

**Reece Australia Limited
AGM Chairman's & CEO Address
28 October 2015**

Sales in FY2015 exceeded \$2.0b for the first time in our history, up 17.4% to \$2.085b. Net profit after tax was \$165.6M, an increase of 34.6% on the prior year. Both results were a record for the company.

Reece has continued to maintain a very strong balance sheet and generate strong cash flow, funding the growth of the business and reducing loans.

Dividends declared in FY 2015 were up 12 cents on the prior year to 76 cents. Reece declared a final dividend of 52 cents fully franked to be paid on the 28th October 2015.

I will now pass you over to our CEO Peter Wilson who will take you through our 2015 results and give an indication of the company's performance in the first quarter of F2016.

Thank you and good afternoon everyone

FY15 was a great year for the Reece Group. We produced another record result and completed the integration of Actrol & Metallflex into the Reece Group. We continue to invest heavily in the core business to ensure we maintain our competitive advantage and deliver on 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.

A brief summary of the major activity for FY 2015

Financial Performance

Customer

Leadership

Supply Chain

Technology

Branch Network

Financial Performance

- Sales up 17.4% to \$2.085b
- EBIT up 25.4% to \$237m
- EBIT to sales up 73bpts to 11.4%
- NPAT up 34.6% to \$166m
- Net Assets up 12.0% \$926m

Customer

- Strong Customer NPS
- High in-stock service position
- Improved on-line experience
- Enhanced in-store experience
- Growth of market leading exclusive brands
- Reece Roadshow
- New innovative products

Leadership

- Significant increase in Staff Engagement
- Released new version of company intranet
- Enhanced staff development programs
- Future leaders of Reece
- Ongoing commitment to OH&S

Supply Chain

- New Melbourne Distribution Centre
- New Perth Distribution Centre in development
- Restructured functions and roles to get greater alignment

Technology

- System enhancements
- Online enhancements
- Actrol & Metalflex Integration

Branch Network

- 571 Outlets
- 14 Outlets opened in FY2015

Outlook F2016

To comment on trading so far in the 2016 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 \$571m up 9% on the prior year, as a result net profit after tax as at 31st December 2015 is expected to be in excess of 15% above the prior year.”