

ArcelorMittal CLN

A joint venture between ArcelorMittal and CLN Group



CONSOLIDATED FINANCIAL STATEMENTS

as at 31 December 2015



A stylized graphic on the left side of the page. It features a blue silhouette of a person's head in profile, facing left. The person has short, spiky hair. A white hand is shown reaching up towards the person's head. The background is split vertically: the left half is blue and the right half is white.

ArcelorMittal CLN Distribuzione Italia srl

Corso Susa 13/15 • 10040 Caselette (TO) • Italy

Fully Paid-up Share Capital € 60,010,000

R.E.A. n. TO-1197930 Registro Imprese di Torino

VAT: 11233970018

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CORPORATE BODIES of ArcelorMittal CLN Distribuzione Italia srl

BOARD OF DIRECTORS

Chairman Gabriele Perris Magnetto

Managing Director Gabriele Perris Magnetto

Directors Giandionigi Ghislanzoni
Cesare Alessandro Viganò
Vijay Goyal
Alain Marie Legrix de la Salle
José Manuel Arias García

BOARD OF AUDITORS

Chairman Mauro Messi

Statutory Auditors Vittorino Pizzoni
Colin Johnston

Substitute Auditors Alessandra Odorisio
Luca Longobardi

AUDIT COMPANY

Deloitte & Touche S.p.A.





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• MANAGEMENT REPORT

LETTER TO THE SHAREHOLDERS

Dear Shareholders,

2015 was the Group's first year of operations, with nine months of activity managed by the new business model, during which the merger between the distribution structures took place in Italy between ArcelorMittal and the CLN Group.

We remind you of the formation of a joint venture (ArcelorMittal CLN Distribuzione Italia - "AMCLN"), which is confirmed among the main players in the distribution of carbon steel in Italy by volume of activity and market share.

The operation began with allowing significant synergies to be generated, which shall be completed in compliance with the provisions of the business plan at the basis of the agreement.

Following such operation, CLN S.p.A. transferred its operating branch and holdings in Prorena-Canessa S.r.l. (thereafter merged by incorporation into the joint venture as from 1st July 2015, with accounting effect as from 1st January 2015) into Delna S.p.A. (by means of transferral of the direct parent company, Pro-Can S.r.l., which holds 69.70% of the share capital) and in Tamagnone S.r.l. The operation was executed on 31 March 2015 and became effective as from the first day of the following month.

It is important to emphasize that despite the fact that the joint venture (AMCLN) was only launched on 1st April 2015, the consolidated accounts for the AMCLN Group highlight a positive result at the end of financial year 2015.

THE STEEL MARKET

World steel production in 2015 was established at 1.6 billion tonnes for the first time in several years, a reduction of 2.9% compared to 2014 (WSA data). It is important to stress that, despite values of absolute significance expressed by Asiatic productions, particularly from China which holds 50% of total world production alone, the negative trend in production also concerned China which fell by 2.3% compared to 2014.

In Europe (EU-28) there was a 1.9% drop in productions (from 169 to 166 million tonnes), with a portion of around 10% of the total world output, whereas in Italy the decrease in internal production proved to be more relevant, a fall of 7.1% compared to the previous year due to permanent difficulties of the largest Italian manufacturer, with a very low portion of use of its productive capacity. Despite the growth in demand, driven by the improvement in the automotive sector, the purchase prices of coils fell in Italy, especially during the second half of the year, under the pressure of production overcapacity at global level and the very relevant increase in imports from Third Countries, which have found fertile land in the structure of the Italian distribution sector which is structurally characterised by an excess in offer and tends to penalise operational marginality.

On the other hand, the increase in imports of flat products - amongst which mainly coils - had been very evident in favour of products originating from non-EU Countries (China and Russia in particular).

Among the sectors of steel users, the automotive sector consolidated good growth during the year (more than 25%).

OPERATIONS ON THE PERIMETER OF CONSOLIDATION

During the period under analysis, 1 April - 31 December 2015, there were no changes in the scope of consolidation of the AMCLN Group.

OUTLOOK FOR FINANCIAL YEAR 2016

During financial year 2016, the AMCLN Group shall be engaged in a process of organisational optimisation consequent to the establishment of the joint venture, a process aimed at compacting its business organisation and recognising opportune synergies therein. The year will also entail the joint venture's involvement in other external growth projects, aimed at widening its business scope and consolidating the related market share in relation to the distribution of flat carbon sheet metals.

As regards operational activities in the first quarter, we point out a substantial change compared to the reference framework for 2015. Indeed, the offer of products from Third Countries is rarefied. This has allowed European manufacturers, albeit in relation to a substantially stable internal demand, to implement a business policy focussed on significant and continuous recovery of prices and this has led AMCLN to comply with such policy.

The maintenance and renovation of production plants shall continue to be the subject of attention in 2016, when they shall be upgraded with the most recent technological innovations and a level of production and quality such as to retain the loyalty of the company's clients.

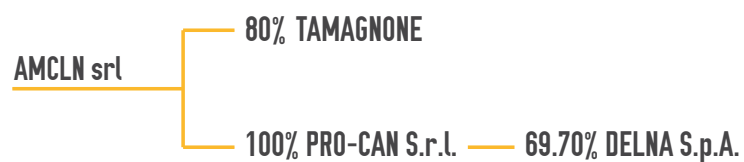
To this end interventions are foreseen in various areas, aimed at preventing disruptions associated with the age of the equipment, as well as making the use of the plants safer from the viewpoint of workers' safety and environmental protection.

THE GROUP AND ITS ACTIVITY

The ArcelorMittal CLN Group operates in the following different businesses:

- Steel Service Centres (AMCLN Distribuzione Italia srl)
- Pickling (Delna S.p.A.)
- Transport and direct and indirect storage service (Tamagnone S.r.l.)

The following graph shows the Group's legal structure as at 31 December 2015.



SIGNIFICANT EVENTS OF 2015

Among the outstanding events which characterised financial year 2015 for the AMCLN Group the following should be mentioned:

March

On 30 March 2015, "C.L.N. COILS LAMIERE NASTRI S.p.A." and "ArcelorMittal Distribution Solutions Italia S.r.l." decided to proceed with increasing the share capital from 10,000 Euros to 60,010,000 Euros, to be realised by means of contribution of assets by the two shareholders, in relation to which:

- CLN Coils Lamiere Nastri S.p.A. becomes the holder of 51% of the share capital, for a value equal to 30,605,100 Euros;
- ArcelorMittal Distribution Solutions Italia S.r.l. becomes the holder of 49% of the share capital, for a value equal to 29,404,900 Euros.

April

The Group's activity on the market began as from 1 April 2015. Furthermore, following the transfers by CLN S.p.A. of holdings in Pro-Can S.r.l., Tamagnone S.r.l. and Delna S.p.A., AMCLN Distribuzione Italia took over the credit/debit rights pertaining to the following interest-bearing loans, which had been stipulated between the parties previously:

- Loan due from Pro-Can S.r.l. of 385,512 Euros.
- Loan due from Tamagnone S.r.l. of 1,905,686 Euros.
- Loan owed to Delna S.p.A. of 2,000,000 Euros.

May

On 22 May 2015, the resolution was taken for merger by incorporation of Prorena-Canessa s.r.l. single-member Company (share capital equal to 2,134,000 Euros).

July

On 2 July 2015, AMCLN Distribuzione Italia srl stipulated a corporate transfer with Nuova Sabel under Liquidation of Collegno, having an agreed consideration of approximately 800 thousand Euros excluding taxes.

December

On 21 December 2015 ArcelorMittal CLN Distribuzione Italia srl subscribed shares equal to 25% of Metallurgica Graffignana srl for a total of 2,500 Euros, reserving the possibility to purchase more shares in the future.

ECONOMIC AND FINANCIAL PERFORMANCE

AMCLN GROUP RECLASSIFIED PROFIT AND LOSS ACCOUNT

€	31/12/2015
TURNOVER	467,390
Gross Operating Margin (EBITDA)	20,834
% turnover	4.5%
Operating Earnings (EBIT)	8,017
% turnover	1.72%
Net financial income	(4,279)
Net extraordinary income	25
Pre-tax result (EBT)	3,764
% turnover	0.80%
Income taxes	(3,429)
Net Profit for the Group and Third Parties (EAT)	335
% turnover	0.07%

AMCLN Group

Financial year 2015 closed with a turnover of 467 million Euros and Ebitda equal to 21 million Euros. We report that, as this is the first year for the Company, the reclassified financial statements only show the column concerning the year ending (nine months of operations) and therefore no comparative data are given.

For further details on the composition of the items, please refer to the Notes to the Financial Statements.

RECLASSIFIED BALANCE SHEET

€	31/12/2015
Net trade receivables	91,947
(Net trade payables)	(147,067)
Closing Stock	122,613
Other current assets (liabilities)	(30,616)
NET WORKING CAPITAL	36,877
Net Tangible Fixed Assets	101,121
Net Intangible Fixed Assets	42,821
Equity investments and non-current receivables	273
Reserves	(6,445)
Deferred tax assets / (Liabilities)	(2,614)
NET INVESTED CAPITAL	172,033
SHAREHOLDER'S EQUITY	66,604
MINORITY INTERESTS	6,440
Group SHAREHOLDER'S EQUITY	60,164
(Liquid assets)	(4,720)
(Investment securities)	(7,126)
Short-term loans	109,829
Long-term loans	7,446
NET FINANCIAL DEBT	105,429
BORROWINGS	172,033

Refer to the Notes to the Financial Statements for more details about the composition of the items.

