Joyce Corporation Ltd
ACN 009 116 269 ABN 80 009 116 269

24 August 2016

Dear Shareholders,

I am pleased to provide a summary of Joyce Corporation Ltd's financial results for the year ending 30 June 2016.

Joyce Corporation has delivered a solid performance and made great progress in securing growing opportunities designed to create value for our shareholders. Highlights for the 2016 financial year included the negotiation for the purchase on 1 July 2016 of 51% of Lloyds Online Auctions Pty Ltd and the sale and settlement of the Moorebank investment property.

It is pleasing to report that revenues for 2016 were up 62.8% year on year to $56.5 million, leading the Company to record a statutory profit after tax and non controlling interest of $2.3 million. While this profit is lower year-on-year, the 2015 profit was affected by the one-off $5.09 million gain booked from discontinued operations that year, mainly comprised of gains from the sale of our Moorebank property.

Profit from continuing operations after tax, adjusting for gains from one-off sales, was up to $3.46 million in 2016 versus $126,000 in 2015.

The continuing businesses' EBIT was $3.12 million to 30 June 2016 versus $291,000 to 30 June 2015.

The Company achieved net assets per share attributable to members of 91 cents as at 30 June 2016. The earnings per share after tax (EPS) were 8.2 cents on a diluted basis and the EPS from continuing operations was 12.4 cents per share .

Joyce made a strategic acquisition of Lloyd's Online Auctions after year end, which complements our other business units and enables the Company to enter into the rapidly expanding online retail space. With solid plans for expansion, we expect the business to add an estimated $10 million to our revenues in the coming financial year.

The Company's other business units, Bedshed Franchising and KWB Group, both performed better than forecast. With this in mind, we anticipate the total group network written sales for 2017, including franchisee and auction gross sales, to be between $170 million and $200 million.

An important achievement during 2016 was investing in our future and our people by acquiring a property in the tightly held Perth suburb of Osborne Park. We plan to develop this property to house our Corporate Office and our new integrated high clearance warehouse facility. We plan to complete this development by 31 December 2016.

In line with our 2015 plan and our commitment to providing strong returns to shareholders, we are pleased to declare a fully franked dividend of 6 cents per share (to be paid on 18 November 2016 to shareholders and with a record date of 28 October 2016, which comprises a final dividend of 3 cents and special dividend of 3 cents respectively both fully franked.

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Looking ahead, we remain focussed on long-term shareholder value creation. The Company is in an enviable financial position with profitable businesses, no debt and substantial growth opportunities which provides a strong level of security for our shareholders. The recent strategic development and execution of our plans have been extraordinarily progressive and has set the foundation for further organic growth and business partnering opportunities.

I would like to take this opportunity to acknowledge the contribution made by my fellow directors. I would also like to recognise the invaluable contribution made by management and all employees in achieving consistently strong results. We also thank shareholders for their continued support and we look forward to another successful year ahead.

Yours faithfully

Dan Smetana
Chairman
Joyce Corporation Ltd

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