SECTION A COMPANY STRUCTURE AND OPERATIONS

A1 Identity and communication

Name: Alessandro Rota

Position in the company: CEO

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20010 Vittuone , MI

Italy

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e-mail address of contact person: alessandro.rota@stelmi.it

A2 Representative of the company for the purpose of investigation

See A1

A3 Company information

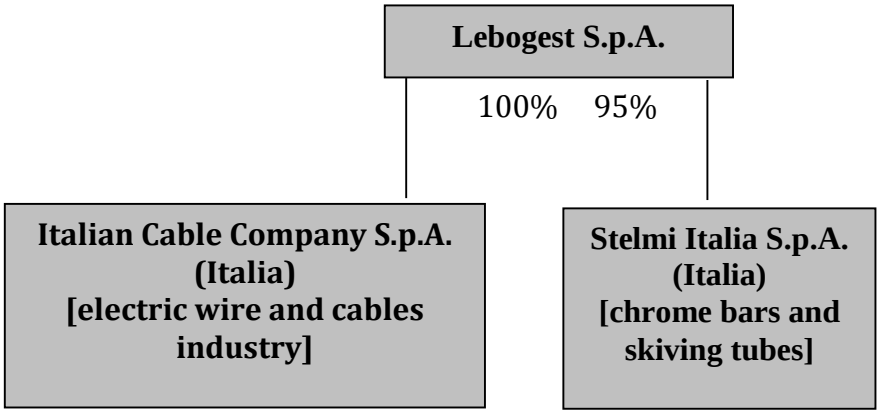
1-The name of the company is Stelmi Italia Spa", it's the only entity in the group that produces and sells Bar under consideration

2-The principal Shareholder (95%) is Lebogest Spa, an industrial holding company: Lebogest owns another company in other industry (electric Wire & Cables)

3-N/A

4-N/A

5-



6-none

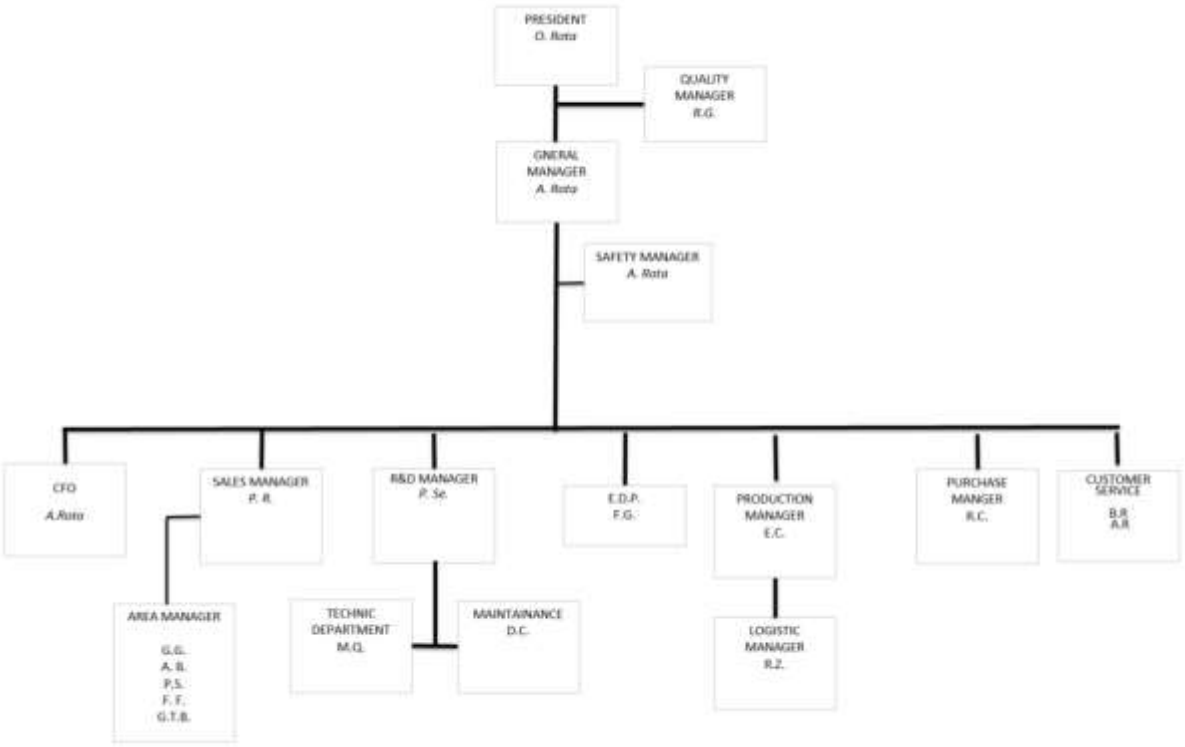
7-Stelmi Italia is a manufacturer of chrome plated bars: Stelmi is buying hot-rolls bars from steel-mill starts with his process that is peeling-rolling-grinding-chromeplating-polishing-packaging

Stelmi Italia is able to chrome plate in continuous way by own technology

Stelmi Italia , thanks to its technology and quality, is selling its products in 72 countries

8-N/A

9-



10- Attached the last company presentation.

