



2002-2003
Half Yearly Report

half year highlights dear shareholder

The Board has declared an interim dividend of 7.5 cents per share following a solid six months to 31 December 2002 in which sales increased by 20.6% and net earnings increased by 30.8%.

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

The continuing buoyant housing and renovation markets contributed to the growth in earnings recorded by the group. The Board expects similar trading conditions throughout the remainder of this financial year but remains cautious about the 2004 financial year with the slowdown in housing activity expected in that period.

At the end of the reporting period the group was operating from 186 sites nationally which is up from 174 sites 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.

On 16 November 2002 our Caulfield store, the first in the Reece network, was destroyed by fire. Reece had been trading from this location since 1920 and we were saddened to lose this piece of our company history. Pleasingly, a temporary site in the area was secured, fitted out and commenced operating from the beginning of December. We are currently rebuilding on the original Caulfield site and plan to open towards the end of this financial year.

The Board is very pleased to announce the appointment of Mr Ronald George Pitcher as a non-executive Director of Reece Australia Limited and all subsidiary companies, effective 6 January 2003. Mr Pitcher is a chartered accountant and business consultant with over 45 years experience in the accounting profession and in the provision of business advisory services. He is also a Director of National Can Industries Limited, Capral Aluminium Limited and Cellestis Limited.

Finally, the Board would like to acknowledge the contribution made by Reece management and staff to the continuing success of the business.

L. Alan Wilson
Chairman & C.E.O

Summary of Financial Results to 31 December 2002

Statement of financial performance for six months to 31 December 2002

	2002 \$A'000	2001 \$A'000
Total Revenue	371,559	308,277
Operating profit before tax	33,334	25,646
Less Tax	10,495	8,180
Operating profit after tax	22,839	17,466

Statement of financial position as at 31 December 2002

	2002 \$A'000	2001 \$A'000
Current Assets		
Cash	47,484	38,917
Receivables	107,698	93,231
Inventories	108,211	90,510
Total Current Assets	263,393	222,658
Non-Current Assets		
Property, plant and equipment	97,020	86,907
Intangibles	566	743
Other	6,180	5,713
Total Non-Current Assets	103,766	93,363
Total Assets	367,159	316,021
Current Liabilities		
Accounts payable	120,656	101,616
Provisions	21,245	17,447
Other	947	2,009
Total Current Liabilities	142,848	121,072
Non-Current Liabilities		
Provisions	6,302	6,347
Total Non-Current Liabilities	6,302	6,347
Total Liabilities	149,150	127,419
Net Assets	218,009	188,602
Shareholders' Equity		
Share capital	9,960	9,960
Reserves	1,743	1,743
Retained profits	206,306	176,899
Total Shareholders' Equity	218,009	188,602

Shareholder Inquiries

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