Reliance Worldwide Corporation Limited
ACN 610 855 877 | ABN 46 610 855 877
Level 54, 525 Collins Street Melbourne Vic 3000
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29 August 2016

Results for announcement to the market

Appendix 4E for the period ended 30 June 2016

Reliance Worldwide Corporation Limited (ASX: RWC) ("Company") announces the following audited financial results for the Company and its controlled entities (together "Reliance") for the statutory reporting period ended 30 June 2016. The results cover the Statutory Period[1] from the date of the Company's incorporation on 19 February 2016 to 30 June 2016. No prior period comparative information is applicable.

Reliance is a leader in the design, manufacture and supply of water flow and control products and solutions for use in "behind the wall" plumbing. The Company issued a prospectus for an initial public offering of shares dated 18 April 2016 ("Prospectus") and its shares were listed on the ASX on 29 April 2016.

Extracted from the 30 June 2016 audited Financial Report	**Statutory Period ended 30 June 2016[1]** $A'000
Revenue from ordinary activities	98,290
Net profit (loss) from ordinary activities after tax attributable to members	(1,598)
Net profit (loss) after tax attributable to members	(1,598)

EBITDA for the statutory reporting period was $5.2 million and EBIT was $1.8 million. These results are after significant items, being costs mainly associated with the capital raising and listing on the ASX of which $12.1 million have been expensed. EBITDA for the period prior to significant items was $17.3 million (Prospectus forecast - $15.2 million) and EBIT prior to significant items was $13.9 million (Prospectus forecast - $12.0 million).

The pro forma EBITDA before significant items of the Reliance operating business for the 12 months ended 30 June 2016 was $99.1 million (Prospectus forecast - $97.8 million) and the pro forma EBIT before significant items was $82.7 million (Prospectus forecast - $80.6 million).

Please refer to the accompanying 30 June 2016 Financial Report, Results Announcement and presentation slides released today for further information.

1 Statutory Period means the period from incorporation of the Company on 19 February 2016 to 30 June 2016 with Australian trading operations consolidated from 6 April 2016 and non-Australian trading operations consolidated from 3 May 2016.

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Dividends for the period ended 30 June 2016
No final dividend has been declared or proposed consistent with the intention stated in the IPO Prospectus. No interim dividend was declared or paid.

Net Tangible Assets per Share
Net tangible assets per share at 30 June 2016 were $0.23.

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The remainder of the information requiring disclosure to comply with Listing Rule 4.3A is contained in the 30 June 2016 Financial Report, Results Announcement and presentation slides released today. These documents should be read in conjunction with each other document.

For further information, please contact:

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Reliance Worldwide Corporation Limited
ABN 46 610 855 877

Financial Report

30 June 2016

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Directors' Report for the period ended 30 June 2016

The Directors present their report together with the Financial Report comprising Reliance Worldwide Corporation Limited ("**the Company**" or "**Reliance**") and its controlled entities (together "**the Group**") for the financial period ended 30 June 2016 and the Auditor's report thereon. The Company was incorporated on 19 February 2016.

Directors

The Directors of the Company at any time during or since the end of the reporting period were:

Current Directors	Appointed
Jonathan Munz (Chairman)	19 February 2016
Heath Sharp (CEO and Managing Director)	19 February 2016
Russell Chenu	11 April 2016
Stuart Crosby	11 April 2016
Ross Dobinson	11 April 2016

Dale Hudson served as a Director from 19 February 2016 until 11 April 2016.

Details of the experience and qualifications of Directors in office at the date of this report are:

Jonathan Munz

Non-Executive Chairman
Member of Audit and Risk Committee
Member of Nomination and Remuneration Committee

Mr. Munz has had an involvement with Reliance for almost 30 years, dating back to the acquisition of the original Australian business Reliance Manufacturing Company by his family in 1986. Mr. Munz has strongly supported Reliance's management team and its vision to grow the business from a small Australian company to a substantial international business. This includes strategic initiatives, such as Reliance's highly successful entry into the USA market in the early 2000s as well as the ongoing success of its SharkBite brand and products.

Mr. Munz's strong commercial and legal background has also enabled him to play a leading role in the various bolt-on acquisitions that have been completed by Reliance over the years, including its recent entry into the continental European market. He holds law and economics degrees from Monash University and remains a director of his family corporation, GSA Group, which retains a large investment in Reliance.

Other listed company directorships in the past 3 years: None

Heath Sharp

Chief Executive Officer and Managing Director

Mr. Sharp joined Reliance in 1990 as a Design Engineer in the Brisbane based Product Development team. He has worked in each international division of the business throughout his 26 years with Reliance, holding senior management positions in Engineering, Product Management, Sales and Operations. He was appointed General Manager of the Cash Acme facility in Alabama following its acquisition by Reliance in 2002. He returned to lead the Australian division in late 2004, the largest Reliance operation at the time. Mr Sharp moved back to the USA in 2007 to re-join the US business and steer its rapid growth in Reliance's largest market. Mr. Sharp held the roles of President of the USA business and global Chief Operating Officer prior to his current role as Chief Executive Officer. Mr. Sharp holds a Bachelor of Mechanical Engineering degree from the University of Southern Queensland.

Other listed company directorships in the past 3 years: None

Directors' Report for the period ended 30 June 2016

Russell Chenu
Independent Non-Executive Director
Chairman of Audit and Risk Committee

Mr. Chenu is an experienced corporate and finance executive who has held senior finance and management positions with a number of ASX listed companies. His most recent role was Chief Financial Officer of ASX listed James Hardie Industries plc from 2004 to 2013. He is currently a Director of James Hardie Industries plc, CIMIC Group Limited and Metro Performance Glass Limited.

Mr. Chenu holds a Bachelor of Commerce from the University of Melbourne and an MBA from Macquarie Graduate School of Management, Australia.

Other listed company directorships in the past 3 years:
CIMIC Group Limited (since 11 June 2014)
James Hardie Industries plc (since 15 August 2014)
Metro Performance Glass Limited (since 5 July 2014)

Stuart Crosby
Independent Non-Executive Director
Chairman of Nomination and Remuneration Committee

Mr. Crosby was the Chief Executive Officer and President of Computershare Limited for nearly eight years until June 2014. Mr. Crosby previously held a number of senior executive positions across the Computershare business. These included Head of Strategic Business Development in Europe and Asia, Head of the Asia Pacific region and Chief Operating Officer. Prior to joining Computershare, Mr. Crosby worked for the Australian National Companies and Securities Commission, the Hong Kong Securities and Futures Commission and at the ASX Limited.

Other listed company directorships in the past 3 years:
Computershare Limited (from 16 November 2006 until 30 June 2014).

Ross Dobinson
Independent Non-Executive Director
Member of Audit and Risk Committee
Member of Nomination and Remuneration Committee

Mr. Dobinson has a background in venture capital and investment banking and is currently the Managing Director of TSL Group Ltd. He is a founder, former CEO and current Non-Executive Chairman of ASX listed Acrux Limited. Mr. Dobinson was previously a director of ASX listed companies Starpharma Holdings Limited, Roc Oil Company Limited, a former Chairman of recently ASX listed TPI Enterprises Limited and a former Director of Racing Victoria Limited.

Mr. Dobinson holds a Bachelor of Business (Accounting) from the Queensland University of Technology.

Other listed company directorships in the past 3 years:
Acrux Limited (since 1998)
TPI Enterprises Limited (until 18 June 2015)

Company Secretaries
David Neufeld
Mr. Neufeld has been the Company Secretary since 1 April 2016. He has worked in chartered accounting and corporate organisations for over 30 years and has over 10 years experience as Company Secretary and Chief Financial Officer of ASX listed companies. Mr. Neufeld has extensive experience in financial and management reporting, corporate compliance, governance and risk management, audit and business acquisitions and divestments. He holds a Bachelor of Commerce (Honours) degree from The University of Melbourne and is a member of Chartered Accountants - Australia & New Zealand and The Australian Institute of Company Directors.

Dale Hudson
Mr. Hudson was appointed as Company Secretary on 19 February 2016. He has over 25 years experience working in chartered accounting and corporate organisations. Mr. Hudson has been Group Financial Controller and Company Secretary of GSA Group since 2002. He holds a Bachelor of Commerce degree from The University of Melbourne and is a member of Chartered Accountants - Australia & New Zealand.

Directors' Report for the period ended 30 June 2016

Director Meetings

The number of Board meetings and meetings of Board Committees held and the number of meetings attended by each of the Directors of the Company during the financial period were:

Director	Board Meetings		Audit and Risk Committee Meeting		Nomination and Remuneration Committee Meetings	
	A	**B**	**A**	**B**	**A**	**B**
Russell Chenu	4	4	1	1	n/a	n/a
Stuart Crosby	4	4	n/a	n/a	1	1
Ross Dobinson	4	4	1	1	1	1
Dale Hudson	3	3	n/a	n/a	n/a	n/a
Jonathan Munz	7	7	1	-	1	1
Heath Sharp	7	4	n/a	n/a	n/a	n/a

A - Number of meetings held during the time the Director held office during the period.

B - Number of meetings attended.

n/a – not applicable.

Environmental Regulation and Performance

The Group's manufacturing operations have to date not been significantly affected by environmental laws and regulations. Environmental and social sustainability are core to the Group's operations and important to its strategy. The Group seeks to minimise the impact of its operations on the environment through initiatives such as minimising waste by recycling production materials. The Group's manufacturing operations primarily involve brass forging and machining, PEX extrusion, plastic moulding and product assembly. Historically, the environmental impact of these processes has been minimal and Reliance believes it meets current environmental standards in all material respects.

Principal Activities

The principal activities of the Group are the design, manufacture and supply of high quality, reliable and premium branded water flow and control products and solutions for the plumbing industry.

Significant Changes in the State of Affairs

The Company was formed on 19 February 2016. The Company issued a prospectus dated 18 April 2016 ("**Prospectus"**) and undertook an initial public offering of shares which raised $918.8 million in gross cash proceeds. The Company's ordinary shares listed on the Australian Securities Exchange ("**ASX**") on 29 April 2016. The Company acquired the Reliance operating businesses from GSA Group for $1.4 billion. The acquisition was settled through a combination of cash and an issue of ordinary shares. Completion occurred in stages and finally completed on 3 May 2016.

The Company has also entered into new banking facilities with an aggregate facility limit of $250 million.

Further details are provided in the Operating and Financial Review.

There were no other significant changes in the affairs of the Group during the financial period.

Operating and Financial Review

Results for the Statutory Period.

The Statutory Period is the period from incorporation of the Company on 19 February 2016 to 30 June 2016 with Australian trading operations consolidated from 6 April 2016 and non-Australian trading operations consolidated from 3 May 2016.

The key financial results of the Group for the Statutory Period were:

- Revenue from sale of goods (net) - $98.3 million (Prospectus forecast - $89.0 million);
- Earnings before interest, tax, depreciation and amortisation ("**EBITDA**") - $5.2 million;
- Earnings before interest, tax ("**EBIT**") - $1.8 million
- EBITDA before significant items - $17.3 million (Prospectus forecast - $15.2 million);
- EBIT before significant items - $13.9 million (Prospectus forecast - $12.0 million); and
- Net result after tax – $1.6 million loss (Prospectus forecast - $5.4 million loss).

Pro Forma results

For the 12 months ended 30 June 2016, the unaudited pro forma results of the Group were:

- Revenue from sale of goods (net) - $534.4 million (Prospectus forecast - $534.9 million);
- EBITDA before significant items - $99.1 million (Prospectus forecast - $97.8 million); and
- EBIT before significant items - $82.7 million (Prospectus forecast - $80.6 million).

The review presented below focuses on the results for the 12 months ended 30 June 2016 (unaudited pro forma results).

Pro forma FY2016 net sales of $534.4 million were in line with the Prospectus forecast. This is an increase of 18% over pro forma FY2015 and 7% when measured on a constant currency basis. The constant currency Compound Annual Growth Rate ("**CAGR**") in net sales for the period from FY2006 to FY2016 inclusive was 13%. Sales growth was driven by a strong performance by the Americas operating segment and supported by a lower AUD/USD exchange rate. Sales in the Americas in FY2016 did not benefit from a "freeze event". Retail sales continued to grow strongly in the Americas and Wholesale sales also grew strongly in the Americas, Asia Pacific and EMEA operating segments. The Group's main customers continued to maintain or increase their purchasing.

EBITDA (before significant items) was $99.1 million, an increase of 25% over pro forma FY2015. This strong result reflected growth in net sales, together with solid manufacturing and logistics performance. Production efficiencies and procurement savings based on increasing volumes were and continue to be achieved which adds to margin expansion.