MAIN INCOME AND CASH FLOW INDICATORS

The Ebitda represents the main indicator of income for the AMCLN Group, whereas the main cash flow indicator is represented by the Net Financial Debt (as explained in the reclassified income and equity statements shown above). Other relevant indicators regarding income and cash flow are provided below.

ROE - Return On Equity (Net profit/net equity)

It shows in summary corporate profitability, meant as the remuneration of equity invested by shareholders.

	Year 2015
ROE	0.55%

ROI - Return On Investment (EBIT/Net Invested Capital)

It shows in summary the company's characteristic turnover, therefore excluding the financial and extraordinary component, respect to the net invested capital.

	Year 2015
ROI	4.84%

ROS- Return On Sales (EBIT/Revenues from Sales)

It shows in summary the capability of sales to produce income.

	Year 2015
ROS	1.72%

Equity/Invested Capital

It shows the ratio between Shareholder's Equity and Invested Capital.

	Year 2015
Equity/Inv. Cap.	36.33%

Current assets to current liabilities ration

It shows the capacity of current assets (trade debtors, short-term investments and liquid assets) to cover the Current Liabilities (trade creditors and financial liabilities).

	Year 2015
Equity/Inv. Cap.	0.74%

Although the indicator is below 1, we do not, however, perceive a situation of tension as the level of stock realisability is high and transformation times are short.

Index of cover of the capital assets

It shows the portion of non-current assets funded by Equity.

	Year 2015
Equity/Fixed Assets	41.72%

The "other securities" classified among the "long-term investments" were excluded when determining this ratio, in accordance with the approach explained previously in the comment on the Current assets to current liabilities ration.

MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS SUBJECTED

RISKS OF A FINANCIAL NATURE

The AMCLN Group is exposed to risks of a financial nature related to its operations; these are constantly monitored in order to mitigate the effects thereof:

- Credit risk, in relation to normal trade relations with clients and loan activities.
- Liquidity risk, with particular reference to the availability of financial resources and access to the credit market.
- Financial risks (mainly related to interest rates) inasmuch as AMCLN is potentially exposed to variations in interest rates.

Credit risk

The greatest theoretical exposure to credit risk for the AMCLN Group as at 31 December 2015 is represented by the book value of the receivables shown in the financial statements.

The Group adopts specific business policies aimed at monitoring its clients' solvency and disposes of receivables with factoring companies and securitisation companies on the basis of agreements without recourse, thereby transferring the related risk.

The Group has chosen to proceed with insuring its receivables, albeit adopting internal business policies aimed at monitoring the solvency of its clients, as well as specific appropriations when there is an objective condition of partial or total unenforceability that is not guaranteed by the insurance.

Liquidity risk

The main factors affecting the situation regarding liquidity of the AMCLN Group are partly the resources generated and absorbed by operational management and partly those used in investments made for development and the debt service. The Group constantly monitors the trend in liquid assets, financial flows (final and predicted) and available lines by means of reports by the treasury. In particular, as at 31 December 2015 the liquid assets (including restricted securities in the portfolio) amount to 11,846,204 Euros, whereas payables owed to banks within twelve months amount to 110,875,063 Euros and those after more than 12 months amount to 6,397,766 Euros.

Interest rate risk

The AMCLN Group carries out advances on invoices/RIBA transactions subject to collection on a recurrent basis which originate from its commercial activity and also recurs to other technical forms of funding, both short-term (hot money, import/export funding) and in the medium and long term, usually at variable interest rates.

Variations in the levels of market interest rates therefore affect the level of the net financial charges.

BUSINESS RISKS

The Group is exposed to some risks associated to its procurement and outlet markets, mainly:

- The price of steel: volatility in particular, which produces significant and repeated variations in the price of raw material which can lead to exposure to the risk of not being able to quickly reverse such dynamics onto the end client. One must remember, in particular, that while the price of steel proves to be strongly influenced by "global" dynamics (cost of iron mineral, scrap, carbon and the demand of steel in emerging markets), the end demand for processed steel is strongly influenced by "local" dynamics of consumption and existing overcompetition.
- Risks associated to the trend in consumption within the main end sectors of use, such as con-

structions, the automotive and electrical appliance sectors, which are correlated to the uncertainty of the macroeconomic framework, such as the increase and decrease of the gross national product, the level of consumer loyalty and that of companies, trend in interests rates for consumer credit and in the Euro/Dollar exchange rate, factors which are always defining in the dynamics of the purchase of long-lasting goods.

RISKS ASSOCIATED WITH THE RESTRICTIONS IMPOSED IN RELATION TO HEALTH AND SAFETY

The production activity carried out (above all for Delna S.p.A.) and resulting products are subject to several restrictions laid down by standards and regulations regarding the environment, which envisage strict regulations concerning waste disposal, drainage water, emission of gases into the atmosphere and contamination of land, as well as on the matter of prevention and safety at the workplace.

Internal control procedures have constantly observed developments in the norms concerning this issue and have implemented all actions that have become necessary in order to promptly implement the prescribed provisions, also recurring to the services of external consultants.

INFORMATION CONCERNING RELATIONS WITH THE ENVIRONMENT AND SAFETY

The Group carries out its activity in compliance with the provisions in force on the matter of environmental protection with reference to the sectors to which it belongs. In particular, we point out that the activity carried out, due both to the materials treated for energy consumption and produced waste, can be considered as of low environmental impact.

As regard the REACH normative, based on European Regulation EC no. 1907/2006 (introduction of a system of registration, assessment and authorisation regarding chemical substances in circulation within the territory of the European Union), the ArcelorMittal CLN Group is placed as a “downstream user” inasmuch as it does not buy, use or import chemical substances standardised by the latter for its manufacturing processes. It therefore periodically requests that its suppliers provide REACH declarations of conformity and monitors the updates in the Candidate List (a list issued by ECHA regarding forbidden substances) and sending such declarations to its clients.

The AMCLN Group carries out its activity in compliance with the provisions in force on the matter of environmental protection and occupational health and safety.

As regards the environment, we stress that the activity performed, both with reference to energy consumption, emissions and produced waste can be considered as of low environmental impact. Therefore during the course of the financial year no damage to the environment occurred and the Company has not been inflicted with fines or sanctions for such reason.

During 2015 it took steps to create homogeneity in its objectives and methodologies on the matter of safety with a view to achieving its main objective of “zero injuries” by means of the following activity guidelines:

- Guarantee the protection of health and prevention or risks in observance of the normative in force.
- Identify the appropriate measures of prevention and protection in order to reduce the risk of events entailing injuries as much as possible.
- Provide corporate management with an efficient and effective management system allowing the permanent identification and management of emerging problems as well as an orderly flow of information capable of adequately supporting decision-making and operational responsibilities.
- Increase the involvement, motivation and awareness of personnel.

- Increase efficiency and performance with a view to continuous improvement.
- Improve its internal and external image; therefore have greater reliability with regard to clients, suppliers and supervisory entities/authorities.
- Progressively reduce the costs of health and safety at the workplace.

Furthermore, the Safety Policy adopted and divulged by the AMCLN Group establishes that the protection of Health and Safety is to be considered as a priority and precise responsibility of the entire corporate hierarchy, as well as a constant commitment to be applied to all activities. The Group's objective is aimed at reducing and preventing injury and professional sickness.

Such principles are realised by means of identifying annual objectives of reduction - constant and gradual - in injuries and the related indicators, from a minimum reduction of 30% compared to the previous year until reaching zero accidents.

The commitment of the Management of the AMCLN Group to reach and maintain the results is also expressed by means of a continuous improvement and identification of new instruments to be adopted and applied.

The consolidation of good results regarding such issue must not represent a point of arrival but rather a starting point. Indeed, it shall be necessary to continue to work on the behavioural aspect which now constitutes the most significant added value for dealing with the matter of health and safety in the various facilities. Indeed, the involvement of employees and, in particular, supervisors (the link between corporate management and workers), represents a direct channel so that environment and safety are not abstract arguments, but become something real, concrete and tangible also, and, above all on the part of the supervisors. Only in this way shall it be possible for the latter to believe in the project and become a fundamental and essential part thereof in order to reduce the risk of injuries to zero.

The instruments used to be able to reach the set objectives on the matter of health and safety are:

1. Training for personnel which must be specific, periodic and effective.
2. An analysis of injuries required for identifying the causes originating the event.
3. An analysis of incidents and dangerous situations in order to reduce opportunities for injury.
4. An assessment of the risks per single activity.
5. Safety inspections in order to monitor the correct application of rules and procedures.
6. A safety audit to establish new prompts for improvement.
7. Suggestions from employees so that supervisors become proactively involved on the matter of safety.

The commitment of the Group's Management in order to achieve and keep its results also entails continuous improvement and continuous identification of new measures to be adopted and applied.

In relation thereto, we point out that in December 2015, ArcelorMittal CLN Distribuzione Italia srl obtained **OHSAS 18001** certification with the Certifying Entity DNV. This means that the existing safety management system in the company is conform to international standard OHSAS 18001 (Occupational Health and Safety Assessment Specification), ensuring compliance with the requisites envisaged for the Management Systems for Health and Safety at the Workplace and allowing the company to better assess risks and improve its performance.

RESEARCH AND DEVELOPMENT ACTIVITIES

The Group did not carry out research and development activities in 2015.

