



**JB Hi-Fi Limited**

**Annual General Meeting**

**2004**

# **Agenda**

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## **Ordinary Business:**

- 1. Presentations by Chairman and Chief Executive Officer**
- 2. Tabling & Consideration of 2004 Financial Reports**
- 3. Election of Directors**

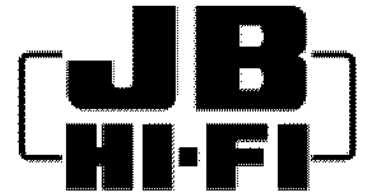
## **Special Business:**

- 4. Increase in Directors' Fees**

## **Chairman's Address**

# Chairman's Address

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## Four Key Drivers:

1. We must attract and retain the best suppliers in the industry
  - History of growing supplier market share
  - Scale increases purchasing power
2. We must have the lowest cost base
  - Opex as a % of sales 17.8%
  - Supports every day low price strategy
3. We must secure strong retail locations
  - High interest from all major shopping centres
  - Rent to sales ratio of less than 2% of sales
4. We must attract and retain the very best staff
  - Highly regarded employer
  - Key to successful long term growth

## Chairman's Address – cont'd

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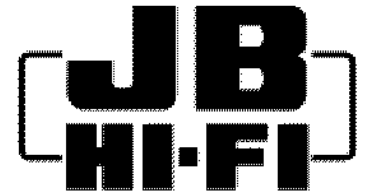
- Key revenue drivers
  - 6 new stores FY04
  - 8% comparable store growth
  - Technology driving replacement and new markets
  
- Price deflation has to date been a positive influence
  - In early stages of new technology falling prices lead to increased penetration rates
  - At product maturity further price falls less likely to be offset by increased unit sales
  
- Clive Anthonys acquisition announced on 5 August 2004
  - Introduces company to white goods, cooking and computer markets
  - Clive Savage and management highly respected by the industry
  - Attractive acquisition multiple at 4.6 times 2004 normalised EBIT, means acquisition will be immediately EPS accretive.

## **Chairman's Address – cont'd**

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- Board composition to provide relevant and complimentary skills
  - Interpersonal dynamic both questioning and supportive of management
  - Adopted ASX best practice governance guidelines
- Recognise and reward superior performance with both short and long term incentives
  - In July 2004 the Company granted 1,642,411 options as part of the annual remuneration package for senior executives under the executive share option plan
  - This included granting 519,751 options to Richard Uechtritz, CEO; and 343,035 options to Terry Smart, Executive Director.
  - As executive directors, the granting of options to Richard and Terry must have approval of members in general meeting in accordance with the ASX Listing Rules. At the time of granting, this requirement was inadvertently overlooked. The Company has since amended the terms of the options so that they now accord with Listing Rule 10.11.
  - Accordingly, at the 2005 AGM (or any such earlier general meeting) the Company will be seeking shareholder approval for the options granted to Richard Uechtritz and Terry Smart. If shareholders do not approve or ratify the granting of those options, under the amended terms they will lapse



# **Chief Executive Officer's Address**

## Financial Summary FY04



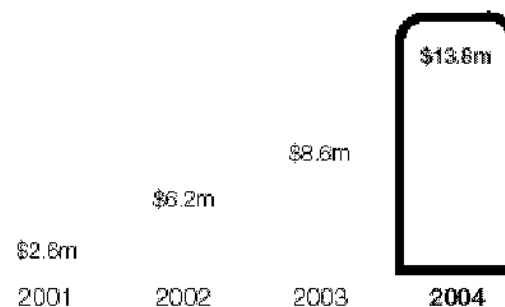
### Sales +27%

Sales grew 27.1% to  
\$452.4 million.  
Comparable store growth  
was 8.0%



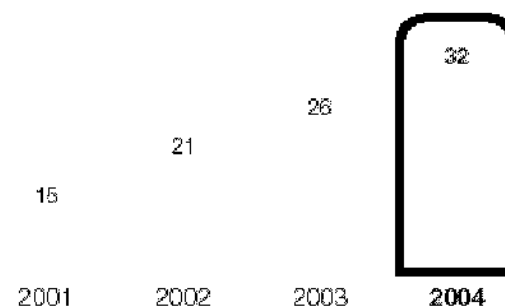
### NPAT +61%

Net profit after tax grew  
60.7% \$13.8 million



### Stores +6

6 new stores were opened,  
taking the total stores to  
32 at year end.





## **Financial Summary 1<sup>st</sup> Qtr FY05**

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For the 3 months to September 2004:

- Sales were up 60%, including Clive Anthonys business
- Comparable store growth was 9.2%, however we expect this to soften during the remainder of the year.
- Clive Anthonys continues to trade well
- 2 JB stores opened so far in Canberra City and Werribee
- 5 further JB stores will be opened by Christmas



# **Tabling & Consideration of 2004 Financial Reports**



## **Election of Directors**

## **Increase in Directors' Fees**