Segment Review

Americas

	Actual Pro forma FY2016 ($m)	**Prospectus Forecast Pro forma FY2016 ($m)**	**Historical Pro forma FY2015 ($m)**
Net sales[1]	365.0	364.0	300.3
EBITDA (before significant items)	58.4	57.1	47.4
EBITDA margin	16.0%	15.7%	15.8%

1. Before elimination of inter-segment sales.

Americas delivered net sales and EBITDA results in line with the Prospectus forecast. Pro forma FY2016 net sales were $365.0 million, an increase of 22% over pro forma FY2015. Pro forma FY2016 EBITDA contribution was $58.4 million, an increase of 23% over pro forma FY2015. The Americas performance has been driven by continued market penetration of SharkBite into the USA and Canada markets together with strong demand in the Retail and Wholesale channels across product lines. We are seeing the benefits of continuing participation in trade shows, promotional campaigns and training programs which create brand and product awareness.

Production of SharkBite PTC fittings commenced at Cullman, Alabama following installation of the first two manufacturing cells. This new production facility delivers increased capacity to the Group and provides additional flexibility to satisfy changes in demand.

Significant progress has been made with the development of the new EvoPEX product designed for the new residential construction market. Testing and trials have been completed and sales will commence during the second half of calendar 2016.

Asia Pacific

	Actual Pro forma FY2016 ($m)	**Prospectus Forecast Pro forma FY2016** ($m)	**Historical Pro forma FY2015** ($m)
Net sales[1]	201.0	200.4	189.9
EBITDA (before significant items)	39.3	39.0	33.4
EBITDA margin	19.6%	19.5%	17.6%

1. Before elimination of inter-segment sales.

Asia Pacific delivered pro forma FY2016 net sales of $201.0 million, an increase of 6% over pro forma FY2015. Pro forma FY2016 EBITDA contribution was $39.3 million, an 18% increase over pro forma FY2015. The result was principally driven by strong sales in piping systems (Auspex and SharkBite). Sales to the OEM channel were impacted by lower demand. Production efficiencies and targeted cost reductions from key suppliers, based on increased product volumes, were achieved.

Production capacity increased with a new electronic forging press being successfully installed and commissioned at our Moorabbin facility.

EMEA

	Actual Pro forma FY2016 ($m)	**Prospectus Forecast Pro forma FY2016** ($m)	**Historical Pro forma FY2015** ($m)
Net sales[1]	51.1	53.7	43.5
EBITDA (before significant items)	3.8	4.1	1.0
EBITDA margin	7.4%	7.6%	2.3%

1. Before elimination of inter-segment sales.

The EMEA segment delivered pro forma FY2016 net sales of $51.1 million, an increase of 17% over pro forma FY2015. Pro forma FY2016 EBITDA was $3.8 million. EMEA's performance was solid for the majority of the year with strong growth in sales to the Wholesale market. However, sales to the Wholesale market slowed during May and June leading up to the outcome of the Brexit vote. OEM sales were flat in comparison with FY2015, reflecting relatively subdued market conditions. EMEA remains Reliance's smallest segment and any impact from changed conditions on total Group results is not expected to be material.

Results were slightly behind the Prospectus forecast as a result of the slowdown in Wholesale market sales in the June quarter and a depreciation of the AUD/GBP exchange rate compared with the forecast in the Prospectus.

Production capacity

Reliance has 11 manufacturing facilities across Australia, New Zealand, the USA and Spain. The program to upgrade manufacturing capabilities is continuing, with a focus on increasing scale and flexibility in manufacturing to support growth as well as continuing investment in automation. We successfully completed the installation and commissioning of two new SharkBite PTC fittings production cells at Cullman, Alabama during the year. As a result of these investments, Reliance now has substantial manufacturing capacity in place to support the continued growth in SharkBite.

The manufacturing and distribution facility in Spain has been recommissioned and is now fully operational. Production of PEXa pipe at the facility in Spain has also commenced, adding further capacity. Sales have commenced with initial shipments to Eastern Europe and production is underway to commence shipping of PEXa products to Australia in the new financial year.

Cash Flow

Pro forma FY2016 Cash flow from Operations was $83.5 million, was ahead of both Prospectus forecast and pro forma FY2015. Active management of inventory, trade debtors and trade creditors delivered favourable working capital in comparison with the Prospectus forecast. Free cash flow conversion reached 84.2% against the Prospectus forecast of 74.2%

Capital expenditure incurred during FY2016 was $30.1 million, comprising $11.0 million of maintenance capital expenditure and $19.1 million of growth capital expenditure, principally related to our manufacturing capacity expansion program. Capital expenditure was slightly lower than Prospectus forecast owing to minor variations in the Cullman expansion.

Balance Sheet
The balance sheet at 30 June 2016 is in a strong position with significant liquidity to fund further growth. Net debt at 30 June 2016 was $127.9 million.

The Company entered into new banking facilities with an aggregate limit of $250.0 million which came into effect on 29 April 2016. The facilities comprise secured cash advance, overdraft and bank guarantee facilities. These facilities have an initial term to 30 September 2019. The Group's United Kingdom business has a borrowing facility of GBP4 million. Borrowing facilities were drawn to $163.6 million at 30 June 2016. Credit metrics at 30 June 2016 were favourable with Net Debt to FY2016 pro forma EBITDA at 1.3 times and FY2016 pro forma EBIT to Net finance costs at 13.1 times.

Revised USA distribution arrangements
The Company announced on 22 August 2016, that it had entered into a Sole Supplier arrangement with Lowe's Companies Inc. ("**Lowe's**"), whereby the SharkBite range of PTC fittings and accessories and related products, including PEX pipe, crimp fittings and clamps, will be the only products sold by Lowe's in those product categories.

Reliance will retain the right to continue to sell those products to other Retail/Big Box distributors, including The Home Depot ("**THD**"), which is a major customer of Reliance. Reliance will also continue to sell those products through its existing wholesale and hardware channels.

There will be a national rollout of Reliance product to the Lowe's 1,700+ stores in the USA, with the rollout commencing in late FY2017 and completing in FY2018.

Reliance's previous two way exclusive agreement with THD in relation to SharkBite PTC fittings and related products has moved to a non-exclusive arrangement covered by THD's standard Supplier Buying Agreement. Reliance regards THD as an important and valued customer and is fully committed to providing it with ongoing support in order to continue to grow THD's sales of SharkBite products. Reliance continues to provide THD with the benefits of the strength of the SharkBite brand, the range and quality of SharkBite product and Reliance's excellent delivery execution and marketing support.

Reliance is confident that these changes will position the SharkBite product range optimally for the long term in the USA market. The PTC product category has excellent growth prospects and this will be aided by SharkBite products being sold and marketed as widely as possible across all sales channels.

Directors' Report for the period ended 30 June 2016

Material Business Risks

Set out in the table below is:

- a summary of specific material business risks which could impact upon Reliance's ability to achieve its business objectives and/or its financial results and position; and
- management plans to mitigate against each risk.

The list is provided in no particular order and is not exhaustive.

Risk	Description	Management plans
Reliance is exposed to changes in general economic conditions, legislation and regulation which may impact activity in Reliance's end-markets.	• Reliance's financial performance is largely dependent on activity in the residential and commercial repair and renovation and new construction end-markets. Activities in these end-markets are impacted by changes in general economic conditions and to legislation and regulation (including plumbing codes). Activities in the repair end-market are also impacted by extreme weather events. • A prolonged downturn in general economic conditions either globally or in any geographic region in which Reliance operates may therefore impact demand for plumbing services in the residential and commercial repair and renovation and new construction end-markets, thereby decreasing demand for Reliance's products and services. • Any such downturn may have a material adverse impact on Reliance's operations and financial results.	• Processes in place to be able to respond to changes in conditions and adjust production, delivery and raw materials purchasing requirements as considered practical in the circumstances.
Loss of customer risk	• There can be no guarantee that key customers will continue to purchase the same or similar quantities of Reliance's products as they have historically. • The loss of any of Reliance's key customers or a significant reduction in the volume of products purchased by one or more key customers may adversely impact Reliance's financial performance.	• Continued focus on customer service. • Investment in technology to provide leading products and remain the supplier of choice. • Continue business expansion and sales activity to diversify the customer base.
Foreign currency risk	• Reliance's results are impacted by exchange rate movements. • Furthermore, as Reliance expands globally, it will be exposed to additional currencies and a higher proportion of its net sales, profitability, cash flows and financial position will be affected by exchange rate movements.	• Reliance does not typically hedge its foreign exchange exposures. • Reliance currently benefits from a partial "natural hedge" against key currency movements as Australia's sales to the US are denominated in USD and the majority of raw materials and components purchased by Australia for use in production for the USA are denominated in USD.

Material Business Risks (continued)

Events affecting manufacturing or delivery capability	• The equipment and management systems necessary for the operation of Reliance's manufacturing facilities may break down, perform poorly, fail, or be impacted by a fire or major weather event (such as a snow storm, tornado, cyclone or flood), resulting in manufacturing delays, increased manufacturing costs or an inability to meet customer demand. • Events could also arise which impact upon Reliance's ability to ship and deliver product from its facilities in a timely manner • Any significant or sustained interruption to Reliance's manufacturing or delivery processes, may adversely impact Reliance's net sales and profitability.	• Manufacturing facilities are at various locations thereby reducing the impact on total production output if an adverse event occurs at another of the sites. • Reliance has established long term machine maintenance support programs with key suppliers. • Reliance carries stores of key maintenance spare parts to support timely R&M. • Reliance has invested in high quality machines and extensive operator training to enable machine/operator substitution in the event of machinery breakdown. • Safety hazard training undertaken and appropriate onsite procedures in place. • Business interruption insurance in place.
Materials supply and price risk	• Any adverse change in Reliance's ability to procure raw materials, a material increase in the cost of raw materials or any increase in indirect production input costs of such raw materials, would result in an increase in Reliance's overall costs, and if Reliance is unable to pass on such cost increases to its customers, could thereby reduce the Company's profitability.	• Reliance aims to have appropriate agreements in place with major suppliers. • Active management of procurement processes. • Continuing program to "dual source" key materials and components to enable price verification and reduce risk of supplier concentration. • Reliance periodically bench marks prices for key material/product supply.
Impact of product recalls or product liability claims	• Reliance is exposed to the risk of product recalls and product liability claims where a defect in a product sold or supplied by Reliance could result in, results in or is alleged to have resulted in, personal injury or property damage.	• Continuing investment in production technology and quality control processes to minimise the risk of product defects. • Reliance maintains rigorous quality assurance accreditation in all of its manufacturing/distribution locations. These quality systems are regularly audited by external third parties. • Appropriate insurance policies.
Key personnel risk	• Reliance's success depends on the continued active participation of its key personnel. • If Reliance were to lose any of its key personnel or if it were unable to employ additional or replacement personnel, its operations and financial results could be adversely affected.	• Reliance seeks to employ high quality personnel who are remunerated by market competitive arrangements. • Historically, Reliance has a good record of retaining key staff.

Acquisition of Reliance operating businesses by way of a restructure

The Company acquired the Reliance operating businesses from GSA Group for $1.4 billion. The acquisition consideration was settled through a combination of cash ($1,038.4 million) and the issue of 157.5 million ordinary shares ($378.0 million in value). The Directors have elected to account for the effect of the acquisition as a common control transaction as permitted by AASB3 - Business Combinations **(“Restructure”)**. This is consistent with the treatment adopted in the Prospectus. In the Directors’ opinion, the continuation of carrying values at the acquisition date is consistent with the accounting which would have occurred if the assets and liabilities had already been in a structure suitable for listing on the ASX and most appropriately reflects the substance of the Restructure. As such, the consolidated financial statements have been presented as a continuation of the accounting values of assets and liabilities existing at the time of completion of the acquisition. The excess of consideration over the net assets acquired of $1.1 billion is recorded as a reserve within the equity section of the Statement of Financial Position.

Dividends

No interim or final dividends for the 2016 financial year have been proposed or declared. This is consistent with the intention stated in the Prospectus.

Events subsequent to reporting date

The Directors are not aware of any matter or circumstance that has occurred since the end of the financial period that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

Likely Developments and Prospects

The Reliance operating business has a track record of growth having achieved net sales growth every year since the 2006 financial year. Various strategies are in place which are designed to drive continued growth and development in the business. These strategies include:

- Increase penetration of product into existing markets, particularly the brass push-to-connect fittings market in the USA;
- The release of new product and enhancements to existing product have been key drivers to Reliance’s growth and success. Reliance expects to continue development of new product and product enhancements to bring innovative solutions to the market;
- Expansion into new construction markets in the USA;
- Reliance believes that expansion into continental Europe represents an attractive opportunity over the next three to five years. Reliance has a presence in the UK and recently established manufacturing and distribution capabilities in Granada, Spain which is being used as a base to serve continental Europe. Opportunities also exist to expand sales distribution channels into South East Asia, South America and Mexico which the Company is evaluating; and
- Reliance has identified, executed and integrated several bolt-on acquisitions in the past twenty years. The Company intends to continue monitoring the plumbing products industry for potential acquisition opportunities. Any potential acquisition will be carefully evaluated against the Company’s business strategy and investment criteria with the objective of only pursuing opportunities which are expected to deliver meaningful benefit to the business and be value accretive for shareholders. Sources of funding for acquisitions will depend on the size and structure of the transaction and may be funded by either cash or equity consideration or a combination of both.