RELATIONS WITH RELATED COMPANIES

Relations between the Group companies are governed under market conditions. Relations between AMCLN Distribuzione Italia srl and its subsidiaries and associated companies, as well as between such companies, are of a commercial and financial nature.

A summary table is shown below which highlights financial relations, which took place during the year between the Group and the associated companies:

€		
Description	Trade receivables	Trade payables
OMV S.p.A.	420,026	-
GIANETTI RUOTE S.r.l.	3,512,261	-
MW ITALIA S.r.l.	712,994	71,092
MAGNETTO WHEELS FR		69,025
Lima S.p.A.	45,088	10,744
MFB S.r.l.	2,366,190	52,191
C T L S.r.l.	511,575	-
NICHELINO IMMOBILIARE S.r.l.	238,519	-
Wagon Automotive S.r.l.	(12,578)	-
CELLINO S.r.l.	514,958	-
CELMAC S.r.l.	2,942,139	-
EMARC S.p.A.	142,130	-
PMC AUTOMOTIVE ITALIA S.r.l.	199,037	-
MA S.r.l.	6,228,198	18,662
MAC S.r.l.	(30,116)	170,457
JBM MA AUTOMOTIVE	32,904	-
MW WHEELS SA (PTY)	2,000	-
MA AUTOMOTIVE SOUTH	6,203	-
C.L.N. SERBIA D.O.O	287,509	-
DELFO POLSKA S.A.	10,802	-
EUROSTAMP S.A.S.	30,710	-
MA FRANCE	151,127	-
MA AUTOMOTIVE DEUTSCHLAND	358,756	-
MW ROMANIA SA	12,577	-
UM CORPORATION S.A.S.	37,442	-
ALMASIDER DOO	584,367	-
C.L.N. SLOVAKIA S.R.O.	160,145	-
DP METAL PROCESSING POLSKA	143,058	122,560
MA FRANCE		55,629
CLN POLSKA SP. Z O.O.	199,366	-
ITLA S.R.L.	891,306	118,915
INTEK CM S.R.L.	34,293	-
ARCELORMITTAL LOGISTIC ITALIA SRL		1,508,377
ARCELORMITTAL CENTRE DE SERVICE		93,421
ARCELORMITTAL COMMERCIAL ITALY		67,828,175
ARCELORMITTAL DISTRIBUZIONE IT		10,465
ARCELORMITTAL DISTRIBUTION SOLUTION		118,200
ARCELORMITTAL EUROPE SA		52,604
ARCELORMITTAL FLAT CARBON EUROPE		39,737,048
RIZZATO NASTRI ACCIAIO S.p.A.	8,118	-
Total due from/owed to associated companies	20,741,104	110,037,565

SIGNIFICANT EVENTS AFTER CLOSURE OF THE FINANCIAL YEAR

The main facts of relevance which took place after closure of financial year 2015 can be summarised thus:

Acquisition of a branch of Ciocca Lamiere S.r.l. (share capital Euro 2,000,000) completed by act of 29 March 2016.

On this date the Director of Ciocca Lamiere S.r.l., Ciocca Michele, sold all properties, goodwill, payables owed to employees transferred with date of effectiveness as from 1 April 2016 to AMCLN Distribuzione Italia srl.

BUSINESS OUTLOOK

In financial year 2016 the AMCLN Group shall be engaged in a process of organisational optimisation consequent to the establishment of the joint venture, a process aimed at compacting its business organisation and recognising appropriate synergies therein. The year will also entail the joint venture's involvement in other external growth projects, aimed at widening its business scope and consolidating the related market share in relation to the distribution of flat carbon sheet metals.

With regard to the operational activity of the first quarter, we point out a substantial change respect to the reference framework of 2015. Indeed, the offer of products originating from Third Countries has basically disappeared. This has allowed European manufacturers, albeit in relation to a substantially stable internal demand, to implement a business policy focussed on significant and continuous recovery of prices and this has obliged AMCLN to comply with such policy in order to keep its marginality intact with regard to progressively increasing turnover compared to the levels of the final months of 2015.

Furthermore, maintenance and renovation of production plants shall continue to be the subject of attention in 2016, when they shall be upgraded with the most recent technological innovations and a level of production and quality such as to retain the loyalty of the company's clientele.

Forecasts for financial year 2016 as described previously allow us to look to the comprehensive business outlook for the year with conscious optimism.

16 June 2016

For the Board of Directors
The Chairman
Gabriele Perris Magnetto



2. CONSOLIDATED FINANCIAL STATEMENTS

as at 31 december 2015

Consolidated Balance sheet

€		31/12/2015
ASSETS		
PAYMENTS DUE FROM SHAREHOLDERS		0
FIXED ASSETS		
I	Intangible fixed assets	
	Start-up and expansion costs	7,702
	Research, development and advertising costs	-
	Industrial patents and intellectual property rights	-
	Concessions, licences, trademarks and similar rights	65,019
	Goodwill	33,373,260
	Intangible assets under construction and payments on account	31,239
	Other intangible assets	663,339
	Differences from consolidation	8,680,715
	Total intangible fixed assets	42,821,273
II	Tangible fixed assets	
	Land and buildings	54,219,312
	Plant and machinery	43,370,461
	Industrial and commercial equipment	588,740
	Other tangible assets	1,750,868
	Tangible assets under construction and payments on account	1,191,339
	Total tangible fixed assets	101,120,720
III	Long-term investments	
	Equity investments in:	
	subsidiaries	-
	associated companies	-
	parent companies	-
	other companies	272,945
	<i>Total long-term investments</i>	<i>272,945</i>
	Long-term receivables:	
	due from subsidiary companies	-
	due from associated companies	-
	due from parent companies	-
	due from other companies	2,520
	<i>Total long-term receivables</i>	<i>2,520</i>
	Other securities	7,126,000
	Own shares in treasury	-
	Total long-term investments	7,401,465
Total fixed assets		151,343,458
CURRENT ASSETS		
I	Stock	
	Raw materials, ancillary materials and consumables	107,297,785
	Work in progress and semi-finished goods	2,053,887
	Goods being made to order	-
	Finished products and goods	13,261,175
	Advances paid	-
	Total stock	122,612,847
II	Receivables	
	Trade debtors	
	third parties due within 12 months	70,522,355
	related parties due within 12 months	20,741,104
	third parties after more than 12 months	556,275
	Due from subsidiary companies	
	within 12 months	-
	after more than 12 months	-

€		31/12/2015
ASSETS (ctd)		
	Due from associated companies	
	within 12 months	-
	after more than 12 months	-
	Due from parent companies	
	within 12 months	124,235
	after more than 12 months	-
	Tax credits	
	within 12 months	1,964,700
	after more than 12 months	-
	Prepaid taxes	
	within 12 months	1,933,888
	after more than 12 months	-
	Due from other companies	
	within 12 months	-
	after more than 12 months	-
	Other debtors	
	within 12 months	900,806
	after more than 12 months	-
	Total receivables	96,743,363
III	Short-term investments	
	Equity investments	-
	Other equity investments	-
	Own shares	-
	Total equity investments	-
IV	Liquid Assets	
	Bank and postal deposits	4,703,368
	Cash and cash equivalents in hand	16,836
	Total liquid assets	4,720,204
Total current assets		224,076,414
ACCRUED INCOME AND PREPAID EXPENSES		
	Accruals and deferrals	4,137,528
Total accruals and deferrals		4,137,528
TOTAL ASSETS		379,557,400

€	
SHAREHOLDER'S EQUITY AND LIABILITIES	31/12/2015
SHAREHOLDER'S EQUITY	
I Share capital	60,010,000
II Share premium account	-
III Revaluation reserves	-
IV Legal reserve	-
V Reserve for own shares in treasury	-
VI Statutory reserve	-
VII Other reserves	-
Capital account reserve	-
Consolidation reserve	-
Currency translation reserve	-
VIII Profits (losses) carried forward	-
IX Profit (loss) for the period	154,070
TOTAL SHAREHOLDER'S EQUITY for the Group	60,164,070
Minority interests	6,440,129
TOTAL SHAREHOLDER'S EQUITY	66,604,199
PROVISIONS FOR RISKS AND CHARGES	
Provision for pensions and similar obligations	290,481
Provisions for taxes, also deferred	4,069,518
Other provisions	1,413,295
Total provisions for risks and charges	5,773,294
STAFF SEVERANCE FUND	4,740,516
PAYABLES	
Debenture loans	-
Convertible debentures	-
Loans payable to shareholders	-
Due to banks	-
within 12 months	109,206,186
after more than 12 months	6,397,766
Due to other lenders	-
within 12 months	1,668,877
after more than 12 months	-
Advances received	-
Trade creditors	-
third parties due within 12 months	36,635,495
related parties due within 12 months	110,037,565
third parties more than 12 months	-
Bills of exchange payable	-
Due to subsidiary companies	-
within 12 months	-
after more than 12 months	-
Due to associated companies	-
within 12 months	-
after more than 12 months	-
Due to parent companies	-
within 12 months	409,649
after more than 12 months	-
Due to other companies	-
within 12 months	-
after more than 12 months	-
Fiscal liabilities	-
within 12 months	8,503,563
after more than 12 months	-

€	
SHAREHOLDER'S EQUITY AND LIABILITIES (ctd.)	31/12/2015
Due to welfare agencies and social security	
within 12 months	3,039,089
after more than 12 months	757
Other creditors	
within 12 months	9,661,269
after more than 12 months	16,754,650
Total payables	302,314,866
ACCRUED LIABILITIES AND DEFERRED INCOME	
Issue premium	-
Other accruals and deferrals	124,526
Total accrued liabilities and deferred income	124,526
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES	379,557,400

