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► TRANSPORT SERVICES
► CEMENT, FLYASH & LIME
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► REINFORCING STEEL
► COMPOSITE FIBRE TECHNOLOGIES

HEAD OFFICE:
1 AIRPORT DRIVE
1511 TOOWOOMBA CECIL PLAINS ROAD
WELLCAMP QLD 4350

POSTAL ADDRESS:
PO BOX 151 DRAYTON NORTH QLD 4350

INT. PREFIX STD PREFIX NUMBER
TELEPHONE: (61 7) (07) 4637 7777

EMAIL: wagners@wagner.com.au

WAGNERS HOLDING COMPANY LIMITED
ACN 622 632 848



ASX RELEASE

WAGNERS HOLDING COMPANY LIMITED AND BORAL LIMITED CEMENT SUPPLY AGREEMENT

18 March 2019

Wagners Holding Company Limited (**ASX:WGN**) (the **Company**), through a subsidiary Wagners Cement Pty Ltd, is party to a Cement Supply Agreement with Boral Resources (Qld) Pty Limited and Boral Limited (**ASX:BLD**) (**CSA**). Pursuant to the CSA, BLD is required to purchase a minimum volume of cement from the Company on an annual basis at a determined price.

Pursuant to the CSA, BLD is entitled to issue a notice to WGN, together with a bona fide offer from a third party supplier of cement (**Pricing Notice**). In the event the Pricing Notice is both a bona fide offer that complies with the requirements of the CSA and is supported by market pricing evidence which provides for a price lower than currently charged by the Company, then the Company may elect to either:

- (a) reduce the price of the cement products supplied to BLD to the price notified in the Pricing Notice; or
- (b) suspend supply of cement products for a period of up to six (6) months.

BLD have issued a Pricing Notice to the Company which purports to refer to market pricing evidence in the form of an unsigned offer from a long established supplier of cement within South East Queensland, offering a price significantly lower than that currently charged by the Company.

The Company has commenced a formal process disputing the validity of the Pricing Notice on the basis it has concerns regarding the bona fide nature of the market pricing evidence provided and therefore the contractual basis upon which the notice has been issued.

The Company has made an election under the CSA to suspend supply of cement products to BLD, pending resolution, or determination by the courts, of the dispute regarding the validity of the Pricing Notice.

The potential impact of the Pricing Notice to the Company's revenue in the event the suspension is for the maximum six (6) month period is circa \$20million.

If the Pricing Notice proves not to be bona fide and therefore invalid, FY19 revenue and earnings are not expected to be impacted.

Given the long term impact the Pricing Notice (if valid and accepted) will have on the Company and the cement industry throughout Queensland and NSW, the Company believes that the election it has taken under the CSA to suspend supply and to dispute the validity of the Pricing Notice is in the best long term interest of its shareholders.

For further information, please contact:

Karen Brown
Company Secretary
Ph. 07 3621 1131

About Wagners:

Wagners is a diversified Australian construction materials and services provider and an innovative producer of New Generation Building Materials. Established in 1989 in Toowoomba, Queensland, Wagners is now an ASX-listed business operating in domestic and international markets. Wagners are a producer of cement, concrete, aggregates, new generation composite products and are world leaders in development of new technology to reduce the impact of heavy construction materials on the environment. Wagners are also providers of transport services, precast concrete and reinforcing steel.