%. Our cost of doing business was down at 17.1% (2005 17.2%). Gross Profit remained steady at 22.9% after backing out the impact of games.

The company has raised its dividend for the first time since its float in 2003 declaring a fully franked dividend of 4 cents per share, an increase of 11%, to be paid on 18 October 2006. The record date for determining the entitlement is the 4 October 2006.

The company had 66 stores at the end of the year having opened 18 new JB stores during the year and expects to open approximately 13 new stores in FY07.

“We are pleased with this strong result in what has been a challenging year for most retailers.” said CEO Richard Uechtritz.

“With rising interest rates and high petrol prices we expect FY07 to be equally challenging however our unique and low cost model continues to prove to be very resilient in these difficult times. The maturing of the 18 new stores into FY07 on top of the 11 stores opened in FY05 should help the company achieve another strong result in FY07.”

Visual, portable audio and games showed strong growth. Games in particular has been a great success with the company already placed as one of the major retailers in the market. The introduction of computers into JB has met with considerable success in the early stages.

“We are quietly confident about the tremendous opportunity for JB in the computer category with early sales better than expected. We expect to have about 35 JB stores with computers by Christmas and will continue with the rollout during the rest of the year to most stores.”

Richard Uechtritz
Chief Executive Officer
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JB....you've done it again!