€	
MEMORANDUM ACCOUNTS	31/12/2015
GUARANTEES GIVEN	
Surety Guarantees	34,391,925
TOTAL GUARANTEES GIVEN	34,391,925
COMMITMENTS	
Miscellaneous commitments	-
TOTAL COMMITMENTS	-
RISKS ACCOUNTS	
Other risks accounts	313
TOTAL RISKS ACCOUNTS	313
TOTAL MEMORANDUM ACCOUNTS	34,392,238

Consolidated Profit and Loss Account

€	31/12/2015
A) PRODUCTION VALUE	
Revenues from sales and services	460,225,669
Change in closing stock: work in progress, semi-finished goods and finished products	1,624,681
Changes in goods being made to order	-
Work performed for own purposes and capitalised	-
Other revenues and income	5,539,746
Total production value	467,390,096
B) PRODUCTION COSTS	
Cost of raw materials, ancillary materials, consumables and goods	382,356,800
Cost of outside services	30,991,899
Use of third party assets	2,035,569
Staff costs:	
Wages and salaries	21,359,130
Social charges	8,166,626;
Staff severance indemnity	1,502,233
Pensions and post-retirement benefits	24,947
Other costs	1,695,606
Total staff costs	32,748,542
Depreciation, amortisation and write-downs:	
Amortisation of intangible assets	3,550,491
Depreciation of fixed assets	9,286,646
Other reductions in value of fixed assets	-
Write-downs against short-term receivables and liquid assets	652,748
Total depreciation, amortisation and write-downs	13,489,885
Changes in stock: raw materials, ancillary materials, consumables and goods	(3,783,759)
Allocation to risk provisions	-
Other provisions	763,963
Sundry overheads	770,054
Total production costs	459,372,953
Difference between production value and production costs	8,017,143
C) FINANCIAL INCOME AND CHARGES	
Income from equity investments:	
subsidiaries	-
associated companies	18
parent companies	-
other companies	-
Total income from equity investments	18
Other financial income	
Income from long-term receivables:	
subsidiaries	-
associated companies	-
parent companies	-
other companies	4,873
Total income from long-term receivables	4,873
Income from securities held on a long-term basis	-
Income from securities held on a short-term basis	-
Other financial income not included above	
interests and commissions from subsidiary companies	-
interests and commissions from associated companies	-
interests and commissions from parent companies	-
interests and commissions from other companies and sundry income	37,266
Total other financial income not included above	37,266
Total other financial income	42,139

€	
Consolidated Profit and Loss Account (ctd.)	31/12/2015
Interest payable and other financial charges::	
subsidiaries	-
associated companies	-
parent companies	-
other companies	-
other companies	4,304,194
Total interest payable and other financial charges	4,304,194
Gains and losses on exchange rates	(16,669)
Total financial income and charges	(4.278.706)
D) VALUE ADJUSTMENTS TO INVESTMENTS	
Revaluations:	
of equity investments	-
of long-term investments	-
short-term securities	-
Total revaluations	-
Write-downs:	
of equity investments	-
of long-term investments	-
short-term securities	-
Total write-downs	-
Total adjustments made to the value of investments	-
E) EXTRAORDINARY INCOME AND CHARGES	
Extraordinary income:	
gains on sale of assets	-
sundry extraordinary income	163,311
Total extraordinary income	163,311
Extraordinary charges:	
losses on sale of assets	9,395
taxes from previous years	(36,566)
sundry extraordinary charges	165,287
Total extraordinary charges	138.116
Total extraordinary entries	25,195
PRE-TAX RESULT	3,763,632
Current taxes	3,450,426
Prepaid and deferred taxes	(21,416)
Income tax for the period	3,429,010
PROFIT (LOSS) OF THE GROUP AND THIRD PARTIES FOR THE PERIOD	334,622
Profit (loss) attributable to minority interests	180,552
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE GROUP	154,070



3. NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015

1. MAIN ACTIVITIES

AMCLN Distribuzione Italia srl is a legal entity under Italian law and with its subsidiaries ("the Group") it operates exclusively in Italian territory with 3 different lines of business: steel service centres (pre-working of steel coils and sheet steel works in general), transport and direct and indirect storage service as well as steel pickling and cutting.

Operations performed with related parties fall within the routine activities of the Group companies and are mainly of a commercial nature. Such operations are governed under market conditions.

2. FORM AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were drawn up in conformity with the provisions of Chapter III of Legislative Decree no. 127/1991, considering variations and interpretations introduced by Legislative Decree 17 January 2003 no. 6 as amended, supplemented by the accounting principles issued by the National Councils of Chartered Accountants and Accounting Experts as well as the Italian Accounting Board and, in the lack thereof and where not in contrast therewith, those issued by the International Accounting Standards Board (I.A.S.B.).

They have been applied according to the prudence principle and with a going concern view, as well as considering the economic function of the considered element of the assets or liabilities.

The consolidated financial statements are formed of the Balance Sheet and the consolidated Profit and Loss account and the Notes to the Financial Statements.

The significant events which took place after the year closed, explained in the Management Report, form an integral part of these Explanatory Notes.

The consolidated Financial Statements were drawn up using the global integral method for consolidating the financial statements of AMCLN srl, the Parent Company, as well as all the Italian and foreign companies in which the latter directly or indirectly holds voting rights and exercises unilateral control. The area of consolidation is shown in an attachment to the Explanatory Notes.

The Group companies, related names, seats, business purpose, share capital and percentages of direct and indirect holdings are listed in an attachment to these Explanatory Notes.

The financial statements subject matter of consolidation refer to the same date of closure of the Parent Company.

We specify that we did not proceed with derogations pursuant to paragraph 4 of art. 2423 of the civil code in these financial statements.

We point out that, as this is the Company's first year, the financial statements only show the column concerning the year ending and therefore no comparative data are given.

The amounts indicated in the financial statements and the Explanatory Notes are all expressed in Euros, unless indicated otherwise.

Principles of consolidation

The consolidated financial statements were drafted including the financial statements of the Group companies as at 31 December 2015, inserted into the area of consolidation drawn up by the Boards of Directors for approval by the single Shareholder's Meetings, duly amended, where necessary, in order to standardise them to the accounting principles adopted by the Parent Company.

All the subsidiary companies included in the area of consolidation are consolidated using the global integration method, as from acquisition of control and summarised thus:

- a. Assumption of the assets, liabilities, costs and revenues at their comprehensive total amount, regardless of the entity of the shareholding and attributing, in general, minority Shareholders the portion of equity and net profit for the period due to them under dedicated entries.
- b. The difference emerging from the act of acquisition from the elimination of the book value of the holding in an enterprise included in the area of consolidation against the corresponding portion of equity is imputed, where possible, to the elements of the assets and liabilities of such enterprise.

Any remaining amounts is treated as follows:

- if positive, it is entered in item "difference from consolidation" in the intangible fixed assets and amortised at constant quotas in relation to the predicted recoverability of the latter;
- if negative it is entered under an item of the shareholder's equity as "consolidation reserve", or, when due to expected unfavourable operating results, under an item called "consolidation provision for future risks and charges".

- c. Elimination of receivables and payables, as well as costs and revenues between the consolidated companies.

Eliminated, moreover, were:

- Capital gains deriving from transferrals of fixed assets among consolidated companies.
- Profits, where significant, deriving from transactions between consolidated companies related to transfers of assets remaining as inventories at the buying company, where deemed significant.

3. ACCOUNTING PRINCIPLES

Pursuant to article 2426 of the civil code, the accounting principles adopted for drawing up the financial statements are described below.

Intangible Fixed Assets

Intangible fixed assets are entered at purchase or production cost. Such cost includes supplementary charges and direct and indirect costs for the portion reasonably attributable to the fixed asset. In all cases the sustained cost, as defined above, does not exceed the recoverable value.

Intangible fixed assets with limited use over time are systematically amortised every financial year pursuant to the remaining possibility of future use for such assets. The amortisation plans vary in duration according to the expected economic use, estimated with reference to the fixed assets.

Fixed assets proving to have a lower value than book value on a long-lasting basis as at the date of closure of the financial year are entered at such lower value which, nonetheless, with the exception of goodwill, cannot be kept in subsequent financial statements when the reasons for adjustment are invalid. If devaluations deriving from long-lasting losses in value derive from transactions of an extraordinary nature, production reconversion, restructuring or production redimensioning, the latter are classified as extraordinary charges.

Goodwill entered when conferral took place (31/03/2015) was increased upon the merger of Pro-

rena-Canessa into ArcelorMittal CLN Distribuzione Italia srl (30/06/2015). Following the two expert reports completed by an independent third party expert, a part of this goodwill was allocated to the tangible fixed assets (Property, Plant and Equipment), the remaining goodwill is amortised over 10 years depending on its useful life, as specified further in the statement of Fixed Assets.

Tangible Fixed Assets

Tangible fixed assets are entered at purchase or production cost increased, for some, by the increases related to revaluations as per law 72/83, 413/91, 342/00, 350/03 and 185/08 pursuant to the attached statement. Furthermore, some assets were revaluated after conferral, on the basis of the values established by independent third party experts.

The tangible fixed assets having limited use over time are systematically depreciated every financial year according to constant economic-technical rates, determined in relation to the remaining possibility to use the assets.

