

04

SHAREHOLDER  
INFORMATION

05



REECE AUSTRALIA LIMITED  
ABN 49 004 313 133



# half year highlights

Dear Shareholder

The Company enjoyed a good six months to 31 December 2004 with better sales and profit than for the same period last year. Each division of the Company (Plumbing & Bathroom, HVAC, Industrial, Irrigation and Commercial Projects) improved its performance. Revenues for the half year increased by 17.6% to \$503.5M and net profit after tax for the half year increased by 29.8% to \$35.0M.

As a consequence, the Board has announced a fully franked interim dividend of 12 cents per share.

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

The strong results can be attributed in part to a housing and renovation market that remained reasonably buoyant and the absence of any significant interest rate increases. These external factors are likely to continue to impact on the Company's performance for the remainder of the year. However the building market has shown signs of softening with an easing of new housing starts and interest rate uncertainty. Due to the unpredictability of these factors the Board is reluctant to forecast any future growth rates.

The Company continued to grow its network, adding 10 new locations during the half year. The Company now has a total of 225 trading locations throughout Australia. There were no acquisitions during the period.

Looking forward, the Company will continue to focus on the principles and initiatives that have contributed to its strong performance to date. These include:

- > Commitment to its continuous improvement program
- > Staff training and development
- > Effective marketing activity
- > Improved customer service
- > Strong management and leadership
- > Effective teamwork
- > Efficient and reliable technology

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

**L. Alan Wilson**

Chairman & C.E.O

# summary of financial results to 31 december 2004

	2004 \$A'000	2003 \$A'000
Total Revenue	<b>503,554</b>	428,355
Profit before tax	<b>50,434</b>	39,178
Less Tax	<b>15,401</b>	12,178
<b>Net profit after tax</b>	<b>35,033</b>	27,000
	2004 \$A'000	2003 \$A'000
<b>Current Assets</b>		
Cash assets	<b>46,001</b>	40,731
Receivables	<b>141,690</b>	119,768
Inventories	<b>146,806</b>	128,614
<b>Total Current Assets</b>	<b>334,497</b>	289,113
<b>Non-Current Assets</b>		
Property, plant and equipment	<b>128,749</b>	113,880
Intangible assets	<b>3</b>	440
Deferred tax asset	<b>8,558</b>	7,399
<b>Total Non-Current Assets</b>	<b>137,310</b>	121,719
<b>Total Assets</b>	<b>471,807</b>	410,832
<b>Current Liabilities</b>		
Payables	<b>146,342</b>	129,837
Current tax liability	<b>8,821</b>	6,333
Provisions	<b>9,531</b>	8,584
Other	<b>1,668</b>	2,728
<b>Total Current Liabilities</b>	<b>166,362</b>	147,482
<b>Non-Current Liabilities</b>		
Provisions	<b>8,310</b>	7,886
<b>Total Non-Current Liabilities</b>	<b>8,310</b>	7,886
<b>Total Liabilities</b>	<b>174,672</b>	155,368
<b>Net Assets</b>	<b>297,135</b>	255,464
<b>Equity</b>		
Contributed Equity	<b>9,960</b>	9,960
Reserves	<b>3,003</b>	2,508
Retained Profits	<b>284,172</b>	242,996
<b>Total Equity</b>	<b>297,135</b>	255,464

For full half yearly reports and announcements, please see the Investors section of the Reece website: [www.reece.com.au](http://www.reece.com.au)



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