Reliance has a track record of success in the strategies it has previously elected to pursue. Reliance believes there should be strong growth prospects achievable by pursuing some or all of the above strategies. However, Reliance does not warrant that it will execute on any or all of the above listed strategies or that it will be successful in the future with those strategies which it does pursue. There are risks associated with each strategy. Details of some of the material risks which could impact upon the Group’s business activities and financial results are contained in the Operating and Financial Review section.

Share Options

Details of options granted under the Company’s Equity Incentive Plan are set out in the Remuneration Report. No other share options have been granted by the Company at the date of this report.

Directors’ interests

Details of Directors’ interests in the Company’s issued securities are set out in the Remuneration Report.

Remuneration Report

The Remuneration Report for the period ended 30 June 2016 is set out on pages 12 to 19 and forms part of this Directors’ Report.

Directors' Report for the period ended 30 June 2016

Indemnification and Insurance of Officers

The Company's Constitution provides that the Company may indemnify any current or former Director, Secretary or executive officer of the Company or of a subsidiary of the Company out of the property of the Company against every liability incurred by a person in that capacity whether civil or criminal or of an administrative or investigatory nature in which the person becomes involved because of that capacity.

In accordance with the provisions of the Corporations Act 2001, the Company has a Directors' and Officers' Liability policy which covers all past, present or future Directors, Secretaries and executive officers of the Company and its controlled entities. The terms of the policy specifically prohibit disclosure of details of the amount of the insurance cover and the premium paid.

The indemnification and insurances are limited to the extent permitted by law.

Audit and Non-Audit Services

Fees paid or payable by the Group for services provided by the Company's auditor, KPMG, during the period were:

	2016
	$000
Audit services	120
Other services	65
	185

In addition to the above KPMG were engaged by GSA Group to advise on certain aspects of the restructure and IPO. The total amount paid to KPMG for these services during the period was $2.3 million and is included in the capital raising costs incurred.

The Directors' have considered the non-audit services provided during the year by the audit firms and are satisfied that the provision of those non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001, and did not compromise the auditor independence requirements of the Corporations Act 2001, for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor.
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES110 - Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 20 and forms part of the Directors' Report for the period ended 30 June 2016.

Rounding off

In accordance with the Australian Securities and Investments Commission Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 values are rounded to the nearest thousand dollars, unless otherwise stated. Where an amount is $500 or less the amount is rounded to zero, unless otherwise stated.

This report is made in accordance with a resolution of the Directors.

Jonathan Munz	Heath Sharp
Chairman	Chief Executive Officer and Managing Director

Dated at Melbourne this 29th day of August 2016

Remuneration Report for the period ended 30 June 2016

(a) Introduction

The Directors present the Remuneration Report for the Group which covers the period from the Company's listing on the Australian Securities Exchange ("**ASX**") on 29 April 2016 through to 30 June 2016.

This Remuneration Report forms part of the Directors' Report and has been audited in accordance with the Corporations Act.

The Remuneration Report sets out remuneration arrangements for the Key Management Personnel ("**KMP**") of the Group for the reporting period. Under Australian Accounting Standards, the term KMP refers to directors (both non-executive directors and executive directors) and those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

All KMP held their positons for the entire reporting period covered by this report. The KMP for this period were:

Name	Position
Non-Executive Directors	
Jonathan Munz	Non-Executive Director and Chairman
Russell Chenu	Non-Executive Director
Stuart Crosby	Non-Executive Director
Ross Dobinson	Non-Executive Director
Senior Executives	
Heath Sharp	Managing Director and Chief Executive Officer ("**CEO**")
Terry Scott	Group Chief Financial Officer ("**CFO**")

For the remainder of this Remuneration Report, KMP are referred to as either Non–Executive Directors or Senior Executives (being the CEO and CFO).

(b) Remuneration framework and governance

The Board believes that the Company's success depends upon the performance of all employees and that remuneration policies should be structured to deliver positive benefits for employees, the Company and shareholders.

The Nomination and Remuneration Committee is responsible for reviewing and recommending to the Board, the remuneration arrangements for the CEO and Non-Executive Directors and approves the remuneration for the CFO. The Committee also oversees the operation of the Company's Equity Incentive Plan ("**Plan**") and makes recommendations to the Board about whether or not offers are to be made under the Plan.

In discharging its responsibilities, the Nomination and Remuneration Committee must have regard to the following policy objectives:

- remuneration structures are to be equitable and aligned with the long-term interests of the Company and its shareholders and have regard to relevant Company policies;
- attract and retain skilled executives;
- structure short and long term incentives that are challenging and linked to the creation of sustainable shareholder returns; and
- ensure any termination benefits are justified and appropriate.

The Nomination and Remuneration Committee comprises only Non-Executive Directors and is chaired by an independent Director. The Committee's Charter is available on the Company's website at www.rwc.com and further information regarding the Committee is set out in the Corporate Governance Statement.

Remuneration consultants and other advisers

To assist in performing its duties and in making recommendations to the Board, the Nomination and Remuneration Committee from time to time may seek independent advice from remuneration consultants and other advisors on various remuneration related matters. When doing so, the remuneration consultants and other advisors are required to engage directly with the Chairman of the Nomination and Remuneration Committee as the first point of contact.

Review of remuneration strategy in FY2017

During the 2017 financial year, the Nomination and Remuneration Committee intends to have a focus on:

- reviewing the mix of fixed and incentive components applicable to Senior Executive remuneration arrangements and remuneration arrangements of other executives; and
- determining appropriate equity based compensation arrangements with a view to expanding participation by senior executives in the Plan.

(c) Principles used to determine the nature and amount of remuneration

Non-Executive Director remuneration

In order to maintain director independence, the remuneration of Non-Executive Directors is not linked to Company performance and is comprised solely of Directors' fees (including superannuation). In addition, any changes to the maximum aggregate amount available to remunerate Non-Executive Directors must be approved by shareholders.

The Company's remuneration policy for Non-Executive Directors aims to ensure that the Company can attract and retain suitably qualified and experienced Directors having regard to:

- the level of fees paid to non-executive directors of other major Australian companies;
- the size and complexity of the Company's operations; and
- the responsibilities and work requirements of Board members.

Senior Executive remuneration

The Board, through the Nomination and Remuneration Committee, is responsible for designing and reviewing remuneration policies which align the remuneration of executives with the long term interests of shareholders. Remuneration packages for Senior Executives are set to properly reflect a Senior Executive's duties and responsibilities and to be competitive in attracting, retaining and motivating appropriately qualified and experienced people capable of managing the Company's operations and achieving the Company's business objectives. Remuneration arrangements will be regularly reviewed with regard to various factors, including key performance objectives, an appraisal process and relevant comparable information.

Senior Executive remuneration packages comprise fixed remuneration, represented by a base salary and contributions to superannuation funds, where applicable, and may also include cash bonuses awarded at the discretion of the Company and/or 'at risk' long term incentives ("**LTI**").

During the reporting period, the CEO's remuneration mix comprised 80% fixed remuneration and 20% 'at risk' LTI. The percentage of 'at risk' LTI assumes all applicable performance conditions are achieved in full. The CFO's remuneration comprised fixed remuneration only.

Company performance

The following table shows the financial performance of the Group during the reporting period from 19 February 2016 to 30 June 2016. Comparative numbers for the previous four financial years are not shown as the Company has been listed on the ASX only since 29 April 2016.

Key performance indicators for the reporting period	
Sales revenue	$98.3 million
Net profit before tax	$0.8 million
Net loss after tax	($1.6) million
Basic earnings per share	(0.30) cents
Diluted earnings per share	(0.30) cents

The price for the Company's ordinary shares opened at $2.87 upon listing on 29 April 2016. The closing share price at 30 June 2016 was $3.09, an increase of 7.7%. Shares issued under the initial public offering had an issue price of $2.50 so that the closing share price at 30 June 2016 represented a 23.6% premium to that issue price. The Company has not paid or declared any dividends since listing consistent with the intention stated in the Prospectus.

(d) Non-Executive Directors' fees and arrangements

The Board, in accordance with the terms of the Company's Constitution, has determined the remuneration to which each Non- Executive Director is entitled for services as a Director. The total aggregate amount provided to all Non-Executive Directors for their services as Directors in any financial year must not exceed the amount fixed by the Company in a general meeting. This maximum aggregate amount is presently fixed at $1.0 million.

For the initial year following the Company's listing on the ASX, the annual base Non-Executive Directors' fees agreed to be paid by the Company to each Non-Executive Director except the Chairman is $120,000 (including applicable superannuation and committee fees). The fees payable to Non-Executive Directors may be reviewed and amended in subsequent years. Mr. Munz, Non-Executive Chairman, has waived his entitlement to any Non-Executive Director and committee fees for the initial three years following the Company's listing on the ASX.

Any Non–Executive Director who performs extra services, makes any special exertions for the benefit of the Company or who otherwise performs services which, in the opinion of the Board, are outside the scope of the ordinary duties of a Non-Executive Director, may, as determined by the Board, be remunerated for those services out of funds of the Company. No such fees were paid or are payable for the reporting period. Directors may also be reimbursed for travel and other expenses incurred in attending to the Company's affairs, including attending and returning from general meetings of the Company or meetings of the Board or committees of the Board.

There are no retirement benefit schemes for Directors other than applicable statutory superannuation contributions.

IPO specific arrangements for Non-Executive Directors
The Company issued 20,000 shares at an issue price of $2.50 per share ($50,000 value at issue date) to each of Russell Chenu, Stuart Crosby and Ross Dobinson in consideration for services provided to the Company prior to completion of the listing on the ASX. The shares were issued on 29 April 2016. These arrangements were disclosed in the Prospectus.

(e) Senior Executive remuneration structure

Fixed Remuneration
The terms of employment for the Senior Executives contain:

- a fixed annual remuneration component comprising base salary and applicable superannuation/pension fund contributions; and
- other approved benefits (which may include items such as motor vehicles, mobile phone, travel allowances and health cover).

Senior Executives are offered a competitive fixed remuneration which is reviewed in accordance with the terms of the Senior Executive's Service Agreement to ensure remuneration is competitive with the market and meets the responsibilities of the position.

Short term incentive
The Company has not adopted a formal short term incentive ("**STI**") plan. However, cash bonuses may be awarded at the discretion of the Company. In determining if a cash bonus will be awarded, consideration is given to achievement of agreed key performance objectives, the overall performance of the Group and/or relevant divisional performance. Cash bonuses will not generally exceed 25 per cent of the Senior Executive's fixed remuneration.

The Nomination and Remuneration Committee reviews and makes recommendations to the Board as to whether or not a STI entitlement should be made to eligible Senior Executives. The Senior Executives did not receive or become entitled to receive a cash bonus or STI award during the reporting period.

Long term incentive
The Company has established the Reliance Worldwide Corporation Limited Equity Incentive Plan ("**Plan**") to assist in the motivation, retention and reward of eligible executives. The Plan is designed to align the interests of employees with the interests of shareholders by providing an opportunity for selected eligible employees to receive an equity interest in the Company. The Plan provides flexibility for the Company to grant rights, options and/or restricted shares as incentives, subject to the terms of individual offers and the satisfaction of performance conditions determined by the Board from time to time.

The CEO is the only employee to receive a grant under the Plan ("**LTI Grant"**) to date. Details of the LTI Grant made to the CEO are set out in section (h) and a summary of the terms of the Plan are set out below.

Remuneration Report for the period ended 30 June 2016

<table>
<tr><td>Type of award</td><td>The CEO's LTI Grant was delivered in the form of 4,000,000 options ("Options"). Each Option entitles the CEO to acquire an ordinary share in the Company subject to meeting specific vesting conditions and payment of an exercise price. The Options were granted for nil consideration as they form part of the CEO's remuneration.</td></tr>
<tr><td>Performance Period</td><td>From the date of the listing (29 April 2016) until 30 June 2022.</td></tr>
<tr><td>Vesting conditions</td><td>The Options will vest and become exercisable subject to the satisfaction of a gateway hurdle and two performance conditions.

The Board considers these vesting conditions to be an appropriate combination of stretch financial hurdles directly linked to Company performance and reflecting shareholder interests; and as a mechanism which assists in the retention of the CEO.

