

**Reece announces A\$560m equity raising to fund acquisition**

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HONG KONG, May 7 (IFR) - Australian plumbing and bathroom products company Reece has announced plans to raise a combined A\$560m (US\$422m) from a share placement and entitlement offer. The fundraising plan comes after the company announced that it would buy US-based plumbing and waterworks equipment distributor MORSCO for US\$1.44bn. Reece will use the funds raised to partially fund the acquisition and pay associated transaction costs. The company has launched a fully underwritten institutional placement to raise about A\$139m and a 1-for-11 non-renounceable entitlement offer to raise about A\$421m. The placement price and rights price are both set at A\$9.30, representing a discount of 13.5% to the pre-deal spot. The Wilson family, Reece's major shareholder group, will subscribe for A\$300m of new shares as part of the equity raising. The institutional entitlement offer will close today, while the placement will close tomorrow. The retail entitlement offer will open on May 14. JP Morgan is the sole lead manager and bookrunner. (Reporting by Fiona Lau; Editing by Vincent Baby)

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