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Due to the recent substantial increases in fuel prices and the impact on both production and delivery costs, Boral Clay & Concrete Products businesses will be implementing a Fuel Levy.

Effective 1 October 2008, Fuel Levies apply for all Clay & Concrete products in Queensland, New South Wales, Victoria and South Australia including:

- Concrete Masonry Blocks, Bricks and Landscaping products.
- Clay Bricks and Pavers.
- Clay & Concrete Roofing Tiles.

The Clay & Concrete Products businesses in those States will be notifying their customers of the amount of the Fuel Levy to apply from 1 October 2008 for particular products.

This levy calculation is based on the National Terminal Gate Price (TGP) movements for Diesel Fuel.

The levy will be reviewed quarterly. The levy will be subject to rise and fall and will be adjusted to reflect the fuel price movements in the previous 3 months. For example the January 1 levy will be advised in October and will reflect the fuel price movements for the quarter July to September.

The fuel price to be applied for the rise and fall calculation will be the 20 June 2008 TGP National Bulk Diesel Fuel Price - \$178.40 (as published by the Australian Institute of Petroleum www.aip.com.au).

The Fuel Levy will be identified separately on individual customer invoices.