

**JB Hi-Fi Limited**



**2009 Annual General Meeting**

**14 October 2009**

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# AGENDA

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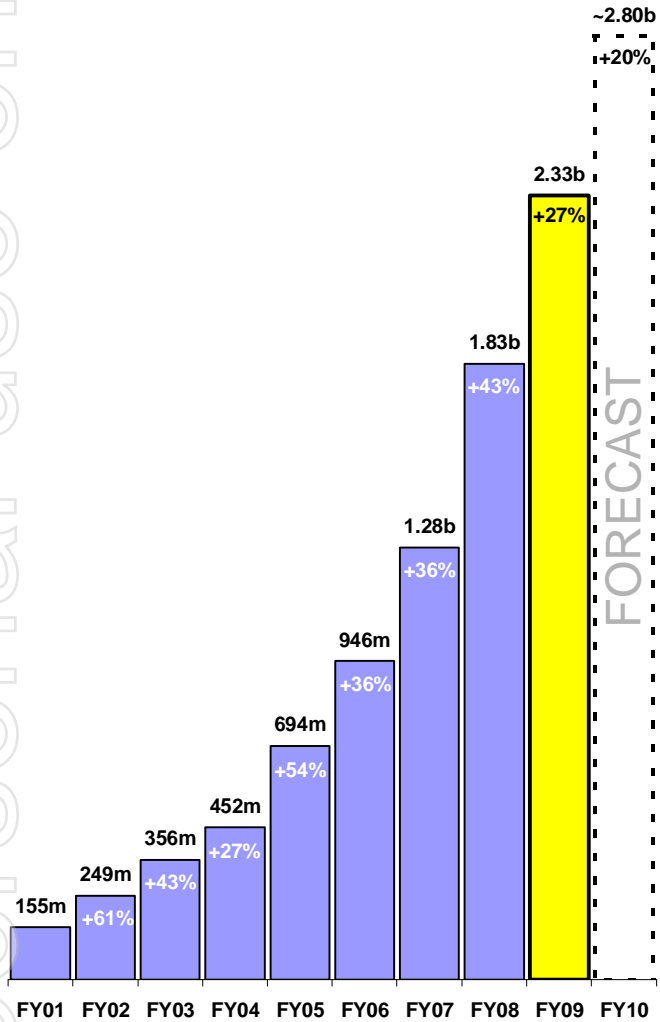
- **Presentations by Chairman and Chief Executive Officer**
- **Ordinary Business**
  - Item 1: Consider Accounts and Reports
  - Item 2: Remuneration Report
  - Item 3: Re-election of Mr Elliott and Mr Levin
- **Special Business**
  - Item 4: Approval of grant of Options to Executive Directors
  - Item 5: Increase in Directors' Fees
- **Other Business**

