



24th December, 2016

Dear Customer

Re: Expected Price Increases

Over the past month we have received notification of price increases from all of our major steel suppliers. This is due to recent increases in raw material costs, particularly Coking Coal and Iron Ore, a reduction in China's production capacity due to the Government placing strict regulations on pollution emissions and an increase in freight rates, both internationally and locally.

We expect to see these increases impact the local market from February 2017 onwards.

Structural Sections	7%
Hollows	8%
Merchant Bar	9%
Plate	6%

These percentage increases are approximate only as they may be impacted by changes to the exchange rate or other influencing factors such as shipping rates.

Our suppliers are advising us to expect further increases after the Chinese New Year in February and encourage you to keep this in mind when pricing jobs.

Should you have any questions please contact your Sales Representative or local branch on 0800 ASMUSS (0800 276 877).

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Dave Hardy', with a long horizontal stroke extending to the left.

Dave Hardy
General Manager Steel Division