

# REECE

Australia Limited

ACN 004 313 133



Shareholder information and  
***Half-Yearly Report***

REECE



## Half-year highlights

Dear Shareholder

The Board is very pleased to report a significant increase in sales and earnings for the six months to 31 December 1997. A summary of the financial results is contained in this Report.

As previously reported, Reece completed the acquisition of the plumbing supplies businesses of E T Bridgland Pty Limited and Plumbing World Limited, early in 1997. The additions to the Reece branch network, as a result of these acquisitions, was a significant factor in the increase in sales revenue at 31 December 1997 of 43%. The majority of these newly acquired outlets have been rebadged as "Reece", reinforcing and strengthening our position as a national supplier.

The profile of the whole group has continued to increase with the launch of our new and exciting television campaign during the reporting period.

The group is benefiting from the improved synergy that has resulted from the amalgamation of the Bridglunds and Plumbing World operations into the Reece business. The use of improved technology and new systems is continually being evaluated.

As at the end of the reporting period the group was operating from 126 stores nationally.

L. Alan Wilson  
Managing Director

# Summary of Financial Results

## to 31 December 1997

### Profit and loss for six months to 31 December 1997

	1997 \$A'000	1996 \$A'000
Total Revenue	209,537	146,920
Operating profit before tax	11,406	8,734
Less Tax	4,437	3,332
Operating profit after tax	6,969	5,402

### Balance Sheet as at 31 December 1997

	1997 \$A'000	1996 \$A'000
<b>Current Assets</b>		
Cash	13,885	26,391
Receivables	62,789	44,193
Inventories	51,252	36,122
<b>Total Current Assets</b>	<b>127,926</b>	<b>106,706</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	58,327	54,549
Intangibles	1,555	1,095
Other	4,114	3,168
<b>Total Non-Current Assets</b>	<b>63,996</b>	<b>58,812</b>
<b>Total Assets</b>	<b>191,922</b>	<b>165,518</b>
<b>Current Liabilities</b>		
Accounts payable	52,236	39,176
Borrowings	780	571
Provisions	8,758	6,448
<b>Total Current Liabilities</b>	<b>61,774</b>	<b>46,195</b>
<b>Non-Current Liabilities</b>		
Provisions	3,601	2,286
<b>Total Non-Current Liabilities</b>	<b>3,601</b>	<b>2,286</b>
<b>Total Liabilities</b>	<b>65,375</b>	<b>48,481</b>
<b>Net Assets</b>	<b>126,547</b>	<b>117,037</b>
<b>Shareholders Equity</b>		
Share capital	9,960	9,960
Reserves	1,267	1,267
Retained profits	115,320	105,810
<b>Total Shareholders' Equity</b>	<b>126,547</b>	<b>117,037</b>



## **Shareholder Inquiries**

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**REECE**

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