

23 October 2008

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ASX ANNOUNCEMENT

Reece Australia Limited announces total sales for the three months ended 30 September 2008 are 9% ahead of the same period last year.

In accordance with the Company's strategic program to increase market presence, there have been thirty (30) new store openings during the current year to date and the Company expects to exceed its previous advice for new store openings for F2009. This is a record rate of store growth for the Company with over eighty (80) new stores having opened in the past eighteen months. This rate of store growth is putting the Company's cost structures under some pressure whilst prevailing economic conditions and the softening Australian building market are impacting the rate of sales growth.

As a consequence, the earnings for the first quarter are in the order of 6% below the same period last year.

There is no doubt we are operating in very challenging times however Reece is particularly well placed to weather the storm. We have an exceptionally strong balance sheet, a growing network and a market leading service offering which will ensure we continue to take full advantage of market opportunities.



L Alan Wilson
Executive Chairman