The depreciation rates that have been applied are as follows:

- Industrial building and light constructions 3% - 10%
- Plant and machinery 7.5% - 10% - 15%
- Industrial and commercial equipment 15% - 35%
- Other assets 12% - 20% - 25%

The period of depreciation begins from the financial year in which the asset is used and in the first year such rates are reduced, as a one-off, to 50%, on the presumption that the quota of depreciation thus obtained does not significantly deviate from that calculated as from the moment in which the asset is available and ready for use.

Fixed assets proving to have a lower value than book value on a long-lasting basis as at the date of closure of the financial year are entered at such lower value which, however, cannot be kept in subsequent financial statements if the reasons for the adjustment become invalid. If devaluations deriving from long-lasting losses in value derive from transactions of an extraordinary nature, productive reconversion, restructuring or productive redimensioning, the latter are classified as extraordinary charges.

Maintenance costs of an ordinary nature are fully debited to the Profit and Loss Account. Maintenance costs which tend to increase are attributed to the assets to which they refer and depreciated according to their remaining possibility of use.

Payments on account and costs of tangible fixed assets under construction which have not entered into use at the end of the period are highlighted separately.

Lease agreements were booked in the consolidated financial statements according to the criteria provided under the financial method. In particular, the capital worth of the assets, including quotas of initial fees included in the prepaid expenses in the financial statements for the year, was included in the tangible fixed assets whereas payables for lease fees as principal were included in the medium/long term financial debts. The lease fees booked in the financial statements for the year were replaced with the depreciation and write-downs of the fixed assets subject matter of the lease, with the related interest payables entered in the financial charges and the related appropriated deferred taxes.

In derogation of the accounting principles generally accepted in Italy, where permitted by special laws, the Group booked (in observance of the limits provided under the law) revaluations with a double entry in the reserves of the shareholder's equity. The revaluated amounts do not, in any case, exceed the recoverable values.

Long-term investments

Inactive subsidiaries (in the start-up phase) have not been included in the consolidated financial statements inasmuch as their influence on the total of assets, liabilities, net financial position and the net profit for the Group is irrelevant.

Holdings in associated companies were valued according to the equity method; the positive (negative) difference between the value calculated using this criterion and the value entered in the previous financial statements, for the part deriving from profits (losses), is entered in a specific section of the Profit and Loss Account.

Holdings in other companies are instead entered at cost, reduced, where applicable, in order to account for long-lasting losses in value.

Receivables were valued at their presumed value of realisation.

Bonds in the portfolio are entered at cost and devaluated in the case of long-lasting losses in value.

Stock

Stock is entered at the lower amount between the purchase or production cost and the presumable value of realisation deducible from market trend which is represented by the value of replacement for raw materials and the value of realisation for finished goods and semi-finished products.

This cost is determined according to the LIFO method.

Receivables

The receivables entered in the Current Assets are shown at their nominal value. In particular, with regard to trade receivables, these are traced to their value of presumable realisation, in compliance with the provisions of art. 2426 civil code, by means of allocation of an adequate amount to the bad debts provision.

The Group implements disposal transactions on its trade receivables portfolio by means of securitisation and factoring operations. In some cases, transfers can take place according to the “with recourse” procedure, so that the Group continues to be subjected to the risk of insolvency of the transferred debtor. In this case the receivables are not removed from the financial statements.

Accruals and Deferrals

Accruals constitute the numeric counterpart of the ascertainment of the portion of competence of costs (where owed) and revenues (where due) common to several financial years, for which, as at the date of the financial statements, the corresponding changes in monetary availability or of receivables and payables have not yet been verified.

Deferrals represent the counterpart of portions of costs (where due) and revenues (where owed) common to several financial years not imputable to the net profit for the year related to the period during the course of which the corresponding monetary variation took place or that of receivables and payables. These express the value of services yet to be received or in any case usable in future financial years, where due, and the value of services yet to be carried out or for which the corresponding costs are yet to be sustained, where owed.

The adopted criteria of measurement constitute the application of the general principle of correlation of costs and revenues according to the financial year.

Provisions for risks and charges

The provisions for risks and charges are appropriated in order to cover losses or debts of certain or likely existence, the amount or date of occurrence of which, however, could not be determined upon closure of the financial year. The appropriations reflect the best possible estimate on the basis of available elements.

We report that the “provisions for taxes, also deferred” is also allocated to such item

Staff Severance Indemnity

The staff severance indemnity, appropriated by the Italian companies of the Group, is allocated in order to cover the entire liability accrued against each employee, in conformity with the legislation in force and the collective and supplementary corporate labour agreements.

Law 27 December 2006, no. 296 (Finance Law 2007) introduced new rules for the TFR (Severance indemnity) accrued as from 1st January 2007.

By effect of the reform on supplementary pensions:

- Portions of TFR accrued up to 31/12/2006 remain in the company.
- Portions of TFR accrued starting from 1st January 2007, by choice of the employee and according to the explicit or implicit process of participation, were:
 - a. Destined to forms of supplementary pension.
 - b. Kept in the company which proceeded to transfer the portions of TFR to the Treasury Reserve established at the INPS.

At financial level, item “Staff severance indemnity” represents the remainder of the provision existing as at 31 December 2015; item “Payables due to welfare agencies and social security” shows the debt accrued as at 31 December 2015 related to the quotas of severance indemnity yet to be paid to the pension reserves and social welfare entities.

Payables

Payables are entered at their nominal value, with a separate indication of the amounts collectable within twelve months, those collectable after more than twelve months, and, where present, those lasting more than five years.

Commitment, Guarantees and Risks

The memorandum accounts show the amounts of the effective risks, commitments and guarantees existing as at the date of the financial statements.

Recognising revenues

Revenues are disclosed in the accounts according to the accrual principle and net of returns, discounts, allowances and bonuses. Revenues from the sale of goods are recognised at the time of change in ownership which normally coincides with shipment or delivery of the goods. Revenues for outside services are recognised once the service is rendered.

Recognising costs and expenses

Costs and expenses are booked according to the accrual principle.

Interests Receivable and Payable, Income and Charges

Interests receivable and payable as well as income and charges are disclosed in the financial statements according to the accrual principle, with a calculation of the related accruals and deferrals.

Taxes

Current taxes are allocated in the financial statements according to the rates and norms in force based on a precise estimate of the taxable income for fiscal purposes, considering any exemptions or non-deductibility.

Deferred and prepaid taxes are, moreover, defined in relation to the most significant operations of consolidation and to all the temporal differences between the values of the consolidated assets and liabilities and the corresponding values that are relevant for tax purposes as found in the financial statements for the consolidated companies.

In particular, prepaid tax assets, classified in the related item, are only entered if their recovery is reasonably certain. Fiscal liabilities, classified among the "Provisions for taxes, also deferred", are not, instead, entered when it is very unlikely that the related debt arises.

Furthermore, as permitted by the accounting principles of reference, the tax benefit deriving from carrying tax losses forward is disclosed when there is a reasonable certainty of the existence of future taxable income in which losses can be carried forward.

Deferred and prepaid taxes are calculated by applying the tax rate in force for the periods in which the temporary differences shall be carried over.

NOTES TO THE CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2015

3.1 FIXED ASSETS

Intangible fixed assets

As at 31 December 2015, these amount to 37,216 thousand Euros and are broken down as follows.

€	31/12/2015
Start-up and expansion costs	7,702
Research, development and advertising costs	-
Industrial patents and intellectual property rights	-
Concessions, licences, trademarks and similar rights	65,019
Goodwill	33,373,260
Intangible assets under construction and payments on account	31,239
Other intangible fixed assets	663,339
Difference from consolidation	8,680,714
Total	42,821,273

During the course of nine months of activity, the changes in the Intangible assets are as follows:

€				
Description of costs	Historical cost	Amortisation reserve as at 01/04/2015	Amortisation for the period	Net value
Goodwill	36,208,091	(254,796)	(2,580,035)	33,373,260
Concessions, licences, trademarks, etc.	2,212,205	(2,120,611)	(26,575)	65,019
Start-up and expansion costs	15,565	(6,754)	(1,200)	7,702
Multi-year costs	3,211,928	(2,696,157)	(169,664)	346,107
Other intangible fixed assets	681,202	(333,111)	(30,860)	317,231
Intangible assets under construction	31,239	-	-	31,239
Difference from consolidation	9,422,874	-	(742,159)	8,680,714
Total	51,783,195	(5,411,429)	(3,550,493)	(42,821,273)

As regards the data brought to consolidation by AMCLN srl, we point out that:

Following the conferral of the corporate branches by CLN S.p.A. and AMDSI S.r.l., the difference between the conferred shareholder's equity (17,967,214 Euros) and the value attributed to the shareholdings (60,000,000 Euros) generated a positive difference which was allocated, pursuant to expert reports, in part to the tangible fixed assets with the remainder to goodwill.

With reference to item "Difference from consolidation" the table below gives details of the goodwill defined as a difference between the value of the holding and the pro-quota of shareholder's equity of the subsidiary companies as at the date of first consolidation, not allocated to the entries of the assets and liabilities of the acquired company.

€	01/04/2015	Increases	Amortisation	Other changes	31/12/2015
Pro-Can	570,481	-	(42,786)	-	527,695
Delna	7,709,503	-	(578,213)	-	7,131,290
Tamagnone	1,615,474	-	(121,161)	-	1,494,313
Total	9,895,458	-	(742,159)	-	9,153,298

Amortisation is carried out over periods of ten years from the date the holding was acquired according to the remaining possibility of use. The remaining value of the "Difference from consolidation" is considered as recoverable on the basis of the predicted profitability of the subsidiaries and actions and plans envisaged for the near future.

