

ASX release

23 April 2018

Waterco announces on-market share buy-back

Waterco Limited (ASX: WAT) (**Company**) intends to implement a further on-market share buy-back (**On Market Buy-Back**) for up to 10 per cent of the Company's issued capital for a total of \$2.5 million or approximately 1,250,000 shares over 12 months. The actual number of shares purchased under the On Market Buy-Back will depend on the prevailing share price, business and market conditions and corporate regulation considerations.

The On Market Buy-Back will comply with the '10/12 limit' permitted by the Corporations Act and ASX Listing Rules and therefore does not require shareholder approval.

The purpose of the On Market Buy-Back is to improve shareholder returns, enhance capital efficiency, and maintain sufficient flexibility to pursue future growth and investment opportunities.

The Company will be permitted to buy-back as early as 24 April 2018. The share price will be no more than 5% above the volume weighted price over the 5 trading days prior to purchase.

The dividend reinvestment plan of the Company will be suspended during the period of its on-market share buy-back.

In accordance with the ASX listing rules an Appendix 3C is attached.

About Waterco Ltd – www.waterco.com.au

Established in 1981 and listed on the ASX in 1989, Waterco (ASX:WAT) manufactures and distributes a diverse range of products for the international swimming pool and water treatment markets. Waterco is also the franchisor of Swimart, Australia and New Zealand's largest network of pool and spa retail outlets, and is also the distributor of Zane Pool Heating solutions via a network of Australian dealerships.

Waterco delivers high quality, innovative products at exceptional value in over 40 countries. This includes a comprehensive range of swimming pool & spa equipment and chemicals as well as domestic and industrial water treatment equipment. The company's head office is in Sydney, Australia with international offices, manufacturing plants and warehouses located in Australia, New Zealand, Malaysia, Indonesia, Singapore, China, US, Canada, France and the UK.

For further information, please contact:

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Appendix 3C

Announcement of buy-back (except minimum holding buy-back)

Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/9/99. Origin: Appendix 7B. Amended 13/3/2000, 30/9/2001, 11/01/10

Name of entity	ABN/ARSN
Waterco Limited (ASX: WAT)	002 070 733

We (the entity) give ASX the following information.

Information about buy-back

- | | | |
|---|--|---|
| 1 | Type of buy-back | On-market buy-back (within 10/20 limit) |
| 2 | ⁺ Class of shares/units which is the subject of the buy-back (eg, ordinary/preference) | Ordinary shares |
| 3 | Voting rights (eg, one for one) | One for one |
| 4 | Fully paid/partly paid (and if partly paid, details of how much has been paid and how much is outstanding) | Fully paid |
| 5 | Number of shares/units in the ⁺ class on issue | 37,101,254 ordinary shares |
| 6 | Whether shareholder/unitholder approval is required for buy-back | Not required (within 10/20 limit) |
| 7 | Reason for buy-back | To improve shareholder returns, enhance capital efficiency, and maintain sufficient flexibility to pursue future growth and investment opportunities. |

Appendix 3C
Announcement of buy-back

8 Any other information material to a shareholder's/unitholder's decision whether to accept the offer (eg, details of any proposed takeover bid)

Not applicable

On-market buy-back

9 Name of broker who will act on the company's behalf

Ord Minnett Limited

10 Deleted 30/9/2001.

11 If the company/trust intends to buy back a maximum number of shares - that number

Note: This requires a figure to be included, not a percentage.

That number of shares having an aggregate value of up to A\$2.5 million, as at the date of this announcement, being 1,250,000 shares. The actual number of shares purchased under the on market buy-back will depend on the prevailing share price, business and market conditions and corporate regulation considerations.

12 If the company/trust intends to buy back shares/units within a period of time - that period of time; if the company/trust intends that the buy-back be of unlimited duration - that intention

Buy-back to commence on 24 April 2018 and will continue until 23 April 2019 or earlier if completed before that date. The Company reserves the right to vary, suspend or terminate the buy-back at any time.

13 If the company/trust intends to buy back shares/units if conditions are met - those conditions

Not applicable

Employee share scheme buy-back

14 Number of shares proposed to be bought back

Not applicable

15 Price to be offered for shares

Not applicable

⁺ See chapter 19 for defined terms.

Selective buy-back

- | | | |
|----|--|----------------|
| 16 | Name of person or description of class of person whose shares are proposed to be bought back | Not applicable |
| 17 | Number of shares proposed to be bought back | Not applicable |
| 18 | Price to be offered for shares | Not applicable |

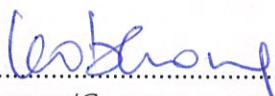
Equal access scheme

- | | | |
|----|--|----------------|
| 19 | Percentage of shares proposed to be bought back | Not applicable |
| 20 | Total number of shares proposed to be bought back if all offers are accepted | Not applicable |
| 21 | Price to be offered for shares | Not applicable |
| 22 | +Record date for participation in offer
Cross reference: Appendix 7A, clause 9. | Not applicable |

+ See chapter 19 for defined terms.

Compliance statement

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.
2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.

Sign here:  Date: 23-4-18

(Director/Company secretary)

Print name: Bee Hong Leo

⁺ See chapter 19 for defined terms.