

20 December 2013

Reece Australia Limited

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Reece Australia Limited ('Reece') is pleased to announce the signing of a binding share sale agreement for the purchase of 100% of the shares in Actrol Parts Holding Pty Ltd and its subsidiaries consisting of Actrol Parts and AC Components (trading as Metalflex) (together 'Actrol Group') for an all cash consideration of \$280m. Actrol Group is a specialist industrial wholesale group providing components, units, systems and refrigerant gases to the Australian heating, ventilation, air conditioning and refrigeration ('HVAC-R') industry.

The Actrol Group comprises two operation divisions being:

- Actrol Parts - a leading trade distribution business focussing on commercial refrigeration, air conditioning and allied industries. Actrol Parts has 61 branches around Australia and, has been operating for over 70 years; and
- AC Components - one of Australia's largest air-conditioning componentry and unit wholesalers focussed on residential applications. AC Components has 18 branches around Australia.

The acquisition of these businesses represents a unique and exciting opportunity for Reece to establish a presence in Australia's refrigeration and air conditioning industries.

Reece Chief Executive Officer, Peter Wilson, said, "Actrol Group has strong market positions across the commercial and residential HVAC-R markets and represents a compelling strategic fit with Reece. This acquisition will enable us to grow our wholesale trade business into these attractive markets and diversify our offering to our customers. This opportunity represents a strong fit with Reece's values and vision for growth. I am excited to welcome the Actrol Group to the Reece family."

The transaction is subject to conditions precedent and is expected to be completed on 31 January 2014.

A handwritten signature in black ink, appearing to read "L. Alan Wilson".

L. Alan Wilson
Executive Chairman

A handwritten signature in black ink, appearing to read "Peter J. Wilson".

Peter J. Wilson
Chief Executive Officer

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