Joyce Corporation Ltd

ACN 009 116 269 ABN 80 009 116 269

30th March 2015

Letter to Shareholders

Dear Shareholder,

In February the Company released its interim report, with a half year to 31 December 2014 net profit after tax attributable to shareholders of $3.2 million.
This equates to basic earnings per share (EPS) of 11.6 cents for this period. Excluding property and impairments results, 4.9 cents per share earnings was achieved by continuing operations for the half year period.

The Company has since announced the completion of negotiations on the sale of our Moorebank industrial property. We have announced that this was sold for $25 million, with a non-refundable deposit of $2.5 million released to Joyce Corporation on the 6th of March 2015.

The sale is due to be completed on an unconditional basis by 30th September 2015. The Company will pay tax as a result of this Sale of Property and thereby be in a position to pay fully franked dividends as early as this calendar year 2015.

The interim Dividend was declared at 2.5 cents per share unfranked to be paid on 31 March 2015.

We aim to pay around 3 cents a share franked as a final dividend in late November subject to ongoing performance and Board approval etc. Already we are seeing signs that the second half-year operational profit is trending higher than the first half year.

Post completion of the property sale we would like to confirm that the Company intends to **pay an extra 5 cents** per share franked each year, over the next three years as a special dividend.

This means the Company will pay around **10.5 cents** per share in 2015 to shareholders. This potential consistent payout, over the next few years should mean relatively high dividend yields to our existing shareholders, with a relatively low down side.

The Company is in a very strong financial position.

Furthermore we plan to pay down all bank debt and consolidate corporate leased properties to release additional savings to the group, as well as invest in and grow our existing business units that are currently delivering relatively high rates of return on investment. We already have a number of additional stores in the pipeline in each of the business units.

This utilization of our cash should see a seamless return to shareholders of ongoing franked dividends to adequately replace this special dividend referred to above by the third year.

This is a particularly exciting period in the Company's development as this brings a definitive positive change in the company's current cash flow streams and allows for multiple growth opportunities to be explored in line with our strategy.

The Company currently has earnings growth in strong double digit numbers and given the above we anticipate the performance to continue for the remainder of this period.

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