Tangible fixed assets

As at 31 December 2015, these amount to 101,120,720 Euros and are divided as follows:

€	31/12/2015
Land and buildings	54,219,312
Plant and machinery	43,370,461
Industrial and commercial equipment	588,740
Other assets	1,750,868
Fixed assets under construction	1,191,339
Total	101,120,720

Details of the single items are given below:

- Land and buildings: include the properties in which the Group performs its activities.
- Plant and machinery: this item includes the production lines used in the working process.
- Industrial and commercial equipment: includes the apparatuses supporting the production process.
- Other assets: the item in questions includes electric and electronic machinery and furnishings.

During the course of 2015 the changes in Tangible fixed assets were as follows:

€	Historical cost 01/04/2015	Amortisation reserve 01/04/2015	Acquisitions 01/04 - 31/12/2015	Allocation of current values on the plants examined by experts	Transferrals	Cessions	Amm. 2015	NBV 31/12/2015
Land and buildings	74,836,129	(26,463,463)	651,196	5,522,548	1,458,653	(1,800)	(1,783,951)	54,219,312
Plant and machinery	182,662,224	(162,860,229)	4,880,562	25,099,368	587,338	(270,000)	(6,728,802)	43,370,461
Ind. and comm. equip.	6,638,885	(5,907,335)	108,186	-	13,027	(7,941)	(256,082)	588,740
Other assets	11,059,116	(8,992,646)	204,420	-	-	(2,210)	(517,812)	1,750,868
Fixed assets under construction	2,279,918	-	1,002,505	-	(2,059,018)	(32,066)	-	1,191,339
Total	277,476,272	(204,223,673)	6,846,869	30,621,916	-	(314,017)	(9,286,647)	101,120,720

As regards the data brought to consolidation by AMCLN srl, we point out that:

The conferred values were brought at opened balances (value of the original costs entered in the financial statements and related amortisation reserve existing on the date of contribution) in order to allow a facilitated allocation of the amortisation in continuity with the useful remaining life determined by the contributing shareholders. Furthermore, an expert report was drawn upon the contributed assets which led to revaluations totalling 30,621,916 Euros where a current value

higher than the conferred book value was identified. The economic technical useful life was re-determined where such report determined a remaining useful life different from that used by the contributing shareholders.

As mentioned, some assets have been revalued according to specific expert reports by independent third party technicians, permitting a partial allocation of the deficits deriving from the contributions.

Long-term investments

Holdings

€	Balance as at 31/12/2015
In subsidiary companies	-
In associated companies	-
In other companies	272,945
Total Holdings	272,945

The Group has no holdings in parent, subsidiary or associated companies, but exclusively the following holdings in other companies, valued at purchase cost (all belonging to AMCLN Distribuzione Italia srl):

€		
OTHER COMPANIES	Valuation	Balance as at 31/12/2015
Metallurgica Graffignana srl	Cost	268,500
Credito Coop. Carate Brianza	Cost	1,000
Credito Coop. Castenaso	Cost	1,650
Banca di Bologna	Cost	517
Consorzio Alpignano Industrial	Cost	517
Consorzio API Formazione	Cost	52
C.O.N.A.I.	Cost	707
Centro Assistenza API	Cost	1
Total		272,945

Long-term receivables due from others

This item, equal to 2,520 Euros, refers to a security deposit paid to the Province of Lecco in order to obtain a concession for drawing water for industrial use from the river Adda by means of two supply points in the Municipality of Brivio.

Other securities

This item exclusively includes the values of two deposit accounts of 7,126,000 Euros. These securities are entered in the consolidated financial statements at cost and their intended use is deemed as long-lasting.

This item is formed of:

- 7,061,000 Euros related to a deposit account held in Cariparma, which was conferred by CLN S.p.A. to AMCLN srl, as from 1 April 2015.
- 65,000 Euros related to a security deposit paid by Tamagnone S.r.l. to Ferrovie dello Stato for leasing the railway station at Orbassano.

3.2 CURRENT ASSETS

Stock

€	31/12/2015
Raw materials, ancillary materials and consumables	107,297,785
Work in progress and semi-finished goods	2,053,887
Goods being made to order	-
Finished products and goods	13,261,175
Advances paid	-
Total	122,612,847

The value of inventories is shown net of a write-down provision booked by AMCLN srl which is equal to 461,961 Euros, allocated against finished products proving to have been overestimated in value upon comparison with their book value and value of realisation for sales.

As mentioned in the Management Report, it is not possible to carry out a comparison respect to the previous financial year or the movement of the provision as these are the first financial statements for the Group.

If the Group had valued inventories according to the current cost criterion (FIFO method), the stock would have been lower by 7,321 thousand Euros.

Receivables

The receivables in the current assets can be analysed as follows:

€	31/12/2015
Trade debtors	71,078,630
Due from related companies	20,741,104
Due from subsidiary companies	-
Due from parent companies	124,235
Prepaid taxes	1,964,700
Deferred tax assets	1,933,888
Other debtors	900,806
Total	96,743,363

Trade debtors

The trade debtors, equal to 71,078,630 at the end of the financial year, are shown net of write-down provisions equal to 2,039,954 Euros as at 31 December 2015 (1,919,472 Euros of AMCLN srl, 95,000 Euros of Delna S.p.A. and 25,482 Euros of Tamagnone S.r.l.).

The bad debts provision underwent the following movement during the financial year and its amount at the end of the year is to be deemed as consistent in relation to existing risks:

€	
Bad debts provision as at 01/04/15	5,244,146
Appropriations	755,497
Usage/other changes	(3,959,689)
Bad debts provision as at 31/12/15	2,039,954

Receivables due from related companies

The receivables due from related companies as at 31 December 2015 amount to 20,741,104 Euros. The table below summaries existing relations at the end of the financial year:

€	
Description	31/12/2015
OMV S.p.A.	420,026
GIANETTI RUOTE S.r.l.	3,512,261
MW ITALIA S.r.l.	712,994
Lima S.p.A.	45,088
MFB S.r.l.	2,366,190
C T L S.r.l.	511,575
NICHELINO IMMOBILIARE S.r.l.	238,519
Wagon Automotive S.r.l.	(12,578)
CELLINO S.r.l.	514,958
CELMAC S.r.l.	2,942,139
EMARC S.p.A.	142,130
PMC AUTOMOTIVE ITALIA S.r.l.	199,037
MA S.r.l.	6,228,198
MAC S.r.l.	(30,116)
JBM MA AUTOMOTIVE	32,904
MW WHEELS SA (PTY)	2,000
MA AUTOMOTIVE SOUTH	6,203
C.L.N. SERBIA D.O.O	287,509
DELFO POLSKA S.A.	10,802
EUROSTAMP S.A.S.	30,710
MA FRANCE	151,127
MA AUTOMOTIVE DEUTSCHLAND	358,756
MW ROMANIA SA	12,577
UM CORPORATION S.A.S.	37,442
ALMASIDER DOO	584,367
C.L.N. SLOVAKIA S.R.O.	160,145
DP METAL PROCESSING POLSKA	143,058
CLN POLSKA SP. Z O.O.	199,366
ITLA S.R.L.	891,306
INTEK CM S.R.L.	34,293
RIZZATO NASTRI ACCIAIO S.p.A.	8,118
Total due from related companies	20,741,104

The AMCLN Group srl holds relations exclusively of a commercial nature with the related companies.

Prepaid taxes

Prepaid taxes, equal to 1,964,700 Euros, are mainly formed of 864,092 Euros in receivables from the Inland Revenue for VAT, 501,718 Euros for IRES credit, 67,450 Euros for IRAP credit and 87,549 Euros for VAT refund credit.

Deferred tax assets

Item Deferred tax assets, equal to 1,933,888 Euros, is determined from the appropriations against certain liabilities charged to the company according to realistic estimates of their definition and of some items for which the fiscal normative imposes division over several financial years. In particular, we stress that we have considered items representing events which shall be realised in the short term and which we therefore consider as covered by the taxable income that shall be realised. We invite you to consult the table of deferred taxes in the final pages of these explanatory notes in order to obtain details related to the movement which took place during the period.

In further detail:

€					
Description	Taxable income	IRES (27.5%)	IRES (24%)	IRAP (3.9%)	Total Deferred tax assets
Appropriation to provision of stock obsolescence - finished products	461,961	127,039			127,039
Bad debts provision	439,020	97,849	19,969		117,818
Misalignment of revaluated fixed assets (law decree 185/2008)	751,552		180,372	29,311	209,683
Taxed provision for risks on receivables	1,284,457	353,226			353,226
TFM Checchi 2008	300,000	82,500			82,500
Amm. Revaluation Law 185/2008	1,467,551		352,212	57,234	409,446
Amm. / Devaluation Fixed Asset	54,212		13,011		13,011
Amm. / Devaluation Fixed Assets as per Cartiera 2014	1,576,158		378,278	61,470	439,748
Others	622,884	119,900	44,852	16,665	181,417
Total	6,957,795	780,514	988,694	164,680	1,933,888

Other debtors

Receivables due from other debtors amount to 900,806 Euros. Mainly found under this item are:

- INPS credit for CIG advances of 573,487 Euros.
- Security deposits of 50,480 Euros.
- Loans to employees of 49,531 Euros.

