



JB HI-FI LIMITED
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COMPANY ANNOUNCEMENT

16 May 2011

JB Hi-Fi Successfully Completes \$173 million Off-Market Share Buy-Back

JB Hi-Fi Limited ("JB Hi-Fi") today announces the successful completion of its off-market share buy-back ("Buy-Back"). The final Buy-Back size of \$173 million has enabled JB Hi-Fi to purchase 10.8 million shares, representing 9.9% of shares on issue at a 14% discount to the Market Price¹.

The outcomes of the Buy-Back are summarised below:

Value of shares bought back	\$173 million
Number of shares bought back	10.8 million
Percentage of shares on issue bought back	9.9%
Market Price per share ¹	\$18.60
Buy-Back discount	14%
Buy-Back price per share	\$16.00
Capital component per share	\$0.58
Fully franked dividend component per share	\$15.42
Deemed Market Value per share ²	\$18.31
Scale back	81.06%

CEO Terry Smart said "The successful completion of the Buy-Back is an excellent outcome for all JB Hi-Fi shareholders. The Buy-Back is expected to have a positive impact on our earnings per share and return on equity. Our balance sheet remains strong with the flexibility to fund future growth opportunities."

Scale back

As a result of the strong demand for the Buy-Back, shares will only be bought back from shareholders who tendered their shares at a discount of 14% and/or as final price tenders (subject to any minimum price conditions) and a scale back will apply to all successful tenders.

Shareholders whose tenders are subject to scale back will have a priority parcel of 250 shares bought back before a scale back of 81.06% is applied. As a result of the 81.06% scale back, successful shareholders will have 18.94% of their shares tendered in excess of the priority parcel bought back.

¹ The Market Price is the volume weighted average price of shares in JB Hi-Fi (adjusted for certain not "at market" trades as set out in the Buy-Back booklet) traded on the Australian Securities Exchange over the five trading days up to and including 13 May 2011.

² The Deemed Market Value of \$18.31 was calculated as \$18.38 (the volume weighted average price of shares in JB Hi-Fi (adjusted for certain not "at market" trades as set out in the Buy-Back Booklet) traded on the Australian Securities Exchange over the five trading days prior to the announcement of the Buy-Back) adjusted by the movement in the S&P/ASX200 Index from the opening of trading on 29 March 2011 to the close of trading on 13 May 2011.



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In addition, shareholders who tendered all of their shares at a 14% discount and/or as a final price tender and who are left with 100 shares or fewer after the acquisition of the priority parcel and application of the scale back, will have their shares bought back in full.

Tax Considerations

The final Class Ruling to be issued by the ATO is expected to confirm that \$15.42³ of the Buy-Back price will be treated as a fully franked dividend and that for Australian capital gains tax purposes, the sale consideration per share is \$2.89, being the Deemed Market Value less the dividend component of \$15.42. Please refer to section 2.5 of the Buy-Back booklet for information on the taxation treatment of the Buy-Back.

Payments

The Buy-Back proceeds are expected to be dispatched to successful participants either by cheque or by direct credit to their nominated account on Friday, 20 May 2011. Shares that have been tendered into the Buy-Back but not bought back are expected to be released to shareholders by the close of business today.

Further Information

Further information about the Buy-Back can be found on JB Hi-Fi's website at www.jbhifi.com.au/buyback or in the Buy-Back booklet which was mailed to eligible shareholders.

Alternatively, if shareholders have any questions in relation to the Buy-Back, please call the JB Hi-Fi shareholder information line: 1300 302 417 (within Australia) or +61 3 9415 4136 (outside Australia) between 8.30am and 5.30pm Monday to Friday (Melbourne time).

Media & Investors:

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³ The Buy-Back price of \$16.00 less the capital component of \$0.58.

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