# CHAIRMAN'S ADDRESS

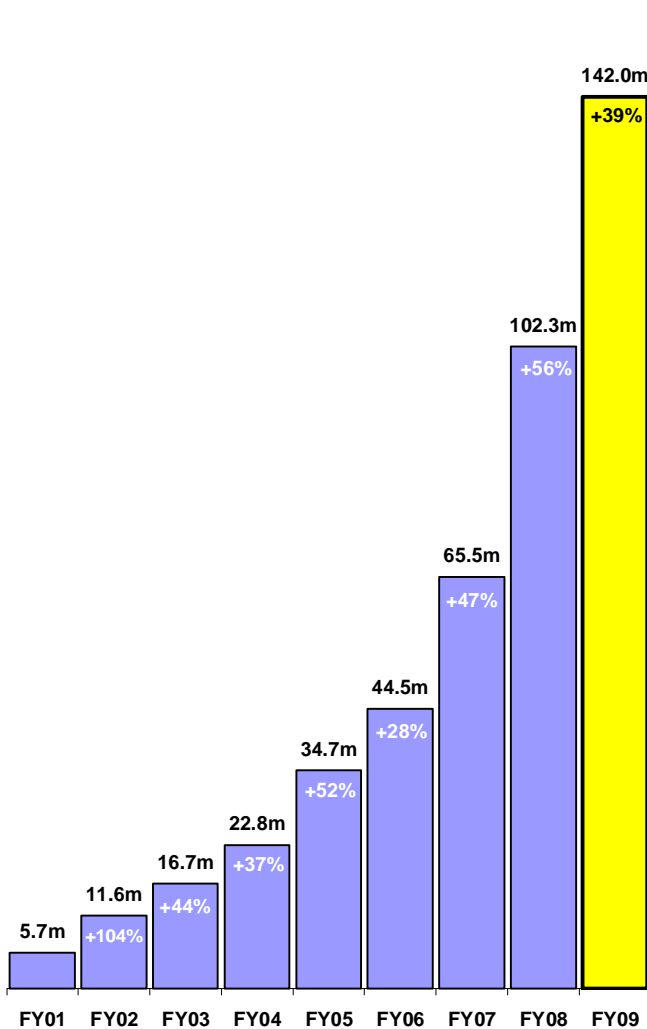


Mr Patrick Elliott

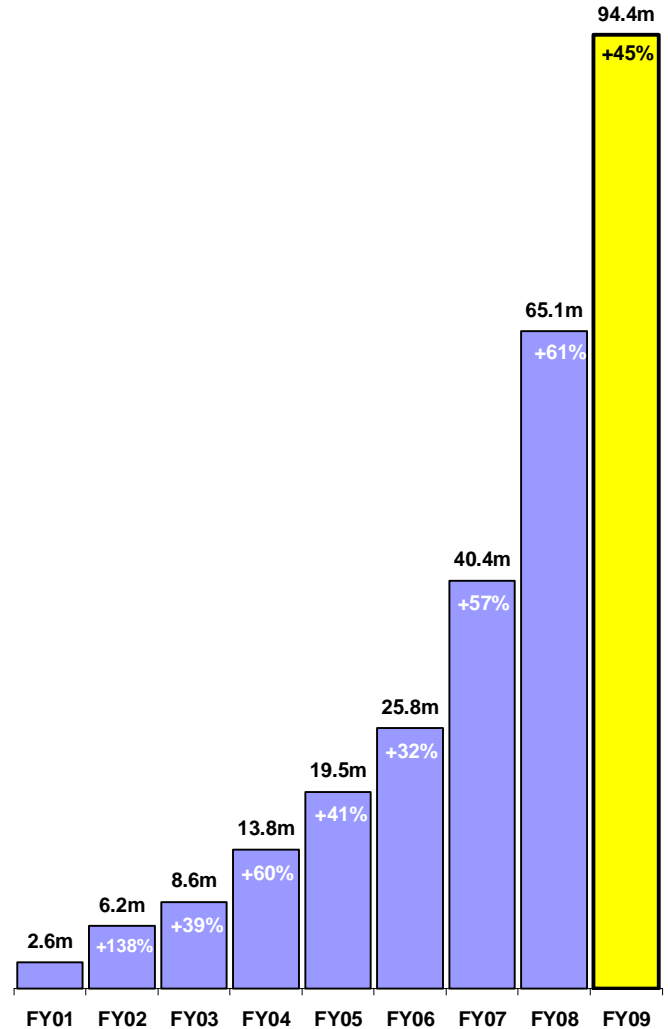
## SALES +27%



## EBIT +39%



## NPAT +45%



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## CHAIRMAN'S ADDRESS....

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### Strong Shareholder Return:

- Dividend of 44.0 cents per share up 69%.
- Since the IPO in October 2003 annual compound growth of 51.1% vs. 6.3% for the ASX 200\*.

\* As at 30 September 2009

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## CHAIRMAN'S ADDRESS....

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### Sustainable Competitive Advantage:

- The company's strategy:
  - every day focus on lowest cost of doing business; and
  - a broad range of every day low priced products for our customers
- JB's unique product ranging, mix and branding that drives very high levels of store productivity and a real focus on cost control.
- Our cost of doing business was 14.5% vs. 15.3% in the previous year.
- This cost advantage is reinforced by:
  - increasing sales from established stores and the new store roll out;
  - economies of scale driving buying power; and
  - technology and training.



