

APPENDIX 4D
Results for Announcement to the Market
JOYCE CORPORATION LTD
FOR THE PERIOD ENDED 31 DECEMBER 2004

Name of Entity:	Joyce Corporation Ltd	
1. Details of the current and prior reporting period		
Current Period:	1 July 2004 to 31 December 2004	
Prior Period:	1 July 2003 to 31 December 2003	
2. Results for announcement to the market		
	\$A'000	
2.1 Revenues from ordinary activities	Down 8.9% to	31,390
2.2 Profit (loss) from ordinary activities after tax attributable to members	Up 15.4% to	1,212
2.3 Net profit (loss) for the period attributable to members	Up 15.4% to	1,212
2.4 Dividend distributions	Amount per security	Franked amount per security
A dividend was paid on 1 November 2004	2.5 cents	Nil
PREVIOUS CORRESPONDING PERIOD		
No Dividend paid in the prior year corresponding period	Nil	Nil
2.5 Record date for determining entitlements to the dividend	N/A	
2.6 Explanation of any of the figures in 2.1 to 2.5 that may be required.	N/A	
3. Net tangible asset per security	Prior 0.69	Current 0.80
4. Control Gained or lost over entities during the period		
4.1 Name of entity	N/A	
4.2 The date of the gain or loss of control	N/A	
5. Details of Dividends or Distributions		
Dividend paid 1 November 2004	2.5 cents per share	518k
Dividend paid 27 th February 2004	2.5 cents per share	518k
Dividend paid 2 May 2003	2.5 cents per share	516k

6. Details of dividend reinvestment plan	The Company has a dividend reinvestment plan that is currently suspended. The plan provides that shareholders may elect to receive all or a portion of their dividend entitlements in the form of fully paid shares in the Company, issued at a discount (currently 2.5%) to market price and free of brokerage or any other costs
7. Details of associates and joint venture entities	Bedshed Trust
8. For foreign entities, which set of accounting standards is used in compiling the report	N/A
9. Audit / review of accounts upon which this report is based	This report has been based on a review
10. Accounts not yet audited or reviewed	N/A
11. Qualifications of audit / Review	No Qualifications

JOYCE CORPORATION LTD

ABN 80 009 116 269

And controlled entities

DIRECTOR'S REPORT

The directors of Joyce Corporation Ltd present their report and the consolidated financial statements of the Company for the half-year ended 31 December 2004.

DIRECTORS

The names of directors of Joyce Corporation Ltd during the half-year period and up to the date of this report are D.A. Smetana, J.F. Ries, F.J. van Gogh.

REVIEW OF GROUP OPERATIONS

Joyce Corporation Ltd, Australia's leading supplier of flexible polyurethane foam products, announced a net profit after tax of \$1.212 million for the six months ended 31 December 2004. This is up 15% from the corresponding period last year of \$1.050m. The result was achieved on sales of \$31.3 million (\$34.2m previous year).

The profit result was foreshadowed in the last Annual Report and at the company's Annual General Meeting in October 2004 and reflects the ongoing focus on cost control and efficiency during a period of slower than anticipated sales activity.

Directors observed that the result was in line with expectations for the first half of the year, and that the full year profit is still expected to exceed last year's profit, subject to future increases in raw materials. Raw material costs have recently escalated due to a tightening of supply caused by strong demand in China.

The company has received an offer from Pacific Brands Limited for the foam businesses of Joyce Corporation Ltd conditional upon regulatory approvals, expected to be resolved in early March. Directors and shareholders have accepted this offer.

Net asset backing at 31 December was 80 cents per share, excluding future tax benefits, and approximately 92 cents per share if future tax benefits were included.

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CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE**For the half year ended 31 December 2004**

	Notes	2004	2003
		\$000	\$000
Sales Revenue		31,347	34,241
Cost of Sales		(24,664)	(26,651)
Gross Profit		6,683	7,590
Other revenues from ordinary activities		4	137
Share of net profits of associates and joint venture entities		39	100
Distribution expenses		(1,734)	(2,126)
Administrative expenses		(1,763)	(2,188)
Borrowing costs expense		(564)	(537)
Other expenses from ordinary activities		(1,453)	(1,926)
Profit from ordinary activities before income tax expense		1,212	1,050
Income tax expense relating to ordinary activities		-	-
Net profit from ordinary activities after income tax expense		1,212	1,050
Net profit attributable to outside equity interest		-	-
Net profit attributable to members of the parent company		1,212	1,050
Total changes in equity other than those resulting from transactions with owners as owners		1,212	1,050
Basic earnings per share (cents per share)		5.85	5.07

