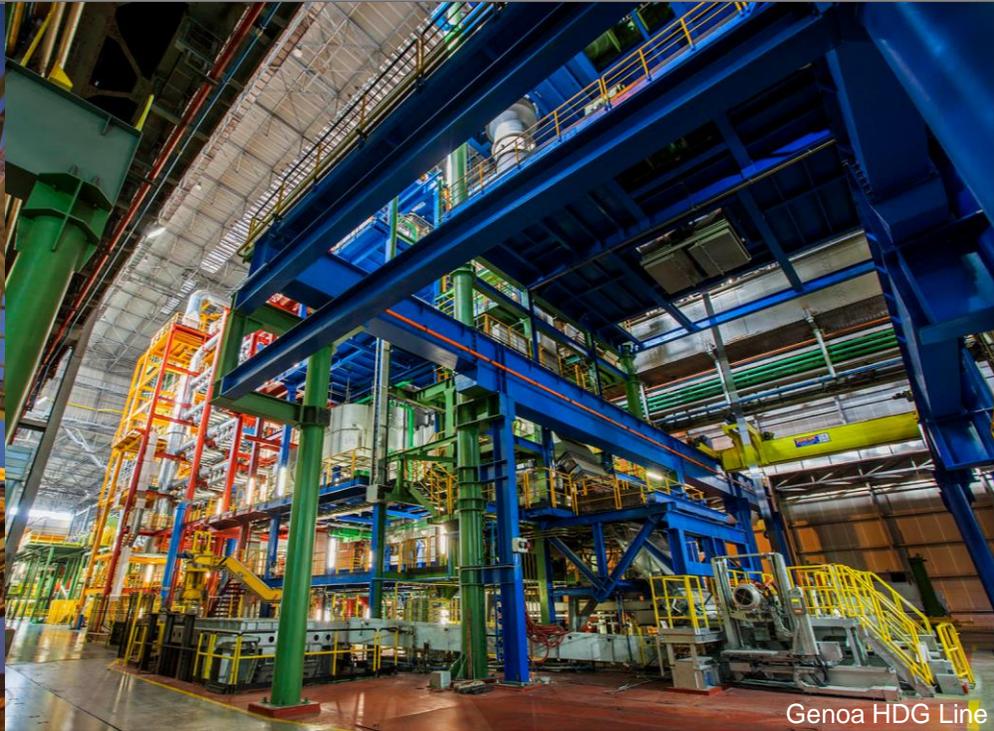




ArcelorMittal



Taranto Steel Works



Genoa HDG Line

# Integration and Transformation of ILVA

Lakshmi Mittal, Chairman and CEO  
Aditya Mittal, Group CFO, CEO ArcelorMittal Europe  
19 June 2017

# Disclaimer

## Forward-Looking Statements

This document may contain forward-looking information and statements about ArcelorMittal and its subsidiaries. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements may be identified by the words “believe,” “expect,” “anticipate,” “target” or similar expressions. Although ArcelorMittal’s management believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of ArcelorMittal’s securities are cautioned that forward-looking information and statements are subject to numerous risks and uncertainties, many of which are difficult to predict and generally beyond the control of ArcelorMittal, that could cause actual results and developments to differ materially and adversely from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the filings with the Luxembourg Stock Market Authority for the Financial Markets (Commission de Surveillance du Secteur Financier) and the United States Securities and Exchange Commission (the “SEC”) made or to be made by ArcelorMittal, including ArcelorMittal’s latest Annual Report on Form 20-F on file with the SEC. ArcelorMittal undertakes no obligation to publicly update its forward-looking statements, whether as a result of new information, future events, or otherwise.