## CHAIRMAN'S ADDRESS....

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### Roll Out Continues:

- The roll out of JB Hi-Fi branded stores has continued across Australia and New Zealand.
- The Company has identified 160 store locations that can be serviced by the existing store format and stock mix. It is expected that a further 50 smaller stores can be opened in areas offering a smaller catchment of potential customers.
- With a target therefore of 210 JB Hi-Fi branded in Australian and NZ, building on our current base of 114 JB Hi-Fi stores today, we look forward to many years of growth to come.
- Continued success in a variety of operation formats including shopping centres, home maker or big box centres and stand alone destination stores.
- Flexible format provides JB with the flexibility to secure the best possible locations in each area.
- Our roll out has created many employment opportunities.



## CHAIRMAN'S ADDRESS....

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### Funding of Growth Plans:

- Funding of growth via strong levels of cash flow generated from established stores and a prudent level of borrowings.
- JB is one of the more conservatively geared listed retailers with fixed charges cover of 3.8 times.
- Interest earned multiple of 17.7 times.
- In determining level of debt, we consider both operational and financial leverage.
- JB enjoys one of the lowest rental burdens at 2% of sales.



## CHAIRMAN'S ADDRESS....

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### Workplace Giving Program:

- In November 2008 JB launched the Workplace Giving Program – “Helping Hands”.
- Through this program, employees are able to donate to five charities with all donations matched dollar for dollar by JB.
- We are proud to have raised more than \$400,000 in just over seven months since the program commenced in the 2009 financial year.





## CHAIRMAN'S ADDRESS....

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### People & Culture:

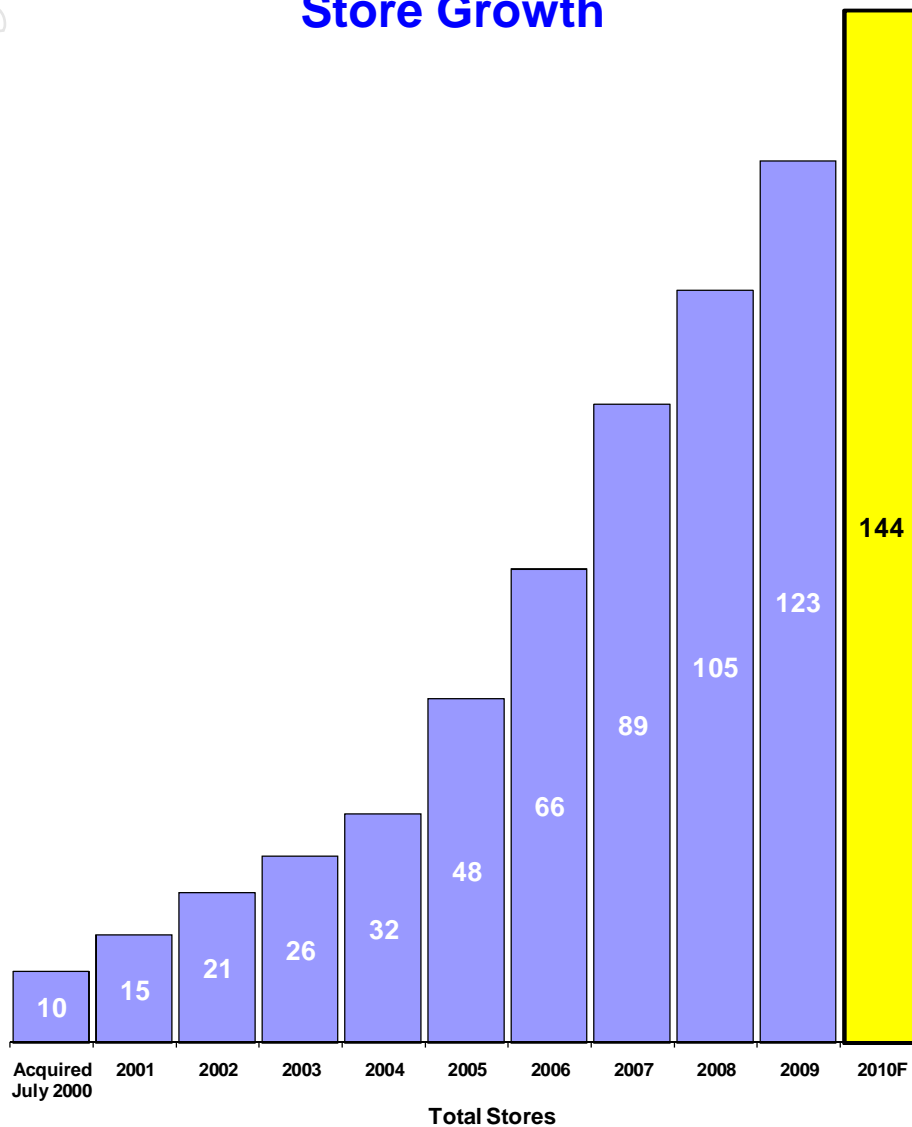
- Our ability to operate profitably and to expand as quickly and successfully as we have is a testament to our people and the company's continued ability to attract and retain them.
- Store staff are typically enthusiasts of the product categories they work in.
- Support staff are equally dedicated and responsible for our success to date.
- We continue to attract high calibre people and motivate them, and we are well positioned to maintain our growth for many more years.
- Strength and depth of management.

