

1 June 2020

**ADJUSTMENT OF LONG PRODUCTS EXTRAS FROM 01 JULY 2020**

Dear Customer,

Two years have passed since ArcelorMittal South Africa last made changes to its extras for long steel products and there have been numerous developments in that time. Apart from benchmarking product extras in various domestic markets around the world, the dynamics of market factors within South Africa are also reviewed such as the general inflationary pressures in the economy. For example, a retrospective look at 2018 and 2019 shows that the PPI was cumulatively 10.1%. The on-going COVID-19 pandemic has also caused significant disruption to the economic environment, globally and locally, resulting in higher dollar-based raw-material costs, a significantly weaker rand and increasing input costs.

Following a review of our extras for long steel products, we have concluded that certain of our extras with should be adjusted with effect from July 1<sup>st</sup>, 2020. The extras of all product families will be adjusted, with the average increase of an extra being circa 15% or roughly 0.7% of the final product price. Naturally the impact of the changes will vary based on the specific products purchased and will be higher or lower than this.

Given that each specific item will be affected differently, we recommend that you contact your Account Manager to enquire about your specific products and to determine how they will be impacted. Trusting that these changes can be implemented with the minimum of inconvenience to you.

Please feel free to contact your Account Manager for further details.

Yours faithfully



**Colin Hautz**  
Chief Marketing Officer