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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.

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