# CHIEF EXECUTIVE OFFICER'S ADDRESS

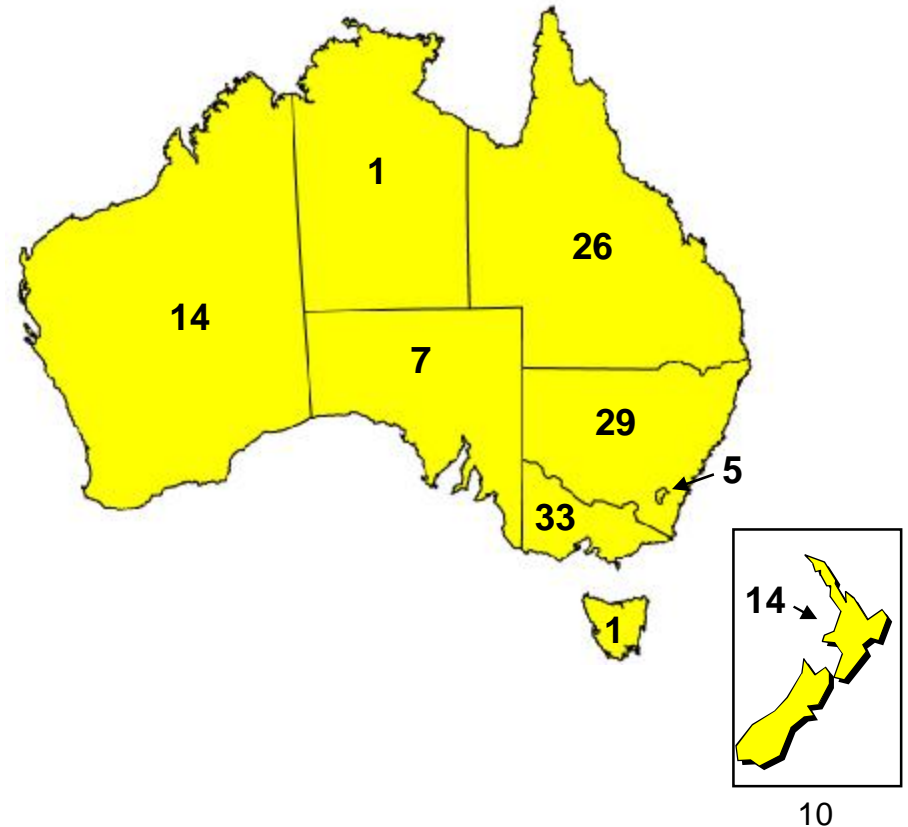


Mr Richard Uechritz

## Store Growth



**Total Stores: 130\***  
(JB Aust. 105, CA 11, JB NZ 9, H&S 5)



\* as at 14 October 2009

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## ITEM 1

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### Consideration of Accounts and Reports:

To receive and consider the financial report of the Company for the financial year ended 30 June 2009 together with the directors' report and auditor's reports for the financial year ended 30 June 2009.