1. Gateway hurdle
None of the Options will vest unless the CEO remains employed by the Group until 30 June 2022.

2. Performance conditions
In addition to the gateway hurdle, the Options are subject to two performance conditions as follows:
• 30% of the Options ("NPAT Options") will be subject to a net profit after tax ("NPAT") performance condition, which is based on the Company meeting or exceeding its pro forma NPAT forecast for the year ended 30 June 2017 of $62.6 million, as stated in the Prospectus ("NPAT Hurdle");
• 70% of the Options ("TSR Options") will be subject to a relative total shareholder return ("TSR") performance condition, which compares the TSR performance of the Company since listing with the TSR performance of each of the entities in the S&P ASX200 Index (excluding mining and energy companies) over the period from 29 April 2016 to 30 June 2021 ("TSR Hurdle").

The percentage of Options that vest in relation to the TSR Hurdle, if any, will be determined by reference to the following vesting schedule:

<table>
<tr><th>Relative TSR Ranking</th><th>% of Options that vest subject to the TSR Hurdle</th></tr>
<tr><td>Below 50th percentile</td><td>Nil</td></tr>
<tr><td>50th percentile</td><td>50%</td></tr>
<tr><td>Between 50th and 75th percentile</td><td>Pro rata straight line vesting between 50% to 100%</td></tr>
<tr><td>75th percentile or above</td><td>100%</td></tr>
</table>

The number of Options that vest and become exercisable (if any) will be determined, shortly after the end of the Performance Period. Any Options that remain unvested will lapse immediately.

NPAT was chosen as a performance condition as it measures the net profit of the business and is used to determine the earnings per share achieved for the relevant reporting period.

Relative TSR measures the performance of an ordinary share (including the value of any cash dividend and any other shareholder benefits paid during the period) against total shareholder return performance of constituents of the S&P ASX200 Index (excluding mining and energy companies), over the same period. Relative TSR has been chosen because, in the opinion of the Board, it provides the most direct link to shareholder return. No reward is achieved unless the Company's TSR is higher than the median of this comparator group. The starting point for measuring the Company's TSR performance is the $2.50 issue price for the shares issued under the Prospectus.</td></tr>
<tr><td>Process for assessing the vesting conditions</td><td>Calculation of NPAT and achievement against the NPAT Hurdle will be determined by the Board or Nomination and Remuneration Committee based on the audited FY2017 financial results.

Relative TSR performance is independently assessed against a peer group comprising constituents of the S&P ASX 200 Index (excluding mining and energy companies) in accordance with pre-determined TSR methodology. No retesting is permitted.</td></tr>
<tr><td>Exercise of Options</td><td>The Options will vest and become exercisable if the relevant vesting conditions have been met. The CEO may then exercise any vested Options by 30 June 2031. After 30 June 2031, any unexercised Options will lapse.</td></tr>
<tr><td>Voting and dividend rights</td><td>Options do not carry any voting or dividend rights prior to vesting and exercise.</td></tr>
</table>

Remuneration Report for the period ended 30 June 2016

Cessation of employment	If the CEO ceases to be employed by Reliance, any unvested Options will lapse unless the Board determines otherwise in its absolute discretion. If Options have vested but are unexercised: • Where the CEO is terminated for cause, the vested Options will lapse unless the Board determines otherwise; • Where the CEO ceases employment for any other reason, the vested Options will remain on foot for the original exercise period.
Change of control	Where there is likely to be a change of control, the Board has the discretion to accelerate vesting of some or all of the Options. If a change of control occurs before the Board exercises its discretion, a pro-rata portion of the Options (equal to the portion of the relevant Performance Period that has elapsed up to the change of control) will vest. The Board retains a discretion to determine whether the remaining unvested Options will vest or lapse.

(f) Service Agreements of Senior Executives

Employment and remuneration arrangements of the Senior Executives are formalised in written service agreements between the Senior Executive and a member of the Group. The key terms and conditions of the employment contracts of the Senior Executives are set out below. The remuneration arrangements were set after having regard to arrangements for comparable companies considered by both size, industry and geography.

Heath Sharp, Managing Director and Chief Executive Officer

Term	Heath Sharp is employed by Reliance Worldwide Corporation (a company in the Group which carries on operations in the USA) for an initial period of four years from the date of listing (29 April 2016). Thereafter, one year rolling periods unless either party provides 90 days notice of non-renewal.
Notice	*Termination by the employer* • Heath's employment may be terminated by the employer without cause (excluding due to death or disability) upon giving 90 days' written notice. • Heath's employment may be terminated by the employer for cause at any time. *Termination by Heath Sharp* • Heath may terminate his employment with good reason upon giving 90 days written notice and allowing a subsequent cure period. • Where Heath terminates without good reason, he needs to provide 12 months written notice.
Termination payments	• Where Heath's employment is terminated by the employer without cause, he is entitled to 24 months severance pay (inclusive of any notice period), plus accrued entitlements. He is also eligible for a pro rata bonus for the days he was employed during the fiscal year and payment of health insurance premiums. • Where the employer provides notice of non-renewal, Heath is entitled to his accrued entitlements and 12 months severance pay. He is also eligible for a pro rata bonus for the days he was employed during the fiscal year and payment of health insurance premiums during the period of severance pay. • Where Heath provides notice of non-renewal, he is entitled to receive his accrued entitlements (excluding any earned but unpaid performance bonus) and continuation of applicable welfare and health benefits entitlements.
Restraint	Heath's employment agreement contains a restraint of trade, which operates for a maximum period of 24 months following cessation of employment.

Terry Scott, Group Chief Financial Officer

Term	Terry Scott is employed by the Company for two years from the date of listing (29 April 2016).
Notice	*Termination by the Company* • Terry's employment may be terminated without cause by the Company upon giving three months written notice. • Terry's employment may also be terminated by the Company without notice in certain circumstances including serious misconduct. *Termination by Terry Scott* Terry has agreed not to give notice during the term of his employment agreement.
Termination payments	The Company has discretion to make a payment in lieu of part or all of the notice period.
Restraint	Terry's employment agreement contains a restraint of trade, which operates for a maximum period of 12 months following cessation of employment.

The Corporations Act restricts the termination benefits that can be provided to KMP on cessation of their employment, unless shareholder approval is obtained. The shareholders of the Company and Reliance Worldwide Corporation, as applicable, have approved the termination arrangements of KMP at general meetings held on 11 April 2016.

(g) Options granted to Senior Executives

Details of the Options granted to KMP during the reporting period are set out below. The CEO was the only member of KMP to be granted Options in the reporting period. None of the Options granted to the CEO vested or were forfeited during the reporting period and none of the Options are presently capable of being exercised.

Senior Executive	**Number granted**	**Grant date[1]**	**Grant price**	**Fair value per Option at Grant date[2]**	**Exercise price per Option**
Heath Sharp	4,000,000	28 April 2016	$nil	NPAT Options - $0.64 TSR Options – $0.585	$2.50

1 Date of grant determined in compliance with Australian Accounting Standards requirements. Final date of issue was 5 May 2016.

2 Based on an independent valuation which used the Black Scholes model.

(h) Movements in Options held by Senior Executives

The following table sets out the movement during the reporting period of Options held by each Senior Executive.

Name	**Balance at beginning of period**	**Granted upon completion of IPO number**	**Granted $ value[1]**	**Vested number**	**Vested $ value**	**Exercised number**	**Exercised $ value**	**Lapsed number**	**Lapsed $ value**	**% Lapse/ Forfeited**	**Balance as at 30 June 2016**
Heath Sharp	-	4,000,000	2,406,000	-	-	-	-	-	-	-	4,000,000
Terry Scott	-	-	-	-	-	-	-	-	-	-	-

1 The value of Options granted in the year is the fair value assessed using the Black Scholes model and prepared as at the Grant date.

Remuneration Report for the period ended 30 June 2016

(i) KMP shareholdings

Movements in the number of shares held by Non-executive Directors and Senior Executives, either directly or indirectly through personally related entities, during the reporting period are set out below.

Name	Held at listing date following completion of IPO	Received as remuneration	Received on exercise of Options	Other net change	Held at 30 June 2016
Jonathan Munz	157,500,000	-	-	-	157,500,000
Russell Chenu	40,000	-	-	-	40,000[1]
Stuart Crosby	100,000	-	-	-	100,000[1]
Ross Dobinson	20,000	-	-	-	20,000[1]
Heath Sharp	800,000	-	-	-	800,000
Terry Scott	640,000	-	-	-	640,000

1. Includes 20,000 shares received under specific arrangements for Non-Executive Directors as stated in the Prospectus.

Acquisition of the Shares held by Heath Sharp and Terry Scott was funded from the proceeds of an incentive payment received by each of them from GSA Group in recognition of past services provided (as disclosed in the Prospectus). These Shares are subject to a 2 year voluntary escrow arrangement.

(j) Other statutory disclosures

Material contracts with Related Parties

The Company and GSA Industries Pty Ltd, a wholly owned subsidiary of GSA Group and an entity associated with Mr Jonathan Munz, have entered into a shared facilities and services agreement dated 3 March 2016 ("**Shared Services Agreement**") under which the Company will share premises with GSA Group in Melbourne and be permitted to use certain facilities such as office space and car parking and will have signage rights. The initial term of the Shared Services Agreement is two years (which may be renewed by either party by giving six months notice to the other party). The Company must pay an annual fee of approximately $100,000 (plus GST) to GSA Industries Pty Ltd for the use of these facilities and services. The Shared Services Agreement came into effect from the date of the Company's listing on the ASX. The Shared Services Agreement is on terms that are more favorable to the Company than arm's length terms.

The Company incurred $40.2 million of costs directly associated with the Prospectus and listing on the ASX. These costs were paid by GSA Group as agent for the Company. The Company reimbursed GSA Group for these costs from the proceeds of the capital raising.

There were no other material contracts between a KMP or a related party and the Company or any of its subsidiaries entered into during the reporting period.

Loans with KMP

No KMP has entered into a loan made, guaranteed or secured, directly or indirectly, with or by the Company or any of its subsidiaries during the reporting period.

Remuneration Report for the period ended 30 June 2016

(k) KMP remuneration

Details of the remuneration of each member of KMP for the period covered by the Remuneration Report are set out below. The table includes the statutory disclosures required under the Corporations Act and is in accordance with Accounting Standards.

	Short Term				Post-employment		Other long term statutory benefits	Termination benefits	Share based payments		Total
	Cash salary & fees $	STI cash bonus $	Non-monetary benefits $	Other short term benefits $	Superannuation or pension plan benefits $	Other Post employment $	Long service leave $	$	Shares $	Options $	$
Non-Executive Directors											
Jonathan Munz[1]	-	-	-	-	-	-	-	-	-	-	-
Russell Chenu	18,265	-	-	-	1,735	-	-	-	-	-	20,000
Stuart Crosby	18,265	-	-	-	1,735	-	-	-	-	-	20,000
Ross Dobinson	20,000	-	-	-	-	-	-	-	-	-	20,000
Senior Executives											
Heath Sharp[2]	235,405	-	39,168	2,328	-	-	-	-	-	65,027	341,928
Terry Scott[3]	145,122	-	-	-	3,218	-	2,501	-	-	-	150,841
Total	**437,057**	**-**	**39,168**	**2,328**	**6,688**	**-**	**2,501**	**-**	**-**	**65,027**	**552,769**

1 Mr. Munz has waived his entitlement to any Non-Executive Director or Committee fees for the initial three years following the Company's listing on the ASX.