The Accompanying Notes form part of these financial statements

JOYCE CORPORATION LTD

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2004

	31 December 2004 \$000	30 June 2004 \$000	31 December 2003 \$000
CURRENT ASSETS			
Cash assets	1,463	1,787	1,910
Receivables	7,888	8,249	8,142
Inventories	6,040	4,930	5,659
TOTAL CURRENT ASSETS	15,391	14,966	15,711
NON CURRENT ASSETS			
Other Financial Assets	1,541	1,548	1,557
Property, Plant & Equipment	21,509	22,275	22,934
Deferred Tax Assets **	1,467	1,467	1,467
TOTAL NON CURRENT ASSETS	24,517	25,290	25,958
TOTAL ASSETS	39,908	40,256	41,669
CURRENT LIABILITIES			
Payables	8,306	8,366	9,540
Interest Bearing Liabilities	177	444	933
Provisions	1,627	2,455	2,450
TOTAL CURRENT LIABILITIES	10,110	11,265	12,923
NON CURRENT LIABILITIES			
Payables	-	261	-
Interest Bearing Liabilities	12,033	12,095	12,029
Provisions	1,210	1,301	2,171
TOTAL NON CURRENT LIABILITIES	13,243	13,657	14,200
TOTAL LIABILITIES	23,353	24,922	27,123
NET ASSETS	16,555	15,334	14,546
EQUITY			
Contributed Equity	16,045	16,036	16,027
Reserves	1,309	1,309	1,309
Retained Profits/(accumulated Losses)	(799)	(2,011)	(2,790)
Equity Attributable to Members of the Parent Company	16,555	15,334	14,546
TOTAL EQUITY	16,555	15,334	14,546

The Accompanying Notes form part of these financial statements

** The Company has a future income tax benefit of approximately \$2.43 million relating to tax losses at 31 December 2004. If the future income tax benefit were brought to account Total equity would be increased to approximately \$18.9 million.

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CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2004

	2004	2003
	\$000	\$000
Cash flow from Operating activities		
Receipts from customers	34,278	38,160
Payments to suppliers and employees	(33,166)	(37,524)
Interest Received	2	5
Distribution from unit trust & dividend income	98	100
Interest and other cost of finance paid	(566)	(537)
Other income / (payments)	1,036	1,172
Income tax refunded (paid)	-	-
Net Cash Provided by (Used in) operating activities	<u>1,682</u>	<u>1,376</u>
Cash flow from Investing activities		
Payment for purchases of property, plant and equipment	(436)	(937)
Proceeds from sale of property, plant and equipment	5	21
Proceeds from sale of investments	-	-
Loans from / (to) related entities	-	-
Net Cash Provided by (Used in) Investing activities	<u>(431)</u>	<u>(916)</u>
Cash flow from Financing activities		
Proceeds from issue of shares or options	-	-
Proceeds from borrowings	-	-
Repayment of Borrowings	(1,067)	(350)
Dividends paid in cash	(508)	-
Other	-	-
Net Cash used in Financing activities	<u>(1,575)</u>	<u>(350)</u>
Net Increase (decrease) in cash	(324)	110
Cash at beginning of the year	1,787	1,800
Cash at end of year	<u>1,463</u>	<u>1,910</u>

The Accompanying Notes form part of these financial statements

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION OF THE HALF YEAR FINANCIAL REPORT

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 1029: Interim Financial Reporting, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2004 and any public announcements made by Joyce Corporation Ltd during the half year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the consolidated entity and are consistent with those applied in the 30 June 2004 annual report.

The half-year report does not include full disclosures of the type normally included in the annual financial report.

2. INCOME TAX

The Group adopts the liability method of tax-effect accounting. The Group has not provided for any income tax at 31 December 2004 as there are substantial tax losses to offset any taxable income assessed on the activities of the respective taxable entities.

The company has FITB of approximately \$2.4 million relating to tax losses of approximately \$8.1 million carried forward at balance date.

The tax benefits of approximately \$742,036 relating to the capital losses of \$2,473,453 have also not been recognised. These benefits are likely to be available for set off only against future capital gains.

3. SIGNIFICANT REVENUES AND EXPENSES

There have been no significant revenue or expense items during the reporting period.

4. EVENTS SUBSEQUENT TO REPORTING DATE

There have been no significant events subsequent to the reporting date other than:

- Loan of \$6.6 million owing to Challenger Financial services was repaid with additional financing from GE Capital. The GE Capital financing was due to expire in December 2004 but has been extended until April 2005. An offer to extend the GE Capital financing for a further 3 years has been received but due to the proposed sale to Pacific Brands the offer has not yet been accepted. The interest bearing loans have been treated as non current as they will not be repaid and will be extended unless the proposed sale to Pacific Brands is ratified.

