

October 2013

Chairman's Letter to Shareholders

Dear Shareholder

The last year has been by far the best year for the company since the current management became involved in 2009, and considering the prior history of the Company.

Having now substantially disposed of noncore assets, loss making subsidiaries and noncore investments that were not providing either income or increased value, as well as recovering funds owed to the company for some time, the picture is looking considerably more favourable.

The inherited liabilities resulting from the liquidation of the subsidiary and the unpaid WA Government payroll tax liabilities have now been substantially reduced, and we expect JVG to be entirely clear of these by year end.

We have for some time now been concentrating on, and increasing our involvement in our core operations of steel framed construction activity, in a sector that is having a major rebound, and providing your company with high margins on capital employed, specifically in prime locations currently within metropolitan Western Australia.

This year's results were very pleasing, and had it not been for the current assets being written down via "Fair Value Adjustment" accounting standards, as a result of the Australian and global market conditions, and specifically in the junior sector, I suspect we would have posted our first net profit since the Company was listed. We are extremely hopeful, the fair value adjustment will be reversed over the coming financial year, and assist us in potentially creating that near, but to date, elusive surplus Net Profit, and additional cash for utilisation in our current activities.

Indeed, our current projects are progressing extremely satisfactorily and could easily expect to, based on current market indications, produce sufficient profit to cover the majority of the current financial year's overheads by the end of this calendar year.

The board's biggest issue is having sufficient working capital to enter into multiple and/or larger sized projects, to generate greater profits, thereby having a meaningful effect on the Company's share price.

A capital raising is currently off the table in the short term because of the market conditions and our current share price, however, we are hopeful this will change when we can portray to the market our continuing positive progress in the near future.

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The Company and the current board have certainly obtained the confidence of the major shareholders, investors and the bank, which have all provided ongoing support for the Company to pursue its medium to long term goals and to improve profits, and hence share price over time.

Current borrowed funds are usually rolled over within 12 months and in most cases within 6 months providing our investors and lenders with above fair return interest rates and a share of profits and where possible secured directly against the assets.

The board is now considering seeking out other investors who may want to participate on a joint venture basis with the Company on specific projects being offered to it on a profit sharing basis, with JVG earning project management fees, whilst pursuing other projects in its own right.

Your Company continues to be one of the least expensive run companies on the ASX with minimal directors' fees, totalling some combined \$72,000 per annum, and the entire administration of the company costing less than a junior administrator of \$60,000 per annum.

This will continue until the Directors and management are able to be adequately rewarded for their time, and for the ever increasing liabilities, and responsibilities attached to being directors of a public company.

We will of course continue to look for other possible opportunities and or diversification of activities if they arise that could add value to the share price, providing they can be pursued in line with our ASX listing rules and fit our reward to risk ratio requirements.

If you would like to be added to our emailing list for announcements throughout the year and for special releases please contact our office and provide your name and email address, or email us at info@jvglobal.com.au.

Our Website will soon be updated to provide more direct information on the Company's activities.

Yours faithfully



Collin Vost
Chairman