



The Hon. Josh Frydenberg, MP
Treasurer
Parliament House
CANBERRA ACT 2600

4 March 2021

Dear Treasurer,

I want to provide you with some reassurance following the news this week that Greensill, a significant financial provider to GFG Alliance, is facing difficulties.

You will, no doubt, be aware of media stories about the issue, many of which are full of speculation on what might happen next and how that might impact GFG and our operations in Australia. I wanted to update you on what is clearly a challenging situation in the short term.

Firstly, GFG Alliance and its core operating divisions have adequate funding for their current needs while its refinancing plans to broaden its capital base and obtain longer term funding are progressing well. This is a process that has been underway for some months, irrespective of recent developments, and we hope to come to a satisfactory conclusion in the next few months.

Secondly, our global efficiency drive over the past six months means that our core businesses, LIBERTY Steel Group and ALVANCE Aluminium Group, are operationally strong. Those businesses are also benefiting from a recovery in the iron ore, steel and aluminium markets, with steel prices in Europe currently trading at 13-year highs. This means that the vast majority of our businesses are running at near full capacity to meet high demand and are generating positive cash flows.

However, there are a very small number of our operations where the situation is more challenging. We are working with our local management teams to find ways to establish a better and more sustainable operating position for these businesses.

We are also actively communicating with our employees, suppliers, customers and other stakeholders to provide them with reassurance and as much information as we can.

Due to the complex and fluid situation there is little more that I can add at the moment, beyond confirming that we continue to trade as normal, offering customers the same high quality products and services our businesses have been doing for so many years. I will also take this opportunity to reinforce the commitment that GFG Alliance has to Australia.

GFG ALLIANCE

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Our three core values of Family, Change and Sustainability remain firm. Although this is an unwelcome change in our circumstances, as a family we remain strong and determined to achieve our long term goals of sustainability. The excellent performance of our operating businesses and the commitment of our 35,000 employees worldwide puts us in a strong position to address this challenge.

As soon as I am able to provide a further update I will do so, but until then if you have any further questions please do not hesitate to contact Mark Scholem, Head of Government & External Affairs.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Sanjeev Gupta'.

Sanjeev Gupta
Executive Chairman/ GFG Alliance

Mark Scholem, GFG Alliance

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