



27 November 2018

Dear Shareholder,

Thank you to those attending our AGM.

It is certainly a special AGM as I have decided to retire as Chairman. I will however remain on the board as a Director as we manage our on boarding of future Directors and will be passing the Chairman's role to Mike Gurry, who has been a Director since 2008 and was previously the Chair of our Audit and Risk Committee and is currently the Deputy Chairman.

I am confident that I pass the role on at a time when the Group is placed in an enviable robust position of producing extraordinary year on year growth in both revenue and earnings. The Company's prospects are certainly very solid with a strong management team and board, seeking additional opportunities moving forward.

The Group currently has relatively low bank debt levels, cash in the bank, as well as significantly progressive business units and opportunities. We have just paid a 6 cents final fully franked Dividend. This brings the annual dividend to 11 cents fully franked. In itself an additional 10% more than guidance given to the market a few years back.

The highlights of the Company's results for the financial year 2018 were a:

- 22% increase in net profit after tax to \$3.38m;
- 22% increase in revenue growth from continuing operations to \$96m;
- 21% increase in total network sales including auction turnover and commissions to \$255m;
- 22% increase in earnings per share to 12.3 cents on an undiluted basis;
- net assets per share increased to \$0.93 cents fully diluted, and a
- steady dividend payout, with Directors declaring a final 6 cent dividend payable in November 2018; bringing the total full year dividend payment fully franked to 11 cents per share.

The results for the year support the Company's growth strategy and partnering philosophy and we are confident that by adopting this approach we can continue to provide strong returns to shareholders.

We are very proud of the outstanding and continued profitable growth of the KWB Group. The team, led by John Bourke and Chris Palin, has worked smart and hard to deliver 26% revenue growth leading to profit gains of over of 40%. Three new showrooms were opened in FY18. In FY19 to date the team have opened a further three, bringing the total showrooms in Queensland, NSW and South Australia to 20 currently.

KWB also completed the capital works program at the Lytton property in Queensland, which was a strategic purchase in 2017. This allowed KWB to enter into a long-term lease agreement with their cabinetry supplier KT3, leading to cost savings, synergies and a profitable partnership for both businesses. The Lytton property was revalued this year realising a \$476k gain for the Joyce Group.

Our other partnership, with Lloyds Online, run by Andrew Webber is also showing substantial growth potential.

On June 30, 2018 Lloyds Online acquired Burns Auctions Group which gave us access to their 2 sites at Bathurst and Dubbo to further grow the premier “Classic Car” Auction sales side of the business and provide further reach for equipment sales. The car enthusiasts amongst you will be aware that Lloyds Online Auctions have broken numerous Australian price records of late, with a Peter Brock Holden Commodore racing car selling for a staggering \$2.1 M at Bathurst in October.

During the recent past, Lloyds Online has invested \$2.4m in proprietary IP Software and a customer data base resulting in a world class online platform that will meet the needs of their diverse and growing business. In the 6 months January – June online participation on the Lloyds Online website grew astronomically by +280%.

With auction turnover increasing by 27% and after adjusting for the one-off investment in business systems, the Lloyds Online profit is in line with last year’s result.

Bedshed, run by Gavin Culmsee, continues to add value to the Joyce Group with profitability growing by 44% and revenue growing by 5%.

The completion of the majority of the Evolution store fitouts this year provides an enhanced customer retail experience. Backed by our knowledgeable staff and with the launch of our exciting and engaging new TV ads campaign we will see a number of new franchises open in NSW, Victoria and Queensland this coming year.

It has been an exciting year and the Board is committed to its growth and partnering strategy. We are also committed to ensuring that we have the appropriate structure to enable us to achieve this. Karen Gadsby, who was appointed to the Board in July 2017, has now taken over the role of Chair of the Audit and Risk Committee. Karen has a strong finance background and has previously chaired several Audit and Risk Committees. I am also pleased to welcome Keith Smith as our new Company Secretary.

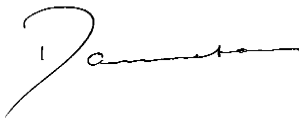
With a strong board and executive/ leadership team, Joyce is positioned for a positive future. We are committed to the Joyce Way of doing business and the Joyce Values. This ensures we are an inclusive organisation as demonstrated by increases in the proportion of females in our workforce at every level within the organisation in the past 12 months.

I thank the board, management, our business unit partners and staff for their dedication and commitment to the Company, along with our Executive Director Anthony Mankarios for

consistently improving performance. We will shortly be voting on our proposed Executive Long Term Incentive scheme. This scheme has been developed with independent professional remuneration advisors and is fully costed within operating results. Both the board and I recommend this scheme to you.

I have no hesitation in commending Joyce Corporation Ltd to you.

I will now be passing on to Anthony for his Executive Director report highlights and insight into this year's performance. Over to you Anthony.

A handwritten signature in black ink, appearing to read 'Anthony', with a long horizontal stroke extending to the right.