2 Annual fixed remuneration of US$1,150,000 plus benefits, including pension plan contributions.

3 Annual fixed remuneration of $800,000, including superannuation and any approved benefits.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Reliance Worldwide Corporation Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial period ended 30 June 2016 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Paul J McDonald

Paul McDonald
Partner

Melbourne
29 August 2016

Consolidated Statement of Profit or Loss And Other Comprehensive Income

For the period 19 February 2016 to 30 June 2016

	Note	2016 $000
Revenue		
Revenue from sale of goods		98,290
Cost of sales		(59,411)
Gross profit		38,879
Other income		520
Product development expenses		(1,990)
Selling, warehouse and marketing expenses		(14,887)
Administration expenses		(8,189)
Other expenses	4	(12,545)
Operating profit		1,788
Finance income	5	39
Finance costs	5	(988)
Net finance costs		(949)
Profit before tax		839
Income tax expense	7	(2,437)
(Loss) for the period attributable to the Owners of the Company		**(1,598)**
Other Comprehensive (loss)		
Items that may be classified to profit or loss:		
Foreign currency translation differences		(3,269)
Total comprehensive (loss) for the period attributable to the Owners of the Company		**(4,867)**
		cents
Earnings per share		
Basic earnings per share attributable to ordinary equity holders	6	(0.30)
Diluted earnings per share attributable to ordinary equity holders	6	(0.30)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2016

	Note	2016 $000
Assets		
Current assets		
Cash and cash equivalents	17	35,648
Trade and other receivables	8	94,964
Inventories	9	119,109
Prepayments		4,655
Total Current Assets		**254,376**
Non-Current		
Property, plant and equipment	10	107,835
Deferred tax assets	7	15,056
Goodwill	11	44,570
Other intangible assets	12	1,238
Total Non-Current Assets		**168,699**
Total Assets		**423,075**
Liabilities		
Current liabilities		
Trade and other payables	13	64,762
Loans and borrowings	14	446
Current tax liabilities		169
Employee benefits	15	4,355
Total Current Liabilities		**69,732**
Non-Current Liabilities		
Loans and borrowings	14	163,123
Deferred tax liabilities	7	18,402
Employee benefits	15	4,831
Total Non-Current Liabilities		**186,356**
Total Liabilities		**256,088**
Net Assets		**166,987**
Equity		
Share capital	18	1,272,732
Reserves	20	(1,104,147)
Retained earnings / (accumulated losses)		(1,598)
Total Equity		**166,987**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the period 19 February 2016 to 30 June 2016

	Note	Share Capital	Foreign Currency Translation Reserve	Merger Reserve	Share based Payment Reserve	Accumulated Losses	Total Equity
		$000	$000	$000	$000	$000	$000
Balance at 19 February 2016		-	-	-	-	-	-
Profit/(loss) for the period		-	-	-	-	(1,598)	(1,598)
Foreign currency translation Reserve	20	-	(3,269)	-	-	-	(3,269)
Total comprehensive income		**-**	**(3,269)**	**-**	**-**	**(1,598)**	**(4,867)**
Transactions with owners of the Company							
Issue of ordinary shares	18	1,296,700	-	-	-	-	1,296,700
Effect of Restructure	3	-	-	(1,100,943)	-	-	(1,100,943)
Share based payments	20	-	-	-	65	-	65
Capital raising costs incurred net of tax benefit		(23,968)	-	-	-	-	(23,968)
Total transactions with owners of the Company		**1,272,732**	**-**	**(1,100,943)**	**65**	**-**	**171,854**
Balance at 30 June 2016		**1,272,732**	**(3,269)**	**(1,100,943)**	**65**	**(1,598)**	**166,987**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes

Consolidated Statement of Cash Flows

For the period 19 February 2016 to 30 June 2016

	Note	2016 $000
Cash flows from operating activities		
Receipts from customers		107,461
Payments to suppliers and employees		(81,817)
Other income		520
Net cash from operating activities		**26,164**
Cash flows from investing activities		
Purchase of property, plant and equipment		(2,514)
Proceeds from sale of property, plant and equipment and development incentives received		992
Purchase of intangibles		(183)
Net cash outflow upon acquisition of business operations		(1,025,880)
Net cash used in investing activities		**(1,027,585)**
Cash flows from financing activities		
Proceeds from issue of shares		918,750
Drawdown of bank loans		160,000
Repayment of bank loans		(446)
Interest received		39
Interest paid - other persons and corporations		(988)
Capital raising costs paid		(40,282)
Net cash from financing activities		**1,037,073**
Net change in cash and cash equivalents		35,652
Cash and cash equivalents at the start of the year		-
Effect of movements in exchange rates on cash held		(4)
Cash and cash equivalents at the end of the year	17	**35,648**

1. Significant accounting policies

(a) Reporting Entity

Reliance Worldwide Corporation Limited (the "Company" or "Reliance") is a limited liability company which was incorporated on 19 February 2016 and is domiciled in Australia.

The Company's registered office is at Level 54, 525 Collins Street, Melbourne, Victoria.

The principal activities of Reliance and its subsidiaries are the design, manufacture and supply of high quality, reliable and premium branded water flow and control products and solutions for the plumbing industry.

(b) Statement of Compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB).

The Company is a for-profit entity for the purpose of preparing the financial statements.

The financial statements were authorised for issue by the Board of Directors on 29 August 2016

(c) Basis of preparation

These consolidated financial statements:

- comprise the Company and its subsidiaries, together referred to as the "Group", for the reporting period ended 30 June 2016 and commencing on the incorporation date of the Company;
- have been prepared on a going concern basis using historical cost conventions;
- are presented in accordance with the Australian Securities and Investments Commission Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191 values are rounded to the nearest thousand dollars, unless otherwise stated. Where an amount is $500 or less the amount is rounded to zero, unless otherwise stated.
- adopt all new and amended AASBs and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or before 19 February 2016; and
- do not early adopt any AASBs and Interpretations that have been issued or amended but are not yet effective.

Financial statements of the subsidiaries are prepared using consistent accounting policies. The principal accounting policies adopted in the preparation of the consolidated financial report are set out below. This is the first financial report for the Group. Accordingly, no comparative figures are shown.

(i) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value as there are identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in the profit or loss account immediately. Transaction costs are expensed as incurred except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the profit or loss account.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at

1 Significant accounting policies (continued)

(c) Basis of preparation (continued)

(ii) Business combinations (continued)

each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in the profit or loss account.

The Company acquired the entities that carry on the operations of Reliance Worldwide Corporation during the reporting period. There was common control of the businesses that were acquired pre and post-acquisition. As a result, the Company has accounted for the transaction as a restructure. Consequently, the acquired assets and liabilities are booked at the carrying values that existed at the time of the transaction. Any consideration in excess of the net assets acquired is booked in a reserve in equity. Further details of the transaction are provided at Note 3.

(iii) Principles of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

(d) Foreign Currency

The individual financial statements of each entity comprising the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purposes of these consolidated financial statements, Australian dollars is the presentation currency, which is also the functional currency of the Company.

(i) Foreign currency transactions

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transaction.

(ii) Foreign Operations

For the purpose of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at average exchange rates. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in Net Investment within Foreign Currency Translation Reserve ("FCTR"). The FCTR comprises all foreign currency differences arising from the translation of the financial statements of the foreign operations

1 Significant accounting policies (continued)

(e) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Information about judgements and estimates made in applying accounting policies that may have a significant effect on amounts recognised in the consolidated financial statements is included in the following notes:

- recognition of deferred tax assets and availability of future taxable profits against which carry forward tax losses and timing differences can be used (Note 1(h));
- recoverability of trade and other receivables (Note 1(j)):
- estimation of net realisable value and possible obsolescence of inventories (Note 1(k)); and
- goodwill assets (Note 11).

(f) Revenue recognition

(i) Sale of goods and services

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods is recognised when the goods are delivered and title has passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(ii) Interest income

Interest income is recognised in the income statement on an accruals basis, using the effective interest method.

(g) Financial Instruments

(i) Recognition, Initial Measurement and De-recognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. The Group's activities expose it primarily to financial risks of changes in exchange rates and interest rates.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Subsequent to initial

1 Significant accounting policies (continued)

(g) Financial Instruments (continued)

(i) Recognition, Initial Measurement and De-recognition (continued)

recognition, financial assets and liabilities are measured at fair value and changes therein are recognised in the profit or loss. Trade and other receivables are measured as described in Note 1(j).

Financial assets are derecognised when the contractual rights to cash flows from the financial asset expire or when the financial asset and all the substantial risks and benefits are transferred. Financial liabilities are derecognised when they are extinguished, discharged, cancelled or they expire.

(ii) Derivative financial instruments

The Group may hold derivative financial instruments to hedge its foreign currency risk exposures. Derivative financial assets are classified as cash flow hedges. No derivative financial instruments were held at 30 June 2016.

(iii) Non-derivative financial instruments

Non-derivative financial assets are classified into the following categories: (a) cash and cash equivalents and (b) trade and other receivables. Cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Non-derivative financial liabilities are classified into the following categories: (a) trade and other payables and (b) loans and borrowings.

(h) Income tax

Income tax expense comprises current and deferred tax. It is recognised in the consolidated Statement of Profit or Loss and Other Comprehensive Income except to the extent that it relates to a business combination or items recognised directly in equity.

(i) **Current tax**

The tax currently payable is based on taxable profit for the reporting period. Taxable profit differs from profit before tax as reported in the consolidated Statement of Profit or Loss and Other Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred

1 Significant accounting policies (continued)

(h) Income tax (continued)

(ii) Deferred tax (continued)

tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse using tax rates enacted or substantively enacted at the reporting period.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and tax liabilities on a net basis.

(iii) Australian tax consolidated group

The Company and its Australian incorporated wholly owned subsidiaries have formed a tax consolidated group with effect from 3 May 2016 whereby the members of that group are taxed as a single entity. The head entity of the tax consolidated group is Reliance Worldwide Corporation Limited. The head entity and each subsidiary member of the tax consolidated group is party to a Tax Sharing Agreement and a Tax Funding Agreement whereby each member of that group is only liable for its contribution amount calculated in accordance with the Agreement rather than being jointly and severally liable for group tax liabilities.

(i) Finance and borrowing costs

The Group's finance income and finance costs include:

- Interest income
- Interest expense

The Group accrues interest income and interest expense for amounts receivable and payable at reporting date.

(j) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently at amortised cost less any provision for doubtful debts.

Credit terms are generally between 0 and 30 days depending on the nature of the transaction. Collectability of trade receivables is reviewed on an ongoing basis. The carrying amount of trade receivables is reduced through the use of an allowance account and the amount of the loss is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(k) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as an appropriate portion of related fixed and variable production overheads, based on normal operating capacity. Costs are assigned on the basis of weighted average costs. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and any applicable selling expenses.

1 Significant accounting policies (continued)

(l) Employee benefits

(i) Short and long term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and leave entitlements in the period the related service is rendered. Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement. Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

(ii) Retirement benefits costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees render the service entitling them to the contributions.

(iii) Termination benefits

A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

(iv) Share based payments

The fair value of equity settled share based payment awards granted to employees is recognised as an expense with a corresponding increase in equity over the vesting period of the grant.

(m) Property, plant and equipment

(i) Recognition and measurement

Each class of property, plant and equipment is measured at cost less, where applicable, accumulated depreciation and impairment losses. Any gain or loss on disposal of an item of property, plant and equipment is included in the Statement of Profit or Loss and Other Comprehensive Income.

(ii) Subsequent expenditure

Subsequent expenditure is only capitalised when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is recognised so as to write off the cost of property, plant and equipment (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimated useful lives of property, plant and equipment are as follows:

- Buildings 25 - 40 years
- Leasehold improvements 5 - 40 years
- Plant and equipment 3 - 20 years
- Furniture and office equipment 3 - 10 years
- Motor vehicles 5 - 10 years

1 Significant accounting policies (continued)

(n) Impairment of non-financial assets

Property, plant and equipment, goodwill, and other intangible assets are tested for impairment:

- where there are indicators that an asset may be impaired; and
- at least annually for goodwill.

Impairment losses, if any, are recognised in the statement of profit or loss and other comprehensive income.

(o) Intangible assets including goodwill

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired entity at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised. Instead, it is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Intellectual property and license fees

Intellectual property consists of technical drawings and certifications and is recorded at cost less accumulated amortisation and any accumulated impairment losses. License fees relate to the accounting and reporting platform being implemented throughout the Group. Intellectual property and license fees are amortised on a straight-line basis over a period of ten years.

(iii) Research and development

Research costs are charged to the profit or loss account as incurred. Development expenditure is only capitalised if it can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in the profit and loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses. The amortisation of intangible assets is allocated to other expenses as inventory is sold.

(p) Operating leases

Operating lease payments for leases of assets where substantially all of the risks and benefits of ownership remain with the lessor are recognised in the profit and loss account on a straight-line basis over the term of the lease. Assets that are subject of operating leases are not recognised in the Group's Statement of Financial Position.

(q) Goods and services tax - Australia

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented on a gross basis. The GST components arising from investing and financing activities are presented as operating activities. Any commitments are disclosed net of GST.

(r) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts are repayable on demand and any bank overdraft is included as a component of cash and cash equivalents in the balance sheet.

1 Significant accounting policies (continued)

(s) New accounting standards and interpretations

The following relevant Australian Accounting Standards and Interpretations have been issued or amended but are not yet effective and have not been early adopted by the Group:

AASB 9: Financial Instruments. Application date 1 January 2018. The standard proposes a revised framework for the classification and measurement of financial instruments.

AASB 15: Revenue from Contracts with Customers and AASB 2014-5 Amendments to Australian Accounting Standards Arising from AASB 15. Application date 1 January 2018. The standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

AASB: 16 Leases. Application date 1 January 2019. The standard removes the classification of leases as either operating leases or finance leases for the lessee, effectively treating all leases as finance leases. This will effectively move all off-balance sheet operating leases onto the balance sheet that is similar to current finance lease accounting.

The possible impact of these standards on the Group's financial statements is being assessed.

2. Segment reporting

Segment information is presented in a manner which is consistent with the internal reporting to the Chief Executive Officer, who is the chief operating decision maker in the allocation of resources and assessing the performance of the operating segments of the Company.