## ITEM 2



### Remuneration report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

**"That the Remuneration Report for year ending 30 June 2009 be adopted."**

Proxies:

In respect to this item of business, the following proxies have been received:

- In favour 62,899,828
- Against 4,194,239
- Open / undirected 1,754,186

Also in respect to this item of business, the following proxies have been received nominating the Chairman:

- In favour 62,899,828
- Against 4,193,578
- Open / undirected 1,651,789

The Chairman intends voting the open and undirected proxies in favour of the resolution.

## ITEM 3



### Election of directors:

To re-elect Directors of the Company, each election to be voted on separately:

- (a) **"In accordance with the Company's Constitution, Mr Patrick Elliott retires by rotation and, being eligible, offers himself for re-election."**
- (b) **"In accordance with the Company's Constitution, Mr Gary Levin retires by rotation and, being eligible, offers himself for re-election."**

Proxies:

In respect to this item of business, the following proxies have been received:

	<b>3(a)</b>	<b>3(b)</b>
• In favour	68,467,652	67,497,700
• Against	51,351	980,080
• Open / undirected	1,747,001	1,747,001

Also in respect to this item of business, the following proxies have been received nominating the Chairman:

	<b>3(a)</b>	<b>3(b)</b>
• In favour	68,460,151	67,490,199
• Against	51,351	980,080
• Open / undirected	1,651,444	1,651,444

The Chairman intends voting the open and undirected proxies in favour of the resolution.

## ITEM 4



### Approval of grant of Options to Executive Directors:

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

- (a) Approval of grant of Options to an Executive Director – Mr Richard Uechtritz

**“That pursuant to ASX Listing Rule 10.14 and for all other purposes, approval be and is hereby given, to the grant of 174,656 Options over Shares in the Company to Mr Richard Uechtritz, exercisable at \$14.92 each, on the terms and conditions described in the Explanatory Notes.”**

- (b) Approval of grant of Options to an Executive Director – Mr Terry Smart

**“That pursuant to ASX Listing Rule 10.14 and for all other purposes, approval be and is hereby given, to the grant of 92,311 Options over Shares in the Company to Mr Terry Smart, exercisable at \$14.92 each, on the terms and conditions described in the Explanatory Notes.”**

Proxies:

In respect to this item of business, the following proxies have been received:

	<b>4(a)</b>	<b>4(b)</b>
• In favour	67,568,180	67,554,858
• Against	918,716	923,678
• Open / undirected	240,901	249,779

Also in respect to this item of business, the following proxies have been received nominating the Chairman:

	<b>4(a)</b>	<b>4(b)</b>
• In favour	67,561,840	67,552,558
• Against	916,555	921,517
• Open / undirected	146,344	151,182

The Chairman intends voting the open and undirected proxies in favour of the resolution.

## ITEM 5



### Increase in Directors' fees:

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

**"That, pursuant to article 9.9 of the Company's Constitution and ASX Listing Rule 10.17, the total amount or value which may be provided in each year by the Company to its Directors for their services be increased from \$600,000 to \$900,000."**

Proxies:

In respect to this item of business, the following proxies have been received:

- In favour 67,991,854
- Against 493,875
- Open / undirected 57,463

Also in respect to this item of business, the following proxies have been received nominating the Chairman:

- In favour 67,989,354
- Against 490,464
- Open / undirected 57,463

The Chairman intends voting the open and undirected proxies in favour of the resolution.

# OTHER BUSINESS

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