



JB HI-FI LIMITED
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www.jbhifi.com.au

COMPANY ANNOUNCEMENT

8 February 2010

Terry Smart to succeed Richard Uechtritz as CEO

JB Hi-Fi CEO Richard Uechtritz, announces today his intention to retire as chief executive in July/August 2010 following 10 years of service with the company. Chairman Patrick Elliott announces the appointment of current COO Terry Smart to succeed Mr Uechtritz upon his retirement.

Mr Uechtritz and Mr Smart both joined JB Hi-Fi in July 2000 to lead a consortium of private equity investors in a management buy in.

"Richard has made an enormous contribution to the success of the Company since leading the management buy in back in July 2000. During his tenure as CEO revenue has grown from \$145 million to a forecast \$2.8 billion in the current financial year, and JB Hi-Fi has been established as one of Australia's most recognised retail brands" said Company Chairman Patrick Elliott. "Investors who have held JB shares since the IPO in October 2003 to today will have received an annual rate of return of 48.0% compared to the ASX 200 returning 5.1% per annum over the same period. Richard is deservedly considered one of this country's most effective chief executives."

Mr Smart has been Chief Operating Officer and an Executive Director of JB Hi-Fi for nearly 10 years. During this time he has been responsible for store retail operations, inventory management and systems development. "Terry is a very talented retail executive and we are fortunate to have him follow Richard in the role. It has been the Board's succession plan for some time for Terry to follow Richard as CEO and we are delighted that he will be taking up the role. His knowledge of the business is second to none and the Board is confident in Terry's ability to continue executing the Company's growth strategy" added Mr Elliott.

"The Company has been very successful in attracting and retaining good people, providing outstanding depth to the management team, which will ensure a smooth transition" said Mr Elliott.

"Terry and I have worked together for 16 years and I have no doubt that he will make an outstanding CEO. He has made a huge contribution to the company's success and we are on the same page as to what has made and makes JB a great company" said Richard Uechtritz. "On a personal note it is time for me. Ten years is a good innings as a CEO. The company is in great shape - with a strong balance sheet and good growth prospects. I will be leaving to pursue my personal and philanthropic interests that being a full time executive does not allow."

Following Mr Uechtritz's retirement and a six month period of absence, he will rejoin the Board as a Non Executive Director in early 2011. The Company will enter into a consulting agreement with Mr Uechtritz on his retirement, for a term of three years to facilitate his ongoing support of the business.

"The Company is in a very strong and competitive position with many years of solid growth ahead of it. We operate in an industry where strong sales growth has been and will continue to be driven by constant technological advancements. This underlying industry growth, combined with our recently opened stores maturing, the continued roll out of new stores and further refinement of our execution, will see us continue to be successful" said Mr Smart. "I am very much looking forward to the challenge of leading the team and continuing to build on the strong platform developed during Richard's tenure as CEO."

Mr Smart has a significant investment in JB Hi-Fi owning 1.5 million shares worth approximately \$30 million, together with 396,045 options under the companies Long Term Incentive Program.

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