The Group's regionally based segments are based on geographical operation of the business and comprise:

- Asia Pacific, including Australia and New Zealand
- Americas, including the United States of America and Canada
- EMEA, including the United Kingdom and Spain

The major products from which the aforementioned segments derive revenue are:

- Fittings and Pipe - including plumbing fittings, piping and related products for the installation and repair of water reticulation systems for domestic and commercial applications;
- Control Valves - including temperature and pressure relief valves for domestic and commercial storage hot water systems, non-return isolating valves, pressure regulation valves, backflow prevention devices and specialist water safety valves;
- Thermostatic Products - including an extensive range of thermostatic mixing valves, tempering valves and thermostatic cartridges for domestic and commercial applications; and
- Other Products - including underfloor heating components and kit systems, water meters, industrial pneumatic and hydraulic fittings, water mains connection fittings and repair sleeves and fire safety system products.

Revenue by product group for the period ended 30 June 2016 includes:

	2016 **$000**
Fittings and Pipe	63,248
Control Valves	18,365
Thermostatic Products	5,302
Other Products	11,375
	98,290

The Group has one significant customer representing greater than 10% of the Group's annualised revenue. This customer is in the Americas segment and contributed $30.2 million of the Group's revenue in the reporting period

2. Segment reporting (continued)

2016	Asia Pacific	Americas	EMEA	Corporate / Other	Elimination	Consolidated Total
	$000	$000	$000	$000	$000	$000
Revenue						
From external customers	28,640	61,734	7,916	-	-	98,290
From other segments	19,187	354	2	-	(19,543)	-
Segment revenues	**47,827**	**62,088**	**7,918**	**-**	**(19,543)**	**98,290**
Cost of sales	(33,087)	(40,085)	(5,782)	-	19,543	(59,411)
Gross profit	**14,740**	**22,003**	**2,136**	**-**	**-**	**38,879**
Other income	388	69	63	-	-	520
Product development expenses	(1,100)	(568)	(322)	-	-	(1,990)
Selling and marketing expenses	(4,529)	(8,674)	(1,684)	-	-	(14,887)
Administration expenses	(3,320)	(3,947)	(597)	(325)	-	(8,189)
Other expenses	(135)	(222)	(104)	(12,084)	-	(12,545)
Segment operating profit	**6,044**	**8,661**	**(508)**	**(12,409)**	**-**	**1,788**
Segment assets	**183,199**	**193,302**	**34,916**	**11,658**	**-**	**423,075**
Segment liabilities	**40,887**	**40,511**	**11,193**	**163,497**	**-**	**256,088**

2. Segment reporting (continued)

	Asia Pacific $000	Americas $000	EMEA $000	Corporate / Other $000	Elimination $000	Consolidated Total $000
EBITDA after significant items	8,099	9,878	(317)	(12,409)	-	5,251
Depreciation of property plant and equipment	(2,010)	(1,112)	(191)	-	-	(3,313)
Amortisation of intangible assets	(45)	(105)	-	-	-	(150)
Employee benefits expense	(6,802)	(4,476)	(1,578)	-	-	(12,856)
Interest income	-	-	3	36	-	39
Interest expense	-	-	(26)	(962)	-	(988)
Income tax expense	(1,882)	(7,028)	201	6,272	-	(2,437)
Additions to non-current assets	1,073	1,127	312	2	-	2,514
Non-current assets excluding other financial assets and deferred tax assets	89,155	55,006	9,480	2	-	153,643

1 Restructure

Summary

The Company, through a wholly owned subsidiary, acquired from GSA Group the issued shares of Reliance Worldwide Corporation (Aust.) Pty Ltd on 6 April 2016, and Reliance Worldwide Pty Ltd on the 7 April 2016 and the non-Australian companies of the Reliance Worldwide group on 3 May 2016 ("Restructure").

The Directors have elected to account for the effect of the Restructure as a common control transaction in accordance with the provisions of AASB3 Business Combinations. In the Directors' opinion, the continuation of existing accounting values is consistent with the accounting that would have occurred if the assets and liabilities had already been in a structure suitable for listing on the ASX and most appropriately reflects the substance of the Restructure.

As such, the consolidated financial statements of Reliance Worldwide Corporation Limited have been presented as a continuation of the pre-existing accounting values of assets and liabilities prior to acquisition from the GSA Group.

(a) Consideration transferred

The acquisition date fair value of the consideration transferred was:

	2016 $000
Cash	1,038,477
Equity issued	377,950
Total consideration transferred	**1,416,427**

(b) Identifiable assets acquired and liabilities assumed

	2016 $000
Identifiable assets	
Cash and cash equivalents	12,597
Trade and other receivables	101,992
Inventories	122,670
Prepayments	5,366
Deferred tax assets	8,022
Property plant and equipment	107,735
Goodwill	44,348
Intangible assets	1,193
Total identifiable assets acquired	**413,923**
Identifiable liabilities	
Trade and other payables	64,740
Loans and borrowings	4,597
Current tax liabilities	585
Deferred tax liabilities	10,263
Employee entitlements	8,254
Total liabilities assumed	**188,439**
Net identifiable assets acquired	**315,484**

3 Restructure (continued)

(c) Merger reserve

The Restructure is accounted for as a common control transaction. Consideration in excess of book value upon acquisition has been booked to a Merger reserve.

	2016 $000
Net identifiable assets acquired	315,484
Consideration transferred	1,416,427
Excess of consideration over net assets acquired taken to Merger reserve	**1,100,943**

4. Other expenses

Other expenses for the period to 30 June include capital raising costs expensed $12,084,459.

5. Finance income and finance costs

Finance income for the period 19 February 2016 to 30 June 2016 consists of the following:

	2016 $000
Interest income from cash and cash equivalents:	**39**

Finance costs for the period 19 February 2016 to 30 June 2016 consist of the following:

Interest and borrowing expense on loans and borrowings from:	
Other persons and corporations	**(988)**

6. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share has been based on the following profit / (loss) attributable to ordinary shareholders and weighted average number of shares.

	2016 $000
Profit / (loss) attributable to ordinary shareholders	(1,598)
	Number of shares
Weighted average number of ordinary shares at 30 June 2016 (basic)	525,000,000
	cents
Basic earnings per share	**(0.30)**

6. Earnings per share (continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted average number of shares after adjustment for the effects of all dilutive potential ordinary shares.

	2016 **$000**
Profit / (loss) attributable to ordinary shareholders	(1,598)
Changes in earnings arising from dilutive potential ordinary shares	**-**
	(1,598)

Weighted average number of ordinary shares at 30 June 2016 (diluted)	**Number of shares**
- Issued ordinary shares	525,000,000
- Effect of share options on issue	4,000,000
	529,000,000

	Cents
Diluted earnings per share	**(0.30)**

7. Income tax expense

(a) Reconciliation of prima facie tax expense to income tax expense recognised in the consolidated income statement

The major components that reconcile the expected income tax expense based on the Australian statutory rate of tax of the Group at 30% to the reported actual income tax expense in the profit and loss are as follows:

	2016 **$000**
Profit before income tax	839
Prima facie income tax expense at 30%	(251)
Tax effect of items which increase / (decrease) tax expense:	
Effect of tax rates in foreign jurisdictions	295
Tax effect of amounts which are not deductible / (assessable) in calculating taxable income:	
Non-deductible expenses IPO costs	(1,813)
Other non- deductible expenses	(63)
Assessable step down amounts on tax consolidation	(232)
Non assessable income	103
Adjustments for prior years	29
Other	(505)
Actual income tax expense reported in the consolidated income statement	**(2,437)**

7. Income tax expense (continued)

	2016 $000
(b) Components of income tax:	
Current tax	(1,331)
Deferred tax	(1,106)
	(2,437)

7. Income tax expense (continued)

(c) Deferred tax balances

	Opening Balance $'000	Acquired in Restructure $'000	Recognised in Profit and loss $'000	Total $'000
Deferred tax assets				
Employee benefits	-	2,533	288	2,821
Other provisions	-	4,642	607	5,249
IPO costs deductible in future periods	-	-	6,042	6,042
Other items giving rise to deferred tax assets	-	847	97	944
Total		**8,022**	**7,034**	**15,056**
Deferred tax liabilities				
Property plant and equipment	-	(8,703)	(3,323)	(12,026)
Unrealised foreign exchange movements	-	(74)	(5,944)	(6,018)
Difference between State and Federal written down values (USA)	-	(1,273)	1,232	(41)
Other items giving rise to a deferred tax liability	-	(212)	(105)	(317)
Total	**-**	**(10,262)**	**(8,140)**	**(18,402)**

8. Trade and other receivables

	2016 $000
Trade debtors	87,389
Less: provision for doubtful debts	(45)
	87,344
Other debtors	7.620
	94,964

Information about the Group's exposure to credit and market risks for trade and other receivables is included in Note 24.

9. Inventories

	2016 $000
At cost	
Raw materials and stores	56,349
Consumables	192
Work in progress	12,643
Finished goods	55,895
	125,079
Less: provision for diminution	(5,970)
	119,109

10. Property, plant and equipment

	2016 $000
Carrying amounts of:	
Freehold land	203
Buildings	16,310
Leasehold improvements	2,465
Plant and equipment	78,435
Furniture and office equipment	7,815
Motor vehicles	2,607
	107,835

10. Property, plant and equipment (continued)

2016	**Freehold Land $000**	**Buildings $000**	**Leasehold Improvements $000**	**Plant & Equipment $000**	**Furniture & Office Equipment $000**	**Motor Vehicles $000**	**Consolidated Total $000**
Cost							
Balance as at 19 February 2016	-	-	-	-	-	-	-
Acquired through restructure – Note 3	198	18,317	4,826	149,400	23,307	6,220	202,268
Additions	-	493	2	1,611	307	101	2,514
Disposals	-	-	-	(932)	(1,380)	(432)	(2,744)
Net effect of change in exchange rates	5	446	(44)	887	317	(49)	1,562
Balance as at 30 June 2016	203	19,256	4,784	150,966	22,551	5,840	203,600
Accumulated depreciation							
Balance as at 19 February 2016	-	-	-	-	-	-	-
Acquired through restructure – Note 3	-	(2,788)	(2,264)	(70,678)	(15,457)	(3,346)	(94,533)
Depreciation expense	-	(90)	(81)	(2,501)	(493)	(148)	(3,313)
Disposals	-	-	-	904	1,375	230	2,509
Net effect of change in exchange rates	-	(68)	26	(256)	(161)	31	(428)
Balance as at 30 June 2016	-	(2,946)	(2,319)	(72,531)	(14,736)	(3,233)	(95,765)
Net carrying amount as at 30 June 2016	**203**	**16,310**	**2,465**	**78,435**	**7,815**	**2,607**	**107,835**

11. Goodwill

Goodwill had been previously recognised by Reliance Worldwide Corporation (Aust.) Pty Ltd and Reliance Worldwide Corporation (NZ) Limited on business acquisitions made prior to the Restructure.

For the purposes of impairment testing, goodwill is allocated to cash generating units ("**CGU**"), or groups of cash generating units expected to benefit from the synergies. Each unit or group of units to which goodwill has been allocated shall:

- Represent the lowest level at which it is internally monitored; and
- Not be larger than a segment.

Goodwill at 30 June 2016 is monitored at the segment level and accordingly testing of goodwill is also undertaken at the segment level. Asia Pacific is the only segment which has a carrying amount of goodwill

Reliance Worldwide Corporation Limited has assessed the goodwill and determined the goodwill is recoverable. The recoverable amount of goodwill has been assessed utilising value in use methodologies.

The value in use assessment at 30 June 2016 was established using, a discounted cash flow model which included the following key assumptions:

- a 5 year forecast period with cash flow projections based on approved operating budgets.
- used after tax discount rates ranging from 7.5% to 9.75%, based on cost of capital and business risk assessments
- assumed average growth rate of 3.0% revenue based on business assessments.
- terminal period growth rate of 3.0% based on business assessments.

The value in use calculations are sensitive to changes in the above assumptions. The value in use will vary depending on the assumptions and forecast data used in the impairment testing. Management have performed sensitivity analysis to examine the effect of a change in a variable assumptions on the CGU that held goodwill. This analysis showed even if the assumptions were to change by plus or minus 5%, the resulting value in use would still not result in an impairment of goodwill at 30 June 2016.

	2016 $000
Opening balance at 19 February 2016	-
Acquired from restructure (Note 3)	44,348
Foreign currency exchange differences	222
Carrying value	**44,570**

12. Other intangible assets

Reliance has intellectual property protection worldwide with over 700 trademark registrations, industrial designs and patents and actively manages its intellectual property rights.

Intellectual property consists of technical drawings and approval certificates and is recorded at cost less accumulated amortisation and impairment losses. Intellectual property is amortised on a straight line basis over a period of 10 years.

Licence fees relate to the ERP platform being implemented throughout the Reliance Worldwide business operation. They are recorded at cost and amortised on a straight line basis over a period of 10 years.

