

Cable Pricing Adjustment Notice



Dear customers,

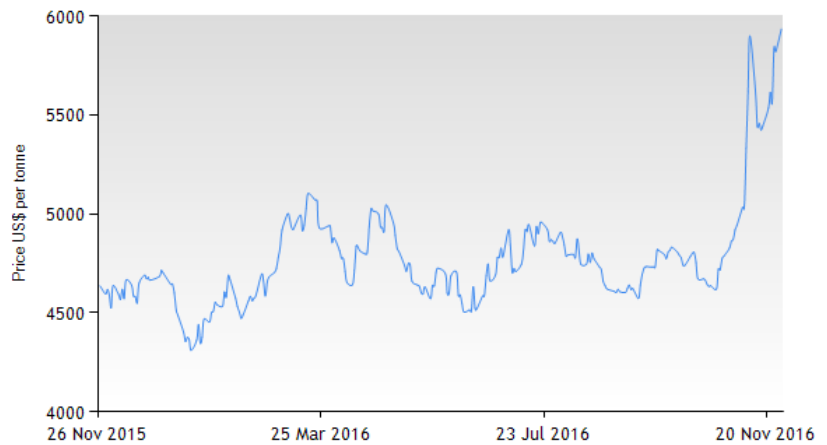
As most of you are already aware, raw copper costs have increased significantly over the last month.

In fact they have increased more than 20%!

The graph to the right represents the LME Copper USD/Tonne for the last 12 months.

At Mekolec, we try very hard to keep our pricing on our cable products as stable as possible.

However, with such a significant change in copper costs, as our new stock arrives, we are experiencing significant increases and we cannot sustain current pricing.



Unfortunately this means that we must increase our prices immediately. (As all manufacturers already have)

Effective January 2, 2017 - Prices for ALL NEW CABLE ORDERS will increase.

What does this mean for you ?:

We have tried to keep the cost increases to a minimum but in broad terms the following will occur:

- **Red TPS cables:** Will increase by approximately 5 to 8 Cents per Metre
- **Fire Rated Detection cables:** Will increase by approximately 10 to 20 Cents Per Metre
- **Fire Rated Power Cables:** Will vary on copper content and will be quoted on a per order basis.
- **Existing orders:** Orders in our system for delivery Jan/Feb 2017 will be honored at current pricing.

Your Mekolec account manager will be able to update you on your specific bulk pricing deals or for specific cables of interest.

The Future?:

There are various factors that have effected this current price surge.

Instability in world markets and US foreign policy is a contributing factor but overwhelmingly the cause has been due to significant increased demand for copper. There are two schools of thought as to where pricing goes from here:

One is that once the Christmas and Pre Chinese New Year demand subsides and the US foreign policy stabilizes, we will see a return to 2016 pricing levels in Q2 2017.

The other school of thought is that copper has been very cheap for the last few years and we could possibly head back up to high prices as high as we saw back in 2011.



We will continue to closely monitor the situation and keep you advised. Hopefully we can review downwards in Q2 2017.

Thank you for your understanding and continued support of Mekolec.

Marc Golland | Branch Manager

