

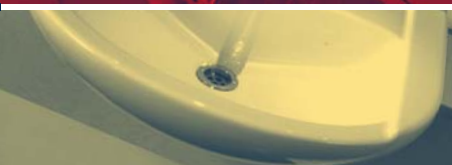


Australia Limited

ACN 004 313 133



Mr Leslie Thomas Wilson - 1909 - 2001



2000 - 2001

HALF
YEARLY
REPORT

Shareholder information



HALF YEAR HIGHLIGHTS

Dear Shareholder

The Board has declared an interim dividend of 25 cents per share following a difficult six months to 31 December 2000 in which sales declined by 7.5% and net earnings declined by 25.2%.

This result follows an outstanding previous financial year which benefited from the pull-forward of demand caused by the introduction of the GST on 1 July 2000. The widespread downturn in the building industry has impacted on the entire group although recent interest rate movement should provide a much needed stimulus.

A summary of the financial results is contained in this report.

At the end of the reporting period the group was operating from 178 outlets nationally which is up from 153 outlets at the same time last year. In accordance with the Board's direction, the group will continue to expand into new geographic locations within Australia as and when opportunities arise.

The Board believes the group is well positioned to enjoy further growth as the economic climate and building industry improves over time. The strong commitment which was exhibited by Reece management and staff during the buoyant and hectic trading of the previous financial year has again been displayed in much tougher trading conditions although not reflected in the result. The Board wishes to commend them for their continuing efforts.

It is with sadness the Board announces the passing of Mr Leslie Thomas Wilson on February 27, 2001. Mr Wilson's retirement as Chairman and from the Board had previously been confirmed to the market, effective 10 January 2001. Mr Wilson's involvement with Reece started as a supplier of rainwater goods in 1935. In 1958 he became Non-Executive Director and in 1969, at the age of 60, he became Chairman. At that time Reece had two stores in its network. Mr Wilson chaired Reece through the next thirty-one years. During this time Mr Wilson made an outstanding contribution and performed his role with astuteness, commonsense and humility. His counsel will be missed.

L. Alan Wilson
Managing Director

Summary of Financial Results to 31 December 2000

Profit and loss for six months to 31 December 2000

	2000 \$A'000	1999 \$A'000
Total Revenue	262,497	283,854
Operating profit before tax	19,515	26,783
Less Tax	7,041	10,103
Operating profit after tax	12,474	16,680

Balance Sheet as at 31 December 2000

	2000 \$A'000	1999 \$A'000
Current Assets		
Cash	30,480	21,582
Investments	-	22,340
Receivables	85,466	85,661
Inventories	71,884	65,740
Total Current Assets	187,830	195,323
Non-Current Assets		
Property, plant and equipment	80,302	69,023
Intangibles	700	1,023
Other	5,872	4,778
Total Non-Current Assets	86,874	74,824
Total Assets	274,704	270,147
Current Liabilities		
Accounts payable	83,982	85,609
Provisions	19,062	30,352
Other	-	2,279
Total Current Liabilities	103,044	118,240
Non-Current Liabilities		
Provisions	3,920	3,810
Total Non-Current Liabilities	3,920	3,810
Total Liabilities	106,964	122,050
Net Assets	167,740	148,097
Shareholders' Equity		
Share capital	9,960	9,960
Reserves	1,743	1,336
Retained profits	156,037	136,801
Total Shareholders' Equity	167,740	148,097

A decorative background image showing a row of various plumbing fixtures, including faucets and showerheads, in a metallic finish, set against a dark background.

Shareholder Inquiries

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