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WAGNERS HOLDING COMPANY LIMITED
ACN 622 632 848



ASX RELEASE

BORAL CEMENT SUPPLY AGREEMENT UPDATE

23 April 2019

This release is an update on the ASX Release issued by Wagners Holding Company Limited (ASX:WGN) (the **Company**) on 18 March 2019.

As previously notified, the Company:

- elects to suspend the supply of cement products to Boral (ASX:BLD) following the receipt of a notice from BLD purporting to be a Pricing Notice issued under the Cement Supply Agreement between the Company and BLD; and
- commenced a formal process disputing the validity of the Pricing Notice.

As the parties have been unable to resolve the matter, the Company has now filed a Statement of Claim in the Supreme Court of Queensland against BLD seeking a determination through the Courts of the matters currently under dispute.

The ASX Release issued on 18 March 2019 referred to the potential financial impact on the Company. As a result of the commencement of litigation, the Company now advises that the FY19 guidance previously issued by it will be reduced by approximately \$10million until such time as the litigation has been either resolved or determined by the Courts. On this basis the Company now expects EBIT earnings for the full year FY19 will be in the range of \$25m to \$28m.

This reduction in guidance also takes into account the disruption faced by the cement business as well as the impacts that will flow into the concrete market, conditions in the precast concrete market and delays in projects starting.

If the Company is successful in its current litigation with respect to the Pricing Notice issued by BLD, this result would restore both revenue and earnings, recognition being subject to timing, accounting principles and audit. Upon resolution of the dispute, the sales and volumes are expected to return as provided for under the Cement Supply Agreement.

The outlook for the rest of the Company's business remains strong with expectations for FY19 expected to be achieved.

ENDS

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.

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