08_2018

Cost factors inflation rates*

Analysis typology
Cost factors inflation rates*

Analysis Period
August 2017/2018

Merchant Bars + Beams

Material	%
Electrodes	+295,1%
Ferro-alloys	+29,4%
Refractory materials	+21,7%

Rebars

Material	%
Electrodes	+364,0%
Ferro-alloys	+13,0%
Refractory materials	+15,1%

Prospectus verified by an independent auditor

* The prospectus shows the percentage variation of the purchase prices compared to the previous year of the listed productive factors with reference to the plants located in Italy and in France (Merchant Bars + Beams) and in Switzerland (Rebars). The data have been calculated in accordance with the criteria summarised in the explanatory notes in attachment.

Cost factors inflation rates

Explanatory notes

The Prospectus entitled "Cost factors inflation rates" shows the percentage variation of the purchase prices compared to the same period of the previous year of the productive factors (electrodes, ferro-alloys, refractory materials) calculated according to the following criteria:

a) The business unit MERCHANT BARS + BEAMS represents the weighted average of the purchase prices variations for the three categories of analysed materials, compared to the same period of the previous years for AFV - Vicenza and LME – France plants;

b) The business unit REBARS represents the weighted average of the purchase prices variations for the three categories of analysed materials, compared to the same period of the previous years for SG – Switzerland plant;

c) To standardise the basis for calculating the quantities, all the purchases have been converted into the same unit of measure,that is the TONNE. The materials bought not by weight but by units have been left out of this analysis (such a case involves just the category of the refractory materials);

d) To standardise the basket of the analysed materials, all the materials which haven't had a purchase in the current period or in the same period during the previous year have been left out of the average calculation;

e) To isolate just the effect of the average purchase prices variations, and so to exclude the mix effect of the different quantities of purchased material concerning the analysed categories during the two periods, the average unit prices of the individual materials in both periods have been weighted considering the quantities purchased in the current period;

f) Concerning SG – Switzerland plant, the analysis has been developed in EURO, because it is the actual currency of the purchase orders and of the invoices. In this way any exchange rate effect is avoided.