Intellectual property	**2016 $000**
Cost	
Opening balance at 19 February 2016	-
Additions from restructure (Note 3)	2,586
Disposals	(2,307)
Foreign currency exchange differences	114
Balance at 30 June 2016	393
Accumulated Amortisation	
Opening balance at 19 February 2016	-
Additions from restructure (Note 3)	(2,124)
Amortisation	(105)
Disposals	2,307
Foreign exchange differences	(102)
Balance at 30 June 2016	(24)
Carrying value at 30 June 2016	369

Licence Fees	**2016 $000**
Cost	
Opening balance at 19 February 2016	-
Additions from restructure (Note 3)	1,367
Additions	183
Foreign currency exchange differences	-
Balance at 30 June 2016	1,550
Accumulated Amortisation	
Opening balance at 19 February 2016	-
Additions from restructure (Note 3)	(636)
Amortisation	(45)
Balance at 30 June 2016	(681)
Carrying value at 30 June 2016	869
Total cost	1,943
Total accumulated amortisation	(705)
Total intangibles	**1,238**

13. Trade and other payables

	2016 $000
Current:	
Trade payables	36,176
Other creditors and accruals	28,586
	64,762

14. Loans and borrowings

	Current 2016 $000	Non-current 2016 $000	Total 2016 $000
Secured:			
Bank loans	446	163,123	163,569
Total secured borrowings	**446**	**163,123**	**163,569**

(a) Bank loans

The Company has Banking facilities of $250 million which is available for drawing by way of cash advances, bank guarantees and overdrafts (“Facilities”). Separate sub limits apply to drawings by way of bank guarantees and overdrafts. The Facilities will mature on 30 September 2019.

The facility agreement contains financial covenants that the Company is in compliance with.

The security provided to support the Facilities is:

- Unlimited cross guarantees from each entity that comprises the Group, other than Reliance Worldwide Corporation (Europe) S.L.U. and Reliance’s non-operating entities (Reliance Manufacturing Company (NZ) Limited, Titon Limited (both of which are incorporated under the laws of New Zealand) and Reliance Water Controls Limited (an entity incorporated under the laws of England and Wales) (“Guarantors”);
- General security over all assets (or a specified list of assets) from each of the Guarantors, other than Reliance Worldwide Corporation (UK) Limited and certain of the intermediate holding companies;
- Specific share security from Reliance Worldwide Holdings (USA) Corporation over its shares in Reliance Worldwide Corporation (which carries on Reliance’s operations in the USA); and
- A real property mortgage from Reliance Worldwide Corporation over a property in Cullman, Alabama, USA.

These Facilities have a variable interest rate which is based on the Bank Bill Swap Rate plus a margin.

The Group also has secured facilities in the United Kingdom (“UK”) totalling £4.0 million including;

- Term loan facility of £2.0 million, with a maturity date of 31 August 2018. The term loan facility was drawn on 19 August 2015 and is repayable in three annual instalments (first two instalments of £0.25 million with the final instalment being for the outstanding balance); and
- Revolving credit facility of £2.0 million, with a maturity date of 31 August 2018;

The UK Facilities have a variable interest rate which is based on LIBOR plus a margin.

The UK Facilities contain a number of covenants provided by Reliance Worldwide Corporation (UK) Limited (which carries on Reliance’s operations in the UK) that are tested annually which Reliance Worldwide Corporation (UK) Limited has complied with.

Security provided to support the UK Facilities includes an unlimited debenture from Reliance Worldwide Corporation (UK) Limited.

15. Employee benefits

Current:

Current employee entitlements include benefits for wages, salaries, annual leave, that are expected to be settled within twelve months of the reporting date. The amounts represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted rates based on current remuneration and wage rates including related on-costs such as workers compensation, insurance and payroll tax.

Non-Current:

Non-current employee entitlements include leave benefits that employees have earned in return for their continued service, pursuant to the Legislation and Regulations in the relevant jurisdictions. The entitlement is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates and is discounted back to present value.

	Current 2016 $000	**Non-current 2016 $000**	**Total 2016 $000**
Employee entitlements			
Opening balance	-	-	-
Acquired as a result of restructure (Note 3)	3,178	5,076	8,254
Charged to profit or loss	1,038	323	1,361
Paid during the period	(369)	(79)	(448)
Foreign currency exchange differences	16	3	19
Reclassification	492	(492)	-
Closing balance	**4,355**	**4,831**	**9,186**

16. Employee benefits expense

Employee benefits expenses recognised in the profit and loss are:

	2016 $000
Wages and salaries	12,030
Employee leave entitlements	1,612
Workers compensation premiums	164
Superannuation contributions	717
Payroll related taxes	742
Contract labour	1,570
Share based payment expense	65
Other payroll related expenses	343
	17,243
Recovered in costs of goods sold	(4,387)
	12,856

17. Cash and cash equivalents

(a) Reconciliation of cash

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Statement of Financial Position as follows:

	2016
Cash on hand and at bank comprises:	**$000**
AUD	15,956
USD	15,722
GBP	2,288
Euro	203
NZD	339
CAD	1,140
	35,648
Less: bank overdrafts - AUD	**-**
Cash and cash equivalents in the statement of cash flows	**35,648**

(b) Reconciliation of cash flow from operations with profit from operations after income tax

Profit / (loss) from operations after income tax	**(1,598)**
Depreciation expense	3,313
Amortisation expense	150
Loss on disposal of non-current assets	26
Share based payments	65
Provision for impairment – trade debtors	(13)
Provision for obsolescence – inventory	532
Capital raising costs accounted for as financing cash flows	12,084
Interest expense accounted for as financing cash flows	988
Interest income accounted for as financing cash flows	(39)
Income taxes expensed but not paid	2,437
Changes in operating assets and liabilities:	
Trade and other receivables	4,231
Inventories	2,559
Prepayments	711
Trade and other payables	(196)
Employee entitlements	914
Net cash from operating activities	**26,164**

18. Share Capital

Share capital

	Number of shares	Company 2016 $
Ordinary shares		
Issued as consideration for acquisition of Reliance Worldwide Corporation (Aust.) Pty Ltd	131,664,360	313,361,177
Issued as part consideration for acquisition of non-Australian subsidiary companies conducting Reliance Worldwide Corporation's business	25,835,640	64,589,100
Issued for cash in the initial public offer	367,500,000	918,750,000
Capital raising costs incurred net of recognised tax benefit	-	(23,967,509)
Total	**525,000,000**	**1,272,732,768**
Redeemable preference shares		
Issued on incorporation 19 February 2016	2	2

(a) *Ordinary shares*

Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

(b) *Redeemable preference shares*

Redeemable preference shares were issued to incorporate the Company. The shares are non-voting and do not entitle the holder to dividends. These shares were issued to incorporate the Company.

19. Share based payments

The Company has granted 4,000,000 options under its Equity Incentive Plan. Further details on the terms and conditions of the options granted is provided in the Remuneration Report. Each option provides an entitlement to acquire an ordinary share in Reliance Worldwide Corporation Limited upon payment of the exercise price and meeting certain vesting criteria. These options are equity settled. No other options have been issued during the period.

	2016 $000
Share based payment expense recognised in the profit and loss:	**65**

20. Reserves

Reserves

	2016 $000
Foreign currency translation reserve:	
Opening balance at 19 February 2016	-
Movement resulting from translation of financial statements of foreign subsidiaries net of tax impacts	(3,269)
	(3,269)
Merger reserve:	
Opening balance at 19 February 2016	-
Movement as a result of restructure (Note 3)	(1,100,943)
	(1,100,943)
Share based payments reserve:	
Opening balance at 19 February 2016	-
Issue of equity settled options	65
	65
Total reserves	**(1,104,147)**

20. Reserves (continued)

(a) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

(b) Merger reserve

The acquisition of the operating businesses of Reliance Worldwide Corporation during the Restructure is classified as a common control transaction (refer to Note 3). Accordingly, the excess of the consideration over book value at acquisition has been recorded in the Merger reserve.

(c) Share based payments reserve

The share based payments reserve is used to record the value of share based payments provide to employees, including Key Management Personnel, as part of their remuneration.

21. Group entities

Reliance Worldwide Corporation Limited was incorporated on 19 February 2016 and is the parent and ultimate controlling entity of the Group.

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policies described in Note 1.

Name of Entity		Country of Incorporation	Class of Shares	Equity Holding
Reliance Worldwide Group Holdings Pty Ltd	(1)	Australia	Ordinary	100%
Reliance Worldwide Corporation (Aust.) Pty Ltd		Australia	Ordinary	100%
Reliance Worldwide Pty Ltd		Australia	Ordinary	100%
Reliance Worldwide Holdings (NZ) Limited	(1)	New Zealand	Ordinary	100%
Reliance Worldwide Corporation (NZ) Limited		New Zealand	Ordinary	100%
Reliance Manufacturing Company (NZ) Limited		New Zealand	Ordinary	100%
Titon Limited		New Zealand	Ordinary	100%
Reliance Worldwide Corporation (Canada) Inc	(2)	Canada	Ordinary	100%
Reliance Worldwide Holdings (USA) Corporation		America	Ordinary	100%
Reliance Worldwide Corporation		America	Ordinary	100%
Reliance Worldwide Corporation (Europe) S.L.U.		Spain	Ordinary	100%
Reliance Worldwide Holdings (UK) Limited	(1)	United Kingdom	Ordinary	100%
Reliance Worldwide Corporation (UK) Limited		United Kingdom	Ordinary	100%
Reliance Water Controls Limited		United Kingdom	Ordinary	100%

1. These entities were incorporated during the Restructure on the following dates:

Reliance Worldwide Group Holdings Pty Ltd	19 February 2016
Reliance Worldwide Holdings (NZ) Limited	24 March 2016
Reliance Worldwide Holdings (UK) Limited	8 March 2016
Reliance Worldwide Holdings (USA) Inc.	23 March 2016

2. Reliance Worldwide Holdings (Canada) Inc. was incorporated on 23 March 2016. This entity acquired 100% of the issued capital of Reliance Worldwide Corporation (Canada) Inc. on 3 May 2016 as a result of the Restructure. On 4 May 2016, Reliance Worldwide Holdings (Canada) Inc. and Reliance Worldwide Corporation (Canada) Inc. amalgamated and retained the name Reliance Worldwide Corporation (Canada) Inc.

22. Expenditure commitments

(a) Non-cancellable operating lease commitments contracted for at balance date but not recognised as liabilities in the financial statements:

	2016 $000
Payable not later than one year	8,095
Payable later than one year and not later than five years	26,374
Payable later than five years	18,959
	53,428

(b) Capital expenditure commitments contracted for at balance date but not provided for in respect of plant and equipment:

	2016 $000
Payable not later than one year	**8,220**

23. Contingent liabilities

The Company has agreed to provide guarantees for certain commitments made or entered into by subsidiary entities in the ordinary course of business. The Company does not consider these guarantees to be material in the context of the Group's business.

The Group has provided bank guarantees for property leases totalling $166,400.

The Directors are not aware of any other material contingent liabilities at balance date or arising since the end of the financial period which have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

24. Financial risk management

The Group is exposed to a range of financial risks, including market risk (including foreign currency risk, interest rate risk and commodity price risk), liquidity risk and credit risk arising from its operating activities. The carrying amounts and estimated fair values of the Group's financial instruments recognised in the financial statements are materially the same

The Audit and Risk Committee has the primary responsibility of overseeing and reporting to the Board on the Group's risk management systems and strategies. Various strategies and methods are used to manage different types of market risks that the Group is exposed to; including

- **Market risk**

Group financial performance is largely dependent on activity in the residential and commercial repair and renovation and new construction end-markets. Activities in these end-markets are impacted by changes in general economic conditions such as movements in inflation and interest rates, the level of business spending and consumer confidence, and changes to fiscal or monetary policies, legislation and regulation (including plumbing codes). Activities in the repair end-market are also impacted by extreme weather events.

The Group operates in different global regions which diversifies these risks.

24 Financial risk management (continued)

- **Foreign exchange risk**

Foreign exchange risk relates to the risk that the fair value of future cash flows of a financial instrument or a highly probable transaction will fluctuate because of changes in foreign exchange rates. The Group is exposed to foreign exchange risk through operating activities (sales and purchases made or derived in currencies other than the functional currency); intercompany financing activities and investment in foreign subsidiaries (which transact in the local currency). The Group does not typically hedge its foreign exchange exposures, but may selectively utilise foreign exchange forward contracts to mitigate fluctuations in foreign exchange rates.