Liquid Assets

The liquid assets amount to 4,137,528 Euros and are formed as follows:

€	31/12/2015
Bank and postal deposits	4,703,368
Cash and cash equivalents in hand	16,836
Total	4.720.204

3.3 ACCRUED INCOME AND PREPAID EXPENSES

€	31/12/2015
Accrued income	77
Prepaid expenses	4,137,452
Total	4,137,529

Accrued income and prepaid expenses are entered in the financial statements upon conclusion of assessments and valorisations performed pursuant to law, in response to the purpose of merging

the competent components into the financial year. This item includes prepaid expenses for insurance, administrative consultancy and lease fees.

The item is mainly formed of implicit interests paid in order to purchase Prorena-Canessa for an amount equal to 3,902,508 Euros.

Refer to the description of item "Other creditors" for further details on the matter.

3.4 SHAREHOLDER'S EQUITY AND LIABILITIES

Shareholder's equity

€	31/12/2015
Share capital	60,010,000
Share premium account	-
Revaluation reserves	-
Legal reserve	-
Other reserves	-
Capital account reserve	-
Consolidation reserve	-
Currency translation reserve	-
Profits (losses) carried forward	-
Profit (loss) for the period	154,070
Total shareholder's equity for the Group	60,164,070
Minority interests	6,440,129
Total shareholder's equity	66,604,199

The following table reconciles the Net profit and Shareholder's equity for the Parent Company and the corresponding data as found in the consolidated financial statements.

€	Net Profit	Shareholder's equity
Financial statements of AMCLN srl for the year	1,190,418	61,200,418
Elimination of value consolidated holdings	-	(45,755,551)
Profit for the period and Shareholder's equity achieved by the consolidated subsidiaries	542,671	42,662,342
Deficit from consolidation	(742,159)	9,153,298
Deconsolidation Q1 Prorena-Canessa	(472,584)	(472,584)
Adjustment IAS 17	(183,724)	(183,724)
Consolidated financial statements	334,622	66,604,199
Minority Interests	180,552	6,440,129
Consolidate financial statements for the Group	154,070	60,164,070

Provisions for risks and charges

€	31/12/2015
For pensions and similar obligations	290,481
For taxes, also deferred	4,069,518
Other provisions	1,413,295
Total	5,773,294

Provision for pensions and similar obligations

The provision for pensions and similar obligations equal to 290,481 Euros includes indemnities accrued in favour of sales agents in compliance with contractual agreements or legal provisions.

Provision for taxes

The provision for taxes as at 31 December 2015 includes deferred tax liabilities emerging with reference to the single companies for 4,069,518 Euros.

This amount includes 3,179,363 Euros of AMCLN srl (of which 1,204,445 Euros concerning the delta IAS 17) and 890,155 Euros of Delna S.p.A.

€	31/12/2015
Provision for deferred taxes	4,069,518
Total	4,069,518

€					
Description	Taxable income	IRES (27.5%)	IRES (24%)	IRAP (3.9%)	Total deferred taxes
Deferred taxes on allocation of part of the deficit from conferral to the building - issue of taxes 2016	268,777	73,914		10,482	84,396
Deferred taxes on allocation of part of the deficit from conferral to the building - issue of taxes from 2017	5,052,187		1,212,525	197,035	1,409,560
Division into instalments of surplus	368,833	26,172	65,679		91,851
Site merger AMDS allocated on plants/machinery	21,094	5,801		823	6,623
Revaluation of AMDSI conferral - sites of Udine and Rieti	1,374,818		329,956	53,618	383,574
Leasing	3,835,810	1,054,848		149,597	1,204,444
Consortium membership fees	3,749	1,031			1,031
Revaluation Law 185/2008	3,167,840	33,082	731,410	123,546	888,038
Total	14,093,108	1,194,847	2,339,570	535,101	4,069,518

Other provisions

The provisions for other risks and charges amount to 1,413,295 Euros and represent the appropriations made by AMCLN srl for:

- Redundancy incentives for 401,700 Euros.
- Environmental restoration for 1,011,595 Euros.

Redundancy indemnity provision

This item includes all appropriations carried out for certain employees to leave following closure and grouping of various facilities.

The full amount of 401,700 Euros was allocated at the end of the year.

Environmental restoration provision

On 1 April 2015, following conferral of the corporate branch, the company booked a provision established by AMDSI (31 December 2014), concerning the environmental restoration associated to separating the value of land from the value of the buildings. The new version of Accounting Principle OIC 16 no longer allowed the value of land to be separated in the case that such value approximated the amount of the relevant environmental restoration provision. The previous effect of such change, calculated on the land at the start of the financial year, was 879,672 Euros.

During the year this provision was increased by 131,923 Euros by effect of the incorporation of Prorena-Canessa.

Staff severance indemnity

This provision, equal to 4,740,416 Euros, reflects the indemnity accrued by employees of the Italian companies.

€

Staff severance indemnity as at 01/04/2015	2,793,064
Changes in scope	860,475
Usage and other changes	(1,242,606)
Appropriations	2,329,593
Staff severance indemnity as at 31/12/2015	4,740,516

The changes of this provision can be analysed as follows:

- Item “Changes in scope” refers to the first year of consolidation of Tamagnone S.r.l., Delna S.p.A. and Pro-Can S.r.l.
- Item “Usage and other changes” refers to liquidations of TFR upon termination of working relationships, liquidation of any advance payments, as well as portions transferred to the Treasury reserve established at the INPS or paid to other forms of supplementary pension indicated by the individual employee.

Payables

Payables amount to 302,314,866 Euros as at 31 December 2015. The related breakdown is shown below:

€

31/12/2015

Payables due to banks	115,603,952
Payables due to other lenders	1,668,877
Trade creditors	36,635,495
Payables due to related companies	110,037,565
Payables due to parent companies	409,649
Fiscal liabilities	8,503,563
Payables due to welfare agencies and social security	3,039,846
Other creditors	26,415,919
Total	302,314,866

Payables due to banks and other lenders

The following table gives details of payables due to banks and other lenders as at 31 December 2015.

It also shows the division of debt between payables due:

- In the short term (repayment within twelve months)
- Medium/long term (repayment from 1 to 5 years)
- After more than 5 years

€

Description	Total financial debt as at 31/12/2015	of which Short Term	of which Medium Long Term	of which after more than 5 years
Payables due to banks for advances on invoices/over-drawn c/c	56,823,598	56,823,598		
Payables due to banks for short term loans	50,673,160	50,673,160		
Payables due to banks for medium/long term loans	4,998,412		4,653,582	344,830
IAS 17 lease due after more than 12 months	1,399,353		1,399,353	
IAS 17 lease due within 12 months	328,639	328,639		
Payables to the finance company AMDSI	145,347	145,347		
Payables due to factor companies	2,394,871	2,394,871		
Accrued financial liabilities	509,449	509,449		
Total payables due to banks and other lenders	117,272,829	110,875,064	6,052,935	344,830

The item “payables due to banks” represents advance payments on invoices subject to collection; the item “banks for short term loans” mainly includes credit lines, advances on imports and short term quotas of loans from Banca Vicenza, Caribo and Mediocredito; the item medium/long term loans, for 4,998,412 Euros, includes the long term quotas of the loans mentioned above; the item “Leasing - IAS 17” includes the debt for payment of lease instalments.

Trade creditors

The amount due to trade creditors is equal to 36,635,495 Euros.

Payables due to related companies

Payables due to related companies amount to 110,037,565 Euros as at 31 December 2015 (exclusively of AMCLN srl).

The following table summarises the most significant relations as at 31 December 2015:

€	
Description	31/12/2015
MW ITALIA S.r.l.	71,092
MFB S.r.l.	52,191
MA France	55,629
MAC S.r.l.	170,457
MA S.r.l.	18,662
MAGNETTO WHEELS FR	69,025
ITLA	118,915
DPMP TYCHY	122,560
Lima S.p.A	10,744
ARCELORMITTAL LOGISTIC ITALIA SRL	1,508,377
ARCELORMITTAL CENTRE DE SERVICE	93,421
ARCELORMITTAL COMMERCIAL ITALY	67,828,175
ARCELORMITTAL DISTRIBUZIONE IT	10,465
ARCELORMITTAL DISTRIBUTION SOLUTION	118,200
ARCELORMITTAL EUROPE SA	52,604
ARCELORMITTAL FLAT CARBON EUROPE	39,737,048
Total payables owed to related companies	110,037,565

Fiscal liabilities

The fiscal liabilities amount to 8,503,563 Euros as at 31 December 2015 and are divided as follows:

€	
Description	31/12/2015
Inland Revenue for withholdings IRPEF employees	1,643,961
Inland Revenue for withholdings IRPEF self-employed	22,287
Substitute tax revaluation L/176	3,508,308
Payables to Inland Revenue for IRAP	686,219
Payables to Inland Revenue for IRES	2,526,669
IRPEF on TFR revaluation	(17,676)
Others	133,795
Total fiscal liabilities	8,503,563

Substitute tax Law 176: following expert reports on plants and machinery, which generated a fair value of the investigated assets equal to 30,900,500 Euros, the company booked a revaluation equal to 26,968,551 Euros (net of the net book value of 3,931,949 Euros). Against assets divested during 2015 (equal to 220,033 Euros) and depreciation, amortisation and write-downs (equal to 2,946,595 Euros) the company calculated the duty for tax relief on the total of 23,801,923 Euros, determining a substitute tax payable equal to 3,508,308 Euros.

