



↗ 2001
2002
half yearly report

SHAREHOLDER INFORMATION
REECE AUSTRALIA LIMITED - ABN 49 004 313 133



Half Year Highlights Dear Shareholder

The Board has declared an interim dividend of 30 cents per share following a pleasing six months to 31 December 2001 in which sales increased by 17.4% and net earnings increased by 40.0%.

The Board has also resolved that subject to shareholders approval at an Extraordinary General Meeting to be held on 7 May 2002, each existing fully paid ordinary share in the capital of the Company be converted into five (5) fully paid ordinary shares. The share split is intended to enhance the trading liquidity of the Company's shares.

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

At the end of the reporting period the group was operating from 186 outlets nationally which is up from 178 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 strength of the building market at present and the growing network of Reece outlets have been strong factors in the group's increased earnings. Such a result could not be achieved without strong commitment from Reece management and staff. The Board wishes to commend them for their continuing efforts.

L. Alan Wilson
Chairman & CEO

Summary of Financial Results to 31 December 2001

Statement of financial performance for six months to 31 December 2001

| | 2001 \$A'000 | 2000 \$A'000 |
|-----------------------------|-----------------|-----------------|
| Total Revenue | 308,277 | 262,497 |
| Operating profit before tax | 25,646 | 19,515 |
| Less Tax | 8,180 | 7,041 |
| Operating profit after tax | 17,466 | 12,474 |

Statement of financial position as at 31 December 2001

| | 2001 \$A'000 | 2000 \$A'000 |
|-----------------------------|-----------------|-----------------|
| Current Assets | | |
| Cash | 38,917 | 30,480 |
| Receivables | 93,231 | 85,466 |
| Inventories | 90,510 | 71,884 |
| Total Current Assets | 222,658 | 187,830 |

Non-Current Assets

| | | |
|---------------------------------|----------------|----------------|
| Property, plant and equipment | 86,907 | 80,302 |
| Intangibles | 743 | 700 |
| Other | 5,713 | 5,872 |
| Total Non-Current Assets | 93,363 | 86,874 |
| Total Assets | 316,021 | 274,704 |

Current Liabilities

| | | |
|----------------------------------|----------------|----------------|
| Accounts payable | 101,616 | 83,982 |
| Provisions | 17,447 | 16,173 |
| Other | 2,009 | - |
| Total Current Liabilities | 121,072 | 100,155 |

Non-Current Liabilities

| | | |
|--------------------------------------|----------------|----------------|
| Provisions | 6,347 | 6,809 |
| Total Non-Current Liabilities | 6,347 | 6,809 |
| Total Liabilities | 127,419 | 106,964 |
| Net Assets | 188,602 | 167,740 |

Shareholders' Equity

| | | |
|-----------------------------------|----------------|----------------|
| Share capital | 9,960 | 9,960 |
| Reserves | 1,743 | 1,743 |
| Retained profits | 176,899 | 156,037 |
| Total Shareholders' Equity | 188,602 | 167,740 |

Shareholder Inquiries

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