



Australian
Competition &
Consumer
Commission

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NEWS RELEASE

ACCC WILL NOT OPPOSE JB HI-FI MOVE ON THE GOOD GUYS

The Australian Competition and Consumer Commission has announced it will not oppose JB Hi-Fi Limited's (ASX: JBH) (JB Hi-Fi) proposed acquisition of the Good Guys Discount Warehouses (Australia) Pty Ltd and the Muir Finance Company Pty Ltd (together, the Good Guys).

Based on extensive market feedback and other industry information, the ACCC concluded that JB Hi-Fi and the Good Guys generally focus on different product categories and customers. The ACCC also found that post-acquisition, customers would have a range of alternative retailers of home appliances and consumer electronics.

"JB Hi-Fi has traditionally focussed on selling consumer electronics, with stores located mostly in shopping centres or CBDs. On the other hand, the Good Guys has mostly focussed on whitegoods and other home appliances, with stores generally located in home centres or similar locations. Other retailers such as Harvey Norman have a much higher degree of overlap with the Good Guys than JB Hi-Fi," ACCC Chairman Rod Sims said.

"However, JB Hi-Fi and the Good Guys are clearly in competition with each other to a degree. The ACCC focussed its investigation on high-value consumer electronics and home appliances, particularly televisions, where there is the greatest overlap between the Good Guys and JB Hi-Fi."

JB Hi-Fi has also recently opened a number of JB Hi-Fi Home stores which stock a wider range of home appliances, competing more directly with the Good Guys. The ACCC considered the potential for the JB Hi-Fi Home stores to become a larger player in non-electronics in the future.

"On balance, the ACCC did not consider that the acquisition would substantially lessen competition in any market. We considered that the combined company would continue to face strong competition from Harvey Norman and other existing retailers such as Betta, Retravisio, Bing Lee and Radio Rentals," Mr Sims said.

"For lower value and smaller items, we considered that consumers have a range of alternatives, including online suppliers and discount department stores."

Further information is available at

<http://registers.accc.gov.au/content/index.phtml/itemId/1195978/fromItemId/750991>

Background

JB Hi-Fi sells home appliances and consumer electronics. It sells predominantly consumer electronics including audio/visual goods and equipment, CDs and DVDs. JB Hi-Fi has a small market share in large home appliances.

The Good Guys is owned by the Muir family and sells home appliances as well as consumer electronics. It focusses on home appliances rather than consumer electronics, also offering kitchen design and installation services to customers.

JB Hi-Fi operates 179 stores and the Good Guys 100 stores.

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