



# Customer Announcement

3 July 2008

## National concrete and quarry rise and fall conditions

Boral's customers are currently being advised that a rise and fall price adjustment will apply for all supply contracts which we enter having a term longer than 6 months.

Boral is implementing this condition in response to the out of the ordinary volatility affecting the costs of our business. In an effort to provide certainty and transparency to those customers who require longer term contracts (greater than 6 months) price adjustments will be based on an Index sourced from the Australian Bureau of Statistics which correlates with our major input costs.

### **Rise and Fall condition**

Rise and fall price adjustments will be applied to contracts for the supply of concrete and quarry products after the first six (6) months from the commencement date of the agreement.

The standard rise and fall adjustment will be determined as follows:

Prices will be adjusted on 1 May and 1 November of each Calendar year, using the Domestic Preliminary Stage of Production - Producers Price Index ("The Index"), Australian Bureau of Statistics Catalogue number 6427.0, Table 1, Series reference number A2314823J, [www.abs.gov.au/ausstats/abs@.nsf/mf/6427.0](http://www.abs.gov.au/ausstats/abs@.nsf/mf/6427.0).

The price adjustment is based on the formula:

$$\text{Adjusted price} = A \times \frac{C}{B}$$

Where:

- A = The product price immediately prior to the adjustment date.
- B = The value of The Index as first published for the quarter prior to the most recent past price adjustment (The Index published 6 months prior to the adjustment date).
- C = The value of The Index as first published for the most recent quarter prior to the adjustment date.

The Index details can be accessed directly from the Australian Bureau of Statistics through the following link:

[http://www.ausstats.abs.gov.au/ausstats/abs@archive.nsf/0/84BFFBF617B90B19CA25742F00186E2E/\\$File/642701.xls#A2314823J](http://www.ausstats.abs.gov.au/ausstats/abs@archive.nsf/0/84BFFBF617B90B19CA25742F00186E2E/$File/642701.xls#A2314823J)

This condition will be applied to all new quotations and agreements longer than 6 months from 4 July 2008.

We thank you our customer for your continued support.

John Douglas

Executive General Manager  
Australian Construction Materials