

## 24 November 2009

Company Announcement Office,  
Australian Stock Exchange Limited,  
Level 4, Stock Exchange Ltd.,  
20 Bridge Street,  
SYDNEY, 2000.

### **Chairman's Speech AGM 24 November 2009**

Good morning ladies and gentlemen. Welcome to our Annual General Meeting and 123<sup>rd</sup> year of business activities.

The previous financial was one of the most challenging years the company has faced given the impact of the Global Financial Crisis.

As per our annual report, Joyce Corporation Ltd achieved an underlying operating profit before tax (excluding one-off non-recurring times) of \$1.603m for the year ended 30th June 2009 which represents an increase of 24% on the previous year.

The reported result however was adversely impacted by downward property revaluations, development costs and legal expenses for the year of \$3.649m after tax. This resulted in a net loss after tax of \$1.329m.

The property revaluations, which are required under accounting standards, resulted in a write down of \$2.820m.

The objective of achieving a satisfactory return on shareholders' funds is being worked on proactively.

The Queensland property sale is not yet finalised. The property sale agreement is subject to a due diligence period which has recently elapsed but the party remains interested and other interested parties have also recently come to the fore.

The current offer is for \$7.75m, which is consistent with recent independent valuations. The proceeds from the sale would largely be used to retire debt. The sale further underpins our financial security as well as providing the prospect of taking advantage of any emerging opportunities. The Group still retains its valuable West Sydney Moorebank site of 4.2 hectares (nearly 10 acres), which continues to attract complimentary interest from unsolicited purchasers.

Joyce Corporation's core business Bedshed Franchising Pty Ltd has continued to develop and grow. During the year Bedshed added 5 new stores to the network bringing the overall total to 46 stores. Bedshed's combination of franchised and company owned stores is developing in line with strategic plans. Bedshed's involvement in the day to day operation of the company owned and operated stores provides an overall experience for the company which can only enhance its aptitude and capabilities as a franchisor.

The Company has had some legal disputes with our franchisees but we are looking to resolve these as proactively as possible.

The Board of Directors would like to acknowledge the commitment and effort of the staff of Joyce and Bedshed. I would also like to acknowledge the Bedshed franchisees and suppliers in supporting the company. Finally, the Board are also to be recognised for their continuing proactive efforts and innovation in the current financial climate.

Our Net tangible assets per share are \$0.69.

## **Outlook**

The company's future exposure to property revaluations, required under current accounting standards, should lessen with the sale of the Queensland property and the brighter prospects for the national economy in general.

I am pleased to advise that a final unfranked dividend of 2 cents per share will be paid on December 11<sup>th</sup>.

Finally, I would like to summarise the Company is in a strong financial position with a substantial offer for the Queensland property. While growth is only slowly beginning to return following the Global Financial Crisis we are confident that the Bedshed retail network is robust enough to perform at the level necessary to provide an appropriate return in a difficult market. Comparatively we are outperforming our competitors.

In closing, I thank all shareholders for their continued support and look forward to a bright and prosperous future.

I would now like to introduce Mr Rob Mahoney, Managing Director of Joyce Corporation Ltd who will provide an overview of Bedshed's performance for the 2009 financial year.

Thank you for your presence and encouragement.

DAN SMETANA  
Chairman

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