Reece Australia Limited
AGM Chairman's & CEO Address
30 October 2014

Reece delivered a strong result for the 2014 financial year, which included the acquisition of the Actrol Group, the largest acquisition in the history of Reece.

Sales revenue increased by 15.7% to $1,776m, and Net Profit After Tax was $123M, an increase of 3.3% on the prior year. Both results were a record for the company.

During the year we continued to invest in the core areas of our business including the addition of new sites and the refurbishment of existing branches. As a result of our continued investment into the business our net assets increased by 7.9% to $827M.

Dividends declared out of the 2014 financial year profit amounted to a total of 64 cents per share, 2 cents above the previous year.

I will now pass you over to our CEO Peter Wilson who will take you through our 2014 results and give an indication of the company's performance in the first quarter of F2015.

CEO Peter Wilson to present F2014 results and major activity*:*

Thank you and good afternoon everyone.

FY2014 was a successful year for Reece with record sales and Profitability.

We continued to invest heavily in the business to ensure we achieve our vision.

Customer service remains our number one priority with our aim to be the best by continually improving the service we provide to our customers.

There were many initiatives implemented throughout the year and I will now present a brief summary of the major activity for FY 2014

- Financial Performance
- Customer
- Leadership
- Supply Chain
- Technology
- Branch Network
- Acquisition of Actrol Group

Financial Performance
- Sales up 15.7% to $1.77b
- NPAT up 3.3% to $123m
- Net Assets of $827m

Customer
- Increase in customer engagement
- Maintained high in stock service levels
- Improved Online experience
- Growing our market leading exclusive brands
- Developing an enhanced in-store experience

Leadership
- Increase in staff engagement
- Enhanced communication and feedback tools

Supply Chain
- Maximised capacity of National Distribution Centre
- Signed lease for MDC (Melbourne Distribution Centre)
- Commenced search for Perth DC

Technology
- Improved Online customer experience
- Continued implementation of finance system
- Implemented new HR system
- Launched 3D bathroom planner
- Launched new business intelligence tools
- Digitised and automated administrative processes
- Continued infrastructure & hardware upgrades
- Re-development of POS system

Branch Network
- 480 Outlets
- 15 Outlets opened in FY2014

Actrol Acquisition

- Purchased 100% of the Actrol Group encompassing Actrol Parts and AC Components (trading as Metalflex and Airplus)
- 79 branches
- 5 DC and gas decanting plant
- $280M investment plus working capital
- Leverage Reece's core competencies in trade distribution

Outlook FY2015

To comment on trading so far in the 2015 financial year, just prior to the meeting we made the following announcement to the Australian Stock Exchange:

Reece Australia Limited announces that sales for the first quarter were up 22% on the prior year. Excluding the impact the Actrol Group, sales for the first quarter were up 8% on the prior year.

As a result, the net profit after tax for the six month ending 31 December 2014 is expected to be in excess of 15% above the prior year.