

EMAIL RECEIVED 30 MAY 2017 FROM DAVID NABARRO, DIRECTOR – INTEGRA WATER PTY LTD.
ATTACHED TO THE EMAIL WERE CONFIDENTIAL SALES REPORTS RELATING TO THE FIGURES IN THE
TABLE.

Hi Mick

I would like to point out what we know to be an error in the most recent report published, in particular the report from your interview with CWC.

In this report, CWC claim little loss from the introduction of WATERDOS to the market as they had previously lost the business to Aquarius and others. Bottom of page 2 and top of page 3.

This statement is simply false and misleading.

As per our initial discussions and your visit report, our purchasing of equipment was moved from CWC to Waterdos. We had not been buying the majority of our controllers from Aquarius since CWC were established many years earlier.

Please refer to our meeting report, page 2, second last paragraph.

To support this, please see (not for public release) our purchase history from the three companies over the periods, 2007/8, 2008/9, 2009/10 and 2009/11. A summary of these reports is as follows;

FY	Aquarius	CWC	Waterdos
2007/8	\$106k	\$450k	nil
2008/9	\$10k	\$440k	nil
2009/10	\$14k	\$220k	\$154k
2010/11	\$31k	\$88k	\$250k

- Note these figures are for our NSW business only. It represents most but not all our national purchasing.

There are significant market trends from time to time that will impact equipment sales to the WT industry. As indicated by CWC, changes to the Legislation in Vic had a significant impact on the sales for a number of years, then it will slow as the market responds and becomes saturated.

This can be seen to some extent from our purchasing history, two strong years, and then a slight decline over the following two years.

We maintain, this action is not in the best interest of the water treatment industry. The lack of price increases seen by Aquarius are no different to what we have been able to generate for our services. It is a competitive market driven heavily by price.

If you have any questions, please do not hesitate to contact me anytime.

Regards
David