A4 General accounting/administration information

1-Our accounting period is from 1st January to 31st December

2-Address: via Gandhi ,15

20010 Vittuone , MI

Italy

3-Attached the last two mandatory fiscal reports of 2013 and 2014 [Stelmi Italia spa_fascicolo bilancio 2013; Stelmi Italia spa_fascicolo bilancio 2014] ; it's in Italian Language, because it's mandatory, it includes the annual auditor's opinion.

These documents are for the entire company

4-N/A

5-Stelmi accounting practice is compliant with Italian Law and its Principles

6-

a-Stelmi evaluation method of all materials is [redacted]

b-Production cost (direct and indirect) is based on Activity Consumed: [redacted]

c-Stelmi has an annual statistic, and [redacted]

d- Stelmi has an annual statistic, and [redacted]

e-Evaluation of fixed assets is related to buying price; [redacted]

f-Compliant with Italian Law (in fiscal report attached it's mentioned for any kind of fixed asset the % of amortization)

g-Stelmi sells in Euro currency

[redacted]

7-Stelmi didn't change any accounting method

SECTION B SALES TO AUSTRALIA (EXPORT PRICE)

[redacted]

END USER

[redacted].

[redacted]

For all customers:

PRICE NEGOTIATION

We receive an inquiry from customers and reply to their request in writing giving prices and forecasted delivery date (STELMI departure).

If the prices given are ok we receive orders from customers. If not, we could receive requests of price reductions. We check the proposal and then confirm, not confirm or propose a different price.
Once agreed, we receive the order, process it internally and at the end of the process, we send an order confirmation to the customer.

With Australian customers we have no special relation neither financial nor other agreements.

SECTION C EXPORTED GOODS & LIKE GOODS

EXPORTED GOODS & LIKE GOODS

C1. During the investigation period, STELMI had exported to Australia 2 families of products.

a) Chrome plated bars (under investigation)
b) Skived and rolled burnished cylinder tubes H8 (no under investigation)
c) We exported several grades of chromed bars accordingly to our customers request. Steel grade and diameters are depending on the mechanical characteristics required by the customers. Technical specification and description of the material can be found on our website www.stelmi.it

C2. List of goods exported

C45 Chromed bars
C45 Induction hardened chromed bars
42crmo4 QT Chromed bars
42crmo4 QT & IH Chromed bars
20mnv6 Chromed bars
Skived and rolled burnished cylinder tubes H8 both seamless and welded type

C3. Products exported to Australia are exactly the same we sell in the Domestic market and to third countries. The only difference could be diameters, in fact in the Australian market imperial sizes (inch) are often required.

SECTION D DOMESTIC SALES

DOMESTIC SALES

D1. In the domestic market there are 3 different customers:

- Distributors
- Hydraulic Cylinder Producers
- End Users

Distributors: they buy material in commercial lengths (random lengths) and resell or cut them in commercial lengths. They are the most important actors in the market as far as prices are concerned.

Hydraulic Cylinder Producers: on the basis of their volumes they buy material from Distributors or from chromed bars producers
They produce hydraulic cylinders used for different equipment (construction equipment, wind power generator, garbage compactors, etc…). They are the ones who decide chromed bars technical specifications required (corrosion resistance and mechanical characteristics).

End Users : they produce the final equipment (i.e. fork lifts, dumpers, salt spreads, etc).
They can buy hydraulic cylinders already assembled or produce cylinders by themselves. Based on their organization they buy chromed bars cut at fix lengths or in commercial lengths.

The prices of these 3 [redacted]
Normally [redacted],
[redacted]

D2. In the domestic [redacted]

[redacted]

[redacted]

Prices are linked to volumes as well.

Prices are based on internal price [redacted]

Normally we have price discussions with customers, because they often ask for prices reductions.

Once agreed prices and payment terms we receive orders from customers.

Delivery terms

- Material description
- Price
- Forecasted delivery date
-

[redacted]