



26 October 2006

The Manager  
Company Announcements Office  
Australian Stock Exchange Limited

Reece Australia Limited  
ABN 40 004 312 133

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Dear Sir

### **Annual General Meeting 26 October 2006**

The annual General Meeting of the shareholders of Reece Australia Limited was held in Burwood, Melbourne today.

A copy of the Chairman's address to shareholders is attached.

The resolutions as set out in the Notice of Meeting dated 31 August 2006 were passed by the required majority on a show of hands and resulted in:

1. Mr BWC Wilson re-elected as a director of the Company
2. Mr RG Pitcher re-elected as a director of the Company.
3. The adoption of the Remuneration Report for the financial year ended 30 June 2006.
4. The amendment of clause 166 of the Company's constitution.

A summary of the voting results including proxy voting is attached.

Yours faithfully

**NEIL CATHIE  
COMPANY SECRETARY**

Encls

**Reece Australia Limited**  
**AGM 26 October 2006**  
**Voting Summary**

	<b>Resolution #1</b>	<b>Resolution #2</b>	<b>Resolution #3</b>	<b>Resolution #4</b>
	Re-election of director BWC Wilson	Re-election of director RG Pitcher	Adoption of Remuneration Report	Amendment Clause 166 of Constitution
Type:	Ordinary	Ordinary	Ordinary	Special
Carried by:	Show of hands	Show of hands	Show of hands	Show of hands
Proxies:				
For	90,840,862	90,825,362	90,393,629	90,788,087
% of Voting Capital	91.20%	91.19%	90.75%	91.15%
Against	NIL	15,500	399,813	1,450
% of Voting Capital	0%	.02%	.40%	-
Abstain	NIL	NIL	48,600	51,325
% of Voting Capital	0%	0%	.05%	.05%
Undirected	31,772	31,772	30,592	31,772
% of Voting Capital	.03%	.03%	.03%	.03%
Total	90,872,634	90,872,634	90,872,634	90,872,634
% of Voting Capital	91.24%	91.24%	91.24%	91.24%

**Reece Australia Limited**  
**AGM 26 October 2006**  
**Chairman & CEO Address**

I am pleased to report that Reece Australia Limited earned a net profit after tax of \$86.8m for the year ended 30 June 2006 which was a 14.6% increase over the previous year. Sales revenue for the year ended 30 June 2006 increased by 10.3% to \$1,113,427,064..

During the year ended 30 June 2006 the Company commenced trading from 30 new locations throughout Australia bringing the total trading locations to 267. This translates to a network of 308 outlets throughout Australia with a number of locations having multiple businesses operating from the same site. The Company's policy of green fielding additions to the Reece network will continue in 2007 and the Board expects new store openings to be equivalent to the average level of openings over the last three years. The funding for this growth is from internally generated cash. Business acquisitions will be considered if and when opportunities arise.

In addition, on 31 March 2006 the Company commenced trading from two locations in Auckland, New Zealand, following acquisition of the assets and business of L G Carder Limited, a long established and respected operator servicing the Auckland market. The Company plans to build a viable network over the longer term by green fielding additions or through acquisition if and when opportunities arise.

The growth of the Reece network in 2006 is unprecedented in the Company's history and is providing great employment opportunities to a large number of people across Australia and now in New Zealand.

Throughout the year the Company maintained its strong focus on Occupational Health and Safety with the implementation of a number of initiatives including a focus on manual handling which accounts for approximately 70% of all compensable injuries.

To meet its commitment of supplying quality products the Company has invested in the establishment of an in-house test facility to ensure its imported product meets the required standards.

The Company has continued to grow its property portfolio with selective acquisitions and developments during the year. This practice will continue as opportunities present. This approach to property ownership has in no way impeded the rapid store expansion programme.

The declared final dividend of 30 cents per share fully franked will be paid today. Dividends paid relating to the year ended 30 June 2006 totalled 44 cents per share compared to 38 cents per share in 2005, which is a 15.8% increase.

Looking ahead, the Board anticipates continued but moderate growth, however is reluctant to forecast growth rates at a time of renewed interest rate uncertainty, subdued building activity in some areas and the continuing upward pressure on business costs. Key challenges in 2007 will continue to revolve around people.

And now, just a comment on how we are trading so far in the 2007 financial year. Just prior to this meeting we made the following announcement to the Australian Stock Exchange:

*“Reece Australia Limited announces total sales for the three months ended 30 September 2006 are 15% ahead of the same period last year with earnings growth ahead of sales growth. Same store sales, for the three months ended 30 September 2006 are 9% ahead of the same period last year. There were eight (8) new store openings during this period. “*