5. PROPOSED SALE OF THE FOAM BUSINESS TO PACIFIC BRANDS

As set out in the ASX statement made by Joyce on 20 December 2004, Joyce has entered into an agreement to sell its Foam Businesses to Pacific Brands.

Subject to the outcome of environmental due diligence, Pacific Brands will acquire the Foam Businesses, together with the Owned sites for approximately \$32.5 million. If, as a result of the environmental due diligence, Pacific Brands does not acquire all of the Owned sites, Joyce will receive approximately \$32.5 million less the book value of the Owned sites which are not acquired and Pacific Brands will lease the sites not acquired. Pacific Brands must purchase the owned sites providing any environmental remediation does not exceed the following:

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Moorebank	\$500k
Strathpine	\$280k
Elizabeth	\$100k

The cost of any remediation is the responsibility of Joyce Corporation Ltd.

Among other things, the proposed sale is conditional upon:

- The receipt by Pacific Brands of a “no action” letter from the ACCC in respect of the proposed sale (the decision from the ACCC is expected on or around March 2).

Upon completion of the proposed sale, the Board plans on a return of capital of 22.5 cents per share payable in April/May this year. Joyce will continue to operate as a public company.

6. ENVIRONMENTAL

As part of the regular environmental testing of Joyce owned sites, a low level contamination of the groundwater has been found on the Moorebank site. Further investigation is required to find the extent of the problem. Extensive testing is being carried out during February on all sites operated by Joyce Corporation Ltd.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

7. SEGMENT INFORMATION

Business Segment Summary

	Foam		Polystyrene Industries		Total	
	Dec 2004 \$'000	Dec 2003 \$'000	Dec 2004 \$'000	Dec 2003 \$'000	Dec 2004 \$'000	Dec 2003 \$'000
Total Segment Revenue	29,538	32,588	1,809	1,653	31,347	34,241
Segment Result	941	770	271	280	1,212	1,050
Assets	36,875	40,175	1,492	1,524	38,367	41,699
Liabilities	23,182	26,924	169	199	23,351	27,123
Others						
Investments accounted for using the equity method	1,541	1,595	-	-	1,541	1,595
Depreciation and amortization of segment assets	1,079	817	107	117	1,186	934

8. ROUNDING OF AMOUNTS TO NEAREST THOUSAND DOLLARS

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 in accordance with that Class Order, amounts in the Financial Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

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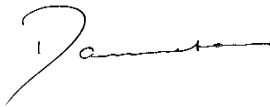
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DIRECTORS DECLARATION

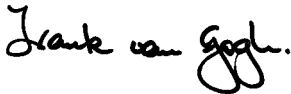
The directors of the company declare that

1. The Financial Statements and notes, as set out on pages 2 to 7:
 - (a) comply with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2004 and its performance for the half year ended on that date.
2. In the Directors opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:



D A SMETANA
Director



F J van GOGH
Director

Dated this 23rd day of February 2005.

**INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF JOYCE CORPORATION LTD**

MATTERS RELATING TO THE ELECTRONIC PRESENTATION OF THE AUDITED FINANCIAL REPORT

This review report relates to the financial report of Joyce Corporation Ltd for the half year ended 31 December 2004 included on the Joyce Corporation Ltd web site. The Directors are responsible for the integrity of the Joyce Corporation Ltd web site. We have not been engaged to report on the integrity of the Joyce Corporation Ltd web site. The review report refers only to the statements named below. It does not provide an opinion on any other information, which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

SCOPE

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Joyce Corporation Ltd (the company) and the consolidated entity, for the half-year ended 31 December 2004. The consolidated entity comprises both the company and the entities it controlled during that half-year.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company and the consolidated entity, and that complies with Accounting Standard AASB 1029 "Interim Financial Reporting", in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review of the financial report in order to make a statement about it to the members of the company, and in order for the company to lodge the financial report with the Australian Stock Exchange and the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing Standards applicable to review engagements, in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with the *Corporations Act 2001*, Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia, so as to present a view which is consistent with our understanding of the company's and the consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

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A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

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We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

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Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the financial report of Joyce Corporation Ltd is not in accordance with:

(a) the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the financial position of Joyce Corporation Ltd and the consolidated entity at 31 December 2004 and of their performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the *Corporations Regulations 2001*; and

(b) other mandatory financial reporting requirements in Australia.

Hall Chadwick

[Handwritten Signature]

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DATED at PERTH this 23 day of January 2005