The Group's balance sheet exposure including external and internal balances (eliminated on consolidation) for the major currency exposures at 30 June are set out below in Australian dollar equivalents

			2016		
	USD	**CAD**	**NZ**	**GBP**	**EUR**
	$000	**$000**	**$000**	**$000**	**$000**
Spot exchange rate at 30 June 2016	0.7449	0.9641	1.0444	0.5604	0.6562
Cash	8,337	1,140	339	2,288	166
Trade and other receivables	44,044	5,085	1,724	9,206	1,440
Trade and other payables	(25,206)	(1,182)	(1,408)	(6,022)	(990)
Interest bearing liabilities	-			3,569	-
Net external exposure	27,175	5,043	655	9,041	616
Intercompany loans and receivables	1,091	2	1,318	71	-
Intercompany loans and payables	(540,052)	(40,133)	(15,151)	-	(8,900)

The table below shows the effect on profit after income tax expense and total equity from major currency exposures, had the exchange rates been 5% higher or lower than the year end rate.

	Increase / (decrease) in profit after income tax $000	**Increase / (decrease) in equity $000**
At relevant 30 June 2016 rates	(1,598)	166,987
If foreign exchange rate – 5%	1,253	4,371
If foreign exchange rate + 5%	(1,193)	(6,607)

- **Interest rate risk**

The Group is exposed to interest rate risk as it borrows funds at floating rates and interest is received on cash deposits at floating rates. Interest rate risk is the risk that the Group will be adversely affected by movements in floating interest rates that will increase the cost of floating rate debt.

The Group's exposure to interest rate risk on the cash and cash equivalents listed in the consolidated Statement of Financial Position and the interest bearing loans and borrowings disclosed in Note 17 and Note14.

The Group has determined that if interest rates were to increase or decrease by 5 percent it would have an immaterial impact on the Group's finance costs on borrowed funds or interest income on cash deposits.

- **Commodity price risk**

Commodity price risk is the risk the cost of some key raw material inputs required for the Group's products are correlated with underlying commodity price (with the most material exposure being to the market price of copper, which is used in the production of brass), and, as such, fluctuates over time. The Group seeks to manage changing input prices through price negotiations with customers following changes in the underlying commodity.

24 Financial risk management (continued)

- **Liquidity risk**

Liquidity risk arises from the ability of the Group to meet its financial liabilities and obligations as and when they fall due. The Group monitors future financial commitments and intends to maintain sufficient cash reserves and headroom in its Banking Facilities to meet these objectives on an on-going basis.

The Group prepares regular cash flow forecasts and monitors its liquidity to ensure it will always have sufficient cash to allow it to meet liabilities as they fall due.

In addition to its operating cash at bank the Group has undrawn debt facilities available. Details of the loan facilities in place and their terms is disclosed at note 14

	$000
Total facility available	257,138
Amount drawn at 30 June	163,569
Available undrawn facility	93,569

The contractual maturity of the Group's financial liabilities based on the financing arrangements in place at period end date are shown in the table below:

Financial liabilities	**Carrying amount $000**	**Less than 1 year $000**	**1 to 2 years $000**	**2 to 5 years $000**	**Over 5 years $000**	**Total $000**
Trade and other payables	64,762	64,762	-	-	-	64,762
Bank loans	163,569	446	446	162,677	-	163,569
Total	228,331	65,208	446	162,677	-	228,331

- **Credit risk**

Credit risk relates to the potential failure of the Group's counterparties (such as customers or financial institutions) to meet their obligations at the appropriate time. The maximum exposure at any time is equal to the carrying value of the financial assets. The business seeks to monitor and manage counterparty risk through internal controls and protocols, including customer credit policies and performing banking and financial activities with financial institutions. As such the Group does not seek collateral in respect of its trade and other receivables.

At 30 June the maximum exposure to credit risk for trade and other receivables by geographic region is as follows:

	2016 Carrying amount $000
Americas	49,918
Asia Pacific	35,188
EMEA	10,646
Total	95,752

At 30 June 2016, the Group's most significant customer accounted for $14.6 million of the trade debtors and receivables amount.

At 30 June 2016, the ageing of trade and other receivables that were not impaired is as follows:

	2016 $000
Neither past due nor impaired	77,919
Past due 1 to 30 days	16,611
Past due 31 to 90 days	434
Total	94,964

25. Key Management Personnel and Related Party Transactions

Under Australian Accounting Standards, the term Key Management Personnel refers to directors (both non-executive directors and executive directors) and those persons having the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The Key Management Personnel of the Group during the reporting period are set out below.

Jonathan Munz	Non-executive Chairman	Appointed 19 February 2016	
Russell Chenu	Independent Non-Executive Director	Appointed 11 April 2016	
Stuart Crosby	Independent Non-Executive Director	Appointed 11 April 2016	
Ross Dobinson	Independent Non-Executive Director	Appointed 11 April 2016	
Heath Sharp	Managing Director and Chief Executive Officer	Appointed 19 February 2016	
Dale Hudson	Director	Appointed 19 February 2016	Resigned 11 April 2016
Terry Scott	Group Chief Financial Officer	Appointed 29 April 2016	

(a) Key Management Personnel compensation

Details of the total remuneration of Key Management Personnel of the Group during the reporting period are:

	2016 $
Short term employee benefits	478,553
Post-employment benefits	6,688
Other long-term statutory benefits	2,501
Share based payments	65,027
Total	**552,769**

(b) Key Management Personnel transactions in shares and options

The total direct and indirect interests of Key Management Personnel, including their related parties, in the share capital and options of the Company at 30 June 2016 are:

		2016
	Shares Number	**Options Number**
Jonathan Munz	157,500,000	-
Russell Chenu	40,000	-
Stuart Crosby	100,000	-
Ross Dobinson	20,000	-
Heath Sharp	800,000	4,000,000
Terry Scott	640,000	-
Total	**159,100,000**	**4.000.000**

Details of movements in holdings during the period are disclosed in the Remuneration Report.

(c) Transactions with other related parties

The Company and GSA Industries Pty Ltd, a wholly owned subsidiary of GSA Group and an entity associated with Jonathan Munz, have entered into a shared facilities and services agreement dated 3 March 2016 ("**Shared Services Agreement**") under which the Company will share premises with GSA Group in Melbourne and be permitted to use certain facilities such as office space and car parking and will have signage rights. The initial term of the Shared Services Agreement is two years (which may be renewed by either party by giving six months' notice to the other party). The Company must pay an annual fee of approximately $100,000 (plus GST) to GSA Industries Pty Ltd for the use of these facilities and services. The Shared Services Agreement came into effect from the date of the Company's listing on the ASX. The Shared Services Agreement is on terms that are more favourable to the Company than arm's length terms.

25. Key management personnel (continued)

	2016 $000
Amounts recognised as an expense during the period	
Rent and shared services expense	16

The Company incurred $40,281,532 of directs costs associated with the Prospectus dated 18 April 2016 and listing on the ASX. These costs were paid by GSA Group as agent for the Company. The Company reimbursed GSA Group for these costs from the proceeds of the capital raising.

26. Audit Services

KPMG are the auditors of the Company. The total remuneration received, or due and receivable by auditors of the Company is as follows

	2016 $000
Audit services	120
Other services	65
Total remuneration to KPMG	**185**

In addition to the above KPMG were engaged by GSA Group to advise on certain aspects of the restructure and IPO. The total amount paid to KPMG for these services during the period was $2.3 million and is included in the capital raising costs incurred.

27. Deed of cross guarantee

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, the wholly-owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports and Directors' reports.

It is a condition of the Class Order that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee ("Deed"). The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event the Company is wound up.

The holding entity for the purpose of the Deed is Reliance Worldwide Corporation Limited

The Deed was entered into on 29 June 2016.

The subsidiaries who are parties to the Deed are:

- Reliance Worldwide Group Holdings Pty Ltd
- Reliance Worldwide Corporation (Aust.) Pty Ltd

A consolidated statement of comprehensive income, comprising the Company and controlled entities which are party to the Deed and after eliminating all transactions between those entities, for the period ended 30 June 2016 and a Statement of Financial Position for the same group for entities at balance date are set out below:

27. Deed of cross guarantee (continued)

Statement of profit or loss and other comprehensive income for the period ended 30 June 2016

	2016
	$000
Revenue	
Revenue from sale of goods	46,934
Cost of sales	(33,843)
Gross profit	13,091
Other income	451
Product development expenses	(1,100)
Selling, warehouse and marketing expense	(4,401)
Administration expense	(3,450)
Other expenses	(12,219)
Operating (loss)	(7,628)
Finance income	5,837
Finance costs	(962)
Net finance costs	4,875
(Loss) before tax	(2,753)
Income tax expense	(1,381)
(Loss) for the period	**(4,134)**

27. Deed of cross guarantee (continued)

Statement of financial position at 30 June 2016

	2016 $000
Assets	
Current assets	
Cash and cash equivalents	23,378
Trade and other receivables	33,559
Inventories	44,164
Other current assets	1,652
Total Current Assets	**102,753**
Non-Current	
Property, plant and equipment	43,056
Loans receivable	603,900
Deferred tax assets	10,264
Goodwill	39,825
Investment in subsidiaries	508,067
Other intangible assets	868
Total Non-Current Assets	**1,205,980**
Total Assets	**1,308,733**
Liabilities	
Current liabilities	
Trade and other payables	32,068
Current tax liabilities	1,429
Employee benefits	2,773
Total Current Liabilities	**36,270**
Non-Current Liabilities	
Loans and borrowings	160,000
Deferred tax liabilities	3,179
Employee benefits	4,831
Total Non-Current Liabilities	**168,010**
Total Liabilities	**204,280**
Net Assets	**1,104,453**
Equity	
Share capital	1,272,732
Reserves	(164,145)
Accumulated losses	(4,134)
Total Equity	**1,104,453**

28. Parent entity disclosure

As at, and throughout, the financial period from 19 February 2016 to 30 June 2016 the parent entity of the Group was Reliance Worldwide Corporation Limited.

(a) Result of the parent entity

	2016
	$000
(Loss) for the period	(11,537)
Other comprehensive income	-
Total comprehensive loss for the period	(11,537)

(b) Statement of financial position of the parent entity at 30 June 2016

	2016
	$000
Assets	
Total Current Assets	13,230
Total Non-Current Assets	1,422,472
Total Assets	1,435,702
Liabilities	
Total Current Liabilities	13,071
Total Non-Current Liabilities	161,371
Total Liabilities	**174,442**
Net Assets	**1,261,260**
Equity	
Share capital	1,272,732
Reserves	65
Accumulated losses	(11,537)
Total Equity	**1,261,260**

(c) Parent entity contingent liabilities

The Company has agreed to provide guarantees for certain commitments made or entered into by subsidiary entities in the ordinary course of business. The Company does not consider these guarantees to be material in the context of the Group's business.

(d) Parent entity capital commitments for acquisition of property plant and equipment

During the period the Company has not entered into any material contracts to purchase plant and equipment.

(e) Parent entity guarantees in respect of the debts to its subsidiaries

The Company has entered into a Deed of Cross Guarantee with the effect that it guarantees liabilities and obligations in respect of some Australian subsidiaries in certain circumstances. Refer Note 27.

29. Subsequent events

The Directors are not aware of any other matters or circumstances that have occurred since the end of the financial period that have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

Directors' Declaration

For the period 19 February to 30 June 2016

In the opinion of the Directors of the Reliance Worldwide Corporation Limited ("the Company"):

1. the Consolidated financial statements and notes that are set out on pages 21 to 58 and the Remuneration report on pages 12 to 19, are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance for the period from 19 February 2016 (date of incorporation of the Company) to 30 June 2016;

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

   (iii) comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. there are reasonable grounds to believe that the Company and the Group entities identified in Note 27 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee dated 29 June 2016 between the Company and those Group entities pursuant to ASIC Class Order 98/1418.

4. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the period ended 30 June 2016.

5. The directors draw attention to Note 1 to the consolidated financial statements which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with resolution of the Directors.

Jonathan Munz	**Heath Sharp**
Chairman	**Chief Executive Officer and Managing Director**

Dated at Melbourne on this 29 day of August 2016

KPMG

Independent auditor's report to the members of Reliance Worldwide Corporation Limited

Report on the financial report

We have audited the accompanying financial report of Reliance Worldwide Corporation Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2016, and the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period ended on that date, notes 1 to 29 comprising a summary of significant accounting policies and other explanatory information and the Directors' declaration of the Group comprising the Company and the entities it controlled at the period's end or from time to time during the financial period.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 1, the Directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

KPMG

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001.*

Auditor's opinion

In our opinion:

(a) the financial report of Reliance Worldwide Corporation Limited is in accordance with the *Corporations Act 2001*, including:

    (i) giving a true and fair view of the Group's financial position as at 30 June 2016 and of their performance for the period ended on that date; and

    (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

Report on the remuneration report

We have audited the Remuneration Report included on pages 12 to 19 of the directors' report for the period ended 30 June 2016. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Reliance Worldwide Corporation Limited for the period ended 30 June 2016 complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Paul J McDonald

Paul McDonald
Partner

Melbourne
29 August 2016