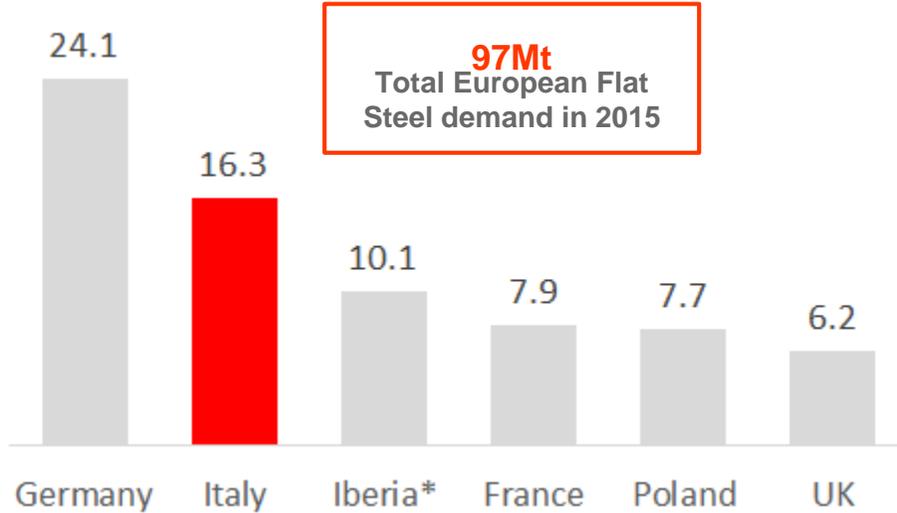
# New ILVA – a Tier-1 steel asset

- ArcelorMittal in partnership with Marcegaglia and Bank Intesa have signed a Lease with Obligation to Purchase Agreement for ILVA
- Compelling strategic fit for ArcelorMittal, high geographical complementarity
- Significant investment plan to revitalise Europe's largest single-site steel facility
- Industrial plan to restore ILVAs market position in Europe
- Cost improvement and synergies to drive value
- Minimal balance sheet impacts

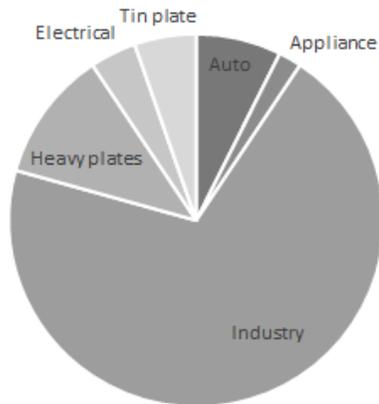


# ILVA and Italy

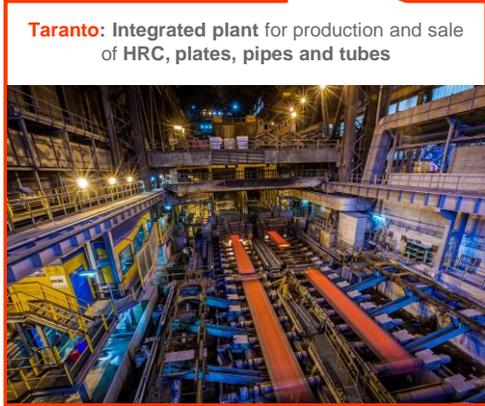
Italy is the second largest steel consuming country in Europe (Mt)



**97Mt**  
Total European Flat Steel demand in 2015



## ILVA is a fully integrated network



ILVA is a strong fit within ArcelorMittal's existing business & strategy

# Responsible and capable ownership for ILVA



- ArcelorMittal offers a unique and credible solution for ILVA
- Building on the strong foundations of ILVA, we will complement the local strengths with our proven and unequalled steel expertise to provide sustainable solutions:
  - Comprehensive investment programme of c. €2.4 billion, and highly detailed industrial, environmental and commercial plans
  - Deep knowledge of the European steel market
  - Steel know-how based on global operations and commercialisation
  - Established relationship with raw material suppliers and steel customers
  - Unparalleled track record of turning around similar steel businesses
  - Cutting edge global R&D competence
  - Ingrained philosophy of producing safe and sustainable steel
  - An open and collaborative approach to community investment

# Our vision for ILVA

## ILVA Today

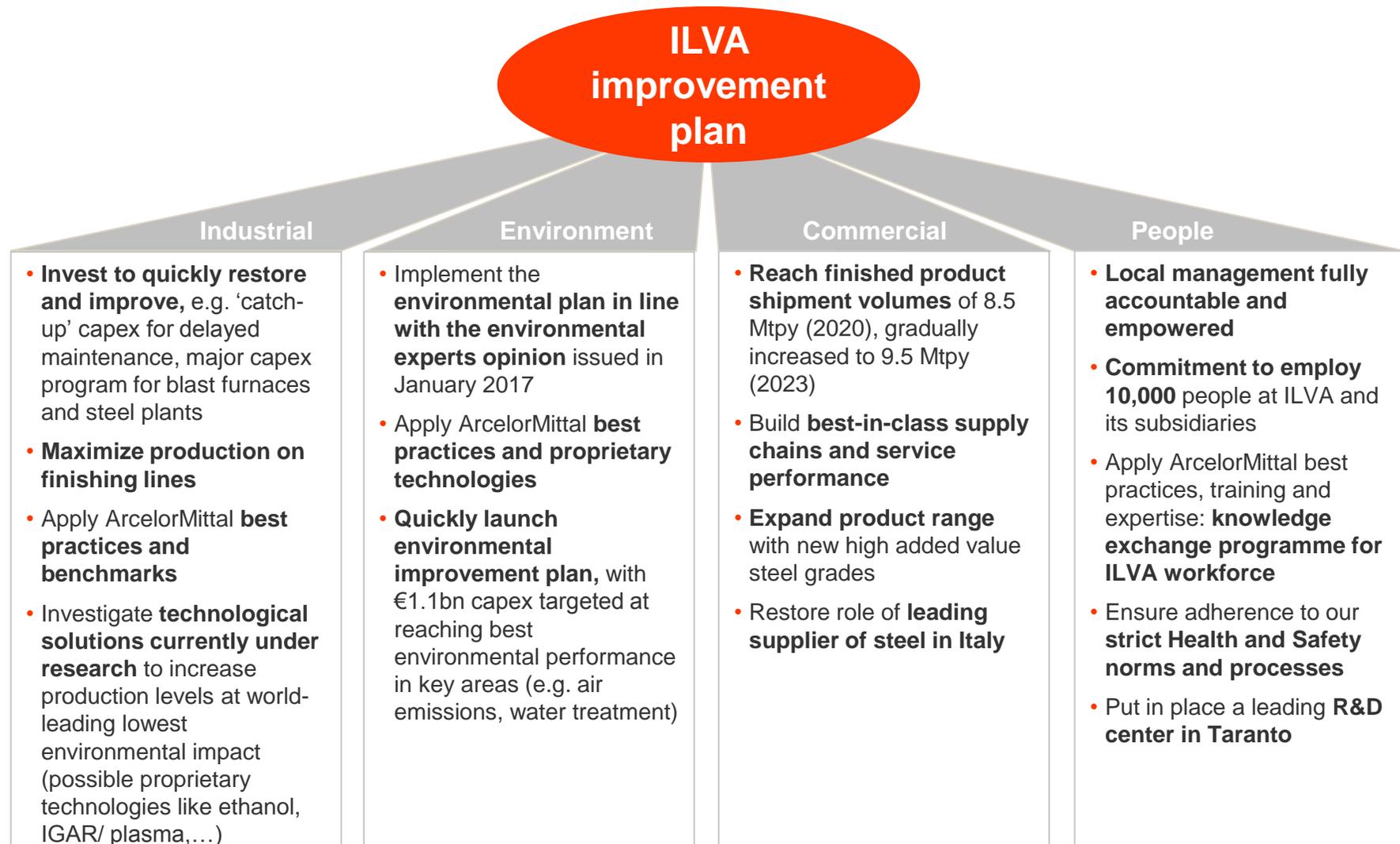
- **Significant environmental issues** – need to bring ILVA up to and beyond EU environmental standards
- **Industrial challenge:** investment and expertise to improve operational performance of ILVA's assets
- **Poor financial performance:** material decline in revenue since 2011, loss-making for the past 4 years
- **Low share of high-value added steels** in the portfolio of ILVA
- **Need to rebuild client confidence:** product quality, innovation, supply chain

## ILVA's Future

- **Become a world-class player** in terms of competitiveness, sustainability, environmental performance, value-add
- **Leading presence in Italy**, adding value to the Italian industrial fabric
- **A company recognised for environmental performance excellence:** emissions to be reduced to best practice levels, in line with and beyond European environmental standards and legislation
- **A sustainably profitable company:** one that creates value for all stakeholders, and the Italian economy

A clear vision of long-term, sustainable success for ILVA

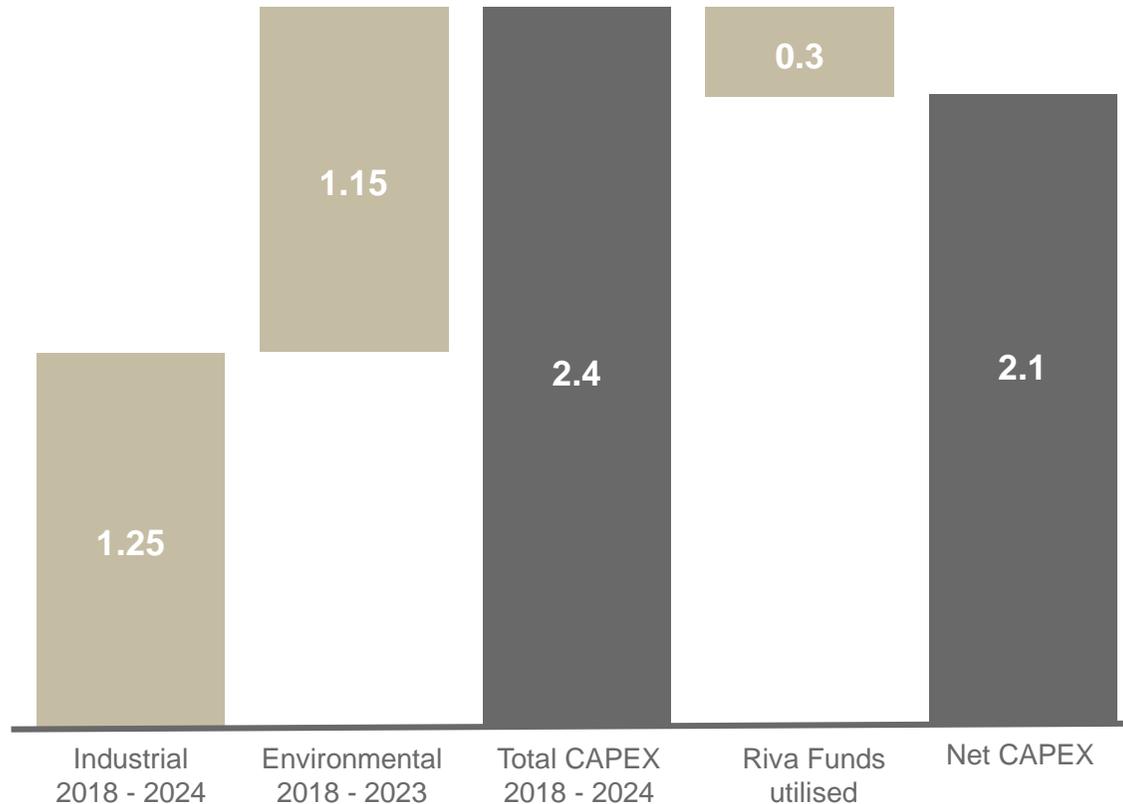
# ILVA improvement plan



ArcelorMittal is committed to improving ILVA's production, environmental and commercial performance

# Investment plan to revitalise ILVA