Payables due to welfare agencies and social security

Payables due to welfare agencies and social security, equal to 3,039,089 Euros, include the following items:

€	
Description	31/12/2015
INPS	1,933,930
Cometa Reserve	140,060
Previndapi	80,113
INAIL	432,171
Payables due to INPS for mobility instalments	42,633
Deferred retributions for contributions	369,343
Others	40,839
Total payables due to welfare agencies	3,039,089

Other creditors

Item other creditors, equal to 26,415,919 Euros as at 31 December 2015, is formed thus:

€	
Description	31/12/2015
Employees for retributions	2,783,669
Other creditors	16,684,093
Employees for deferred retributions	1,326,584
Payables to former Metaltranciati shareholders	972,366
Payables due to parent companies	3,831,323
Payables for deferred retributions 14th monthly payment	226,684
Payables for deferred retributions 13th monthly payment	-
Payments on account from clients	-
Payables due to Metallurgica Tognetti (Pro-Can)	119,734
VAT settlement to parent company	272,019
Miscellaneous	199,447
Total other creditors	26,415,919

Item “other creditors” included, as at 31 March 2015, 1,614,905 Euros in payables conferred from CLN by effect of the acquisition from “METALLURGICA TOGNETTI S.r.l.” under arrangement with creditors and in liquidation, of 257,965 shares for a nominal value of 1.00 Euro each of the share capital of DELNA S.p.A. The transaction amounted to 2,422,358.20 which C.L.N. S.p.A. was committed to paying in three instalments of an equal amount, the first 8 months from the date of the act, the second 16 months from the date of the act and the third 24 months from the date of the act, without any burden of interest. On 31 December, the debt, by effect of payment of the second instalment, amounted to 807,453 Euros. Furthermore, following merger by incorporation of Prorena-Canessa, AMCLN srl had to book a debt regarding the two shareholders (Pro.re.na S.r.l. and Steel Trade S.r.l.) for 17,492,345 Euros, to be repaid over 8 years (payment in July of each year). The first instalment of 2,000,000 Euros was paid during 2015.

Accrued liabilities and deferred income

As at 31 December 2015, this item amounts to 124,526 Euros and is formed as follows:

€	
Description	31/12/2015
Bank expenses	35,624
Travelling expenses	3,650
Insurance costs	31,339
Other	53,913
Total accrued liabilities	124,526

3.5 MEMORANDUM ACCOUNTS

The memorandum accounts are shown in the financial statements to which reference is made.

Surety guarantees amount to a total of 34,392,238 Euros. They have been granted to:

- Banks and other lenders in the amount of 30,000,000 Euros
- Surety guarantees to third parties in the amount of 2,065,045 Euros
- Surety guarantees to subsidiaries in the amount of 599,202 Euros
- Lease companies in the amount of 1,727,991 Euros

4. NOTES TO THE CONSOLIDATED INCOME STATEMENT FOR FINANCIAL YEAR 2015

Before proceeding with an analysis of the single items, we remind you that the comments on operating performance have already been made in the Management Report, pursuant to paragraph 1 of art. 2428 of the civil code.

Given the preceding comments on the items of the Balance Sheet, the following analyses are limited solely to the main entries.

4.1 REVENUES

Revenues from sales

The AMCLN Group srl realised a turnover of 460,225,669 Euros during financial year 2015.

The division by area of destination thereof is as follows:

€	
Area	Sales
Overseas	30,339,673
Italy	429,885,997
Total by geographic area	460,225,669

Other revenues and income

The item other revenues and income as at 31 December 2015 amounts to 5,539,746 Euros and is formed as follows:

€	01/04/2015-31/12/2015
Sale of scrap, wastage and rejects	4,697,777
Sale of equipment	183,909
Contribution to repayment of excise duties	70,443
Compensation for damages	33,579
Issues of risks provisions	382,002
Miscellaneous income	172,036
Total	5,539,746

4.2 PRODUCTION COSTS

Costs for the purchase of raw materials, ancillary materials, consumables and goods

This item, equal to 384,478,580 Euros, is detailed as follows:

€	01/04/2015-31/12/2015
Raw materials	383,101,132
Ancillary consumables	1,377,448
Total	384,478,580

Costs for outside services

As at 31 December 2015 the costs for outside services amount to 28,870,119 Euros and can be analysed as follows:

€	01/04/2015-31/12/2015
Transport	11,586,607
Works assigned to third parties	1,799,562
Maintenance services	3,856,478
Purchases of energy	2,327,754
Purchases of other utilities	816,164
Lawyers, consultancy, audit	770,174
Insurance	762,827
Technical consultancy	377,528
Emoluments to directors	1,382,933
Emoluments to auditors	98,603
Postal, telephone, fax	396,209
Costs for cleaning services	212,976
Costs for safety services	26,159
Travelling expenses	1,080,326
Bank charges	1,568,776
Other costs for outside services	807,042
Total	28,870,119

Costs for the use of third party assets

As at 31 December 2015, the costs for the use of third party assets amount to 2,035,569 Euros and can be analysed as follows:

€	01/04/2015-31/12/2015
Leases payable, fees and hire	1,309,411
Other	726,159
Total	2,035,570

Staff costs

€	01/04/2015-31/12/2015
Salaries and wages	21,359,130
Social charges	8,166,626
Severance indemnity	1,502,233
Pensions and post-retirement benefits	24,947
Other costs	1,695,606
Total	32,748,542

The number of employees, divided by category, is as follows:

unit	
Staffing structure	31 December 2015
Senior management	18
Middle management	237
Workers	486
Temporary staff	23
Total Staff	764

Depreciation, amortisation and write-downs

As regards depreciation, amortisation and write-downs, we specify that these were calculated according to the useful life of the asset and its use in the production phase.

This item, equal to 13,489,885 Euros, includes depreciation of tangible assets for 9,286.646 Euros and intangible assets of 3,550,491 Euros (net of goodwill amortisation on equity investments equal to 742,159 Euros).

Furthermore, the item includes 652,748 Euros in bad debts included in the current assets.

Sundry overheads

These amount to 770,054 Euros and are detailed as follows:

€	01/04/2015-31/12/2015
Indirect taxes	453,740
Membership fees and scholarships	17,402
Other charges	298,913
Total	770,054

4.3 INVESTMENT INCOME

Other financial income

€	01/04/2015-31/12/2015
Bank interest receivable	4,373
Other financial income	37,266
Total	42,139

Interests and other financial charges

€	01/04/2015-31/12/2015
Bank interest payable	4,187,720
Other interest and commissions	116,474
Total	4,304,194

4.4 VALUE ADJUSTMENTS TO INVESTMENTS

No revaluations and devaluations on investments were carried out during the year.

4.5 EXTRAORDINARY MANAGEMENT

Extraordinary income

€	01/04/2015-31/12/2015
Contingent assets	163,311
Total	163,311

Extraordinary charges

€	01/04/2015-31/12/2015
Contingent liabilities	130,397
Other extraordinary charges	7,719
Total	138,116

4.6 INCOME TAXES

This item is formed of current taxes and net deferred taxes.

€	01/04/2015-31/12/2015
IRES and other corporate taxes	2,887,272
IRAP	563,154
Total current taxes	3,450,436
Prepaid and deferred taxes	(21,416)
Total income taxes	3,429,010

4.7 CONSIDERATIONS DUE TO THE STATUTORY AUDITORS

The payments due for the audit service on the consolidated financial statements for 2015 amount to 120,000 Euros (*).

() the indicated fees include payments related to audit activities on the financial statements and consolidated financial statements of AMCLN srl. Such fees include payments related to audits carried out on the subsidiary companies of the Group.*

16 June 2016

For the Board of Directors
The Chairman
Gabriele Perris Magnetto





4. AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
ARCELOR MITTAL C.L.N. DISTRIBUZIONE ITALIA S.r.l.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Arcelor Mittal C.L.N. Distribuzione Italia S.r.l. and its subsidiaries (the "AMCLN Group"), which comprise the consolidated balance sheet as at December 31, 2015, the consolidated statement of income for the year then ended and the explanatory notes.

Management's Responsibility for the Financial Statements

The Company's Directors are responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with the Italian law governing financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) issued pursuant to art. 11, n° 3, of Italian Legislative Decree 39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the AMCLN Group as at December 31, 2015, and of its financial performance for the year then ended in accordance with the Italian law governing financial statements.

Emphasis of matter

Without qualifying our report, we drawn attention on the fact that, as more fully described in the report of operations and in the explanatory notes, Arcelor Mittal C.L.N. Distribuzione Italia S.r.l. started his operations on April 1st, 2015 as a result of the capital increase of EUR 60 million through the transfer of two corporate branches from the two shareholders with joint control, Arcelor Mittal Distribution Solutions Italy Seral. and C.L.N. S.p.A.

Other matters

The Company has not presented comparative data as it was set up on December 11, 2014 and started his operations on April 1st, 2015, therefore the examined financial statement represents the first consolidated financial statements.

Report on Other Legal and Regulatory Requirement

Opinion on the consistency of the report on operations with the consolidated financial statements

We have performed the procedures indicated in the Auditing Standard (SA Italia) n° 720B in order to express, as required by law, an opinion on the consistency of the report on operations, which is the responsibility of the Directors of Arcelor Mittal C.L.N. Distribuzione Italia S.r.l., with the consolidated financial statements of the AMCLN Group as at December 31, 2015. In our opinion the report on operations is consistent with the consolidated financial statements of the AMCLN Group as at December 31, 2015.

DELOITTE & TOUCHE S.p.A.

Signed by
Santo Rizzo
Partner

Turin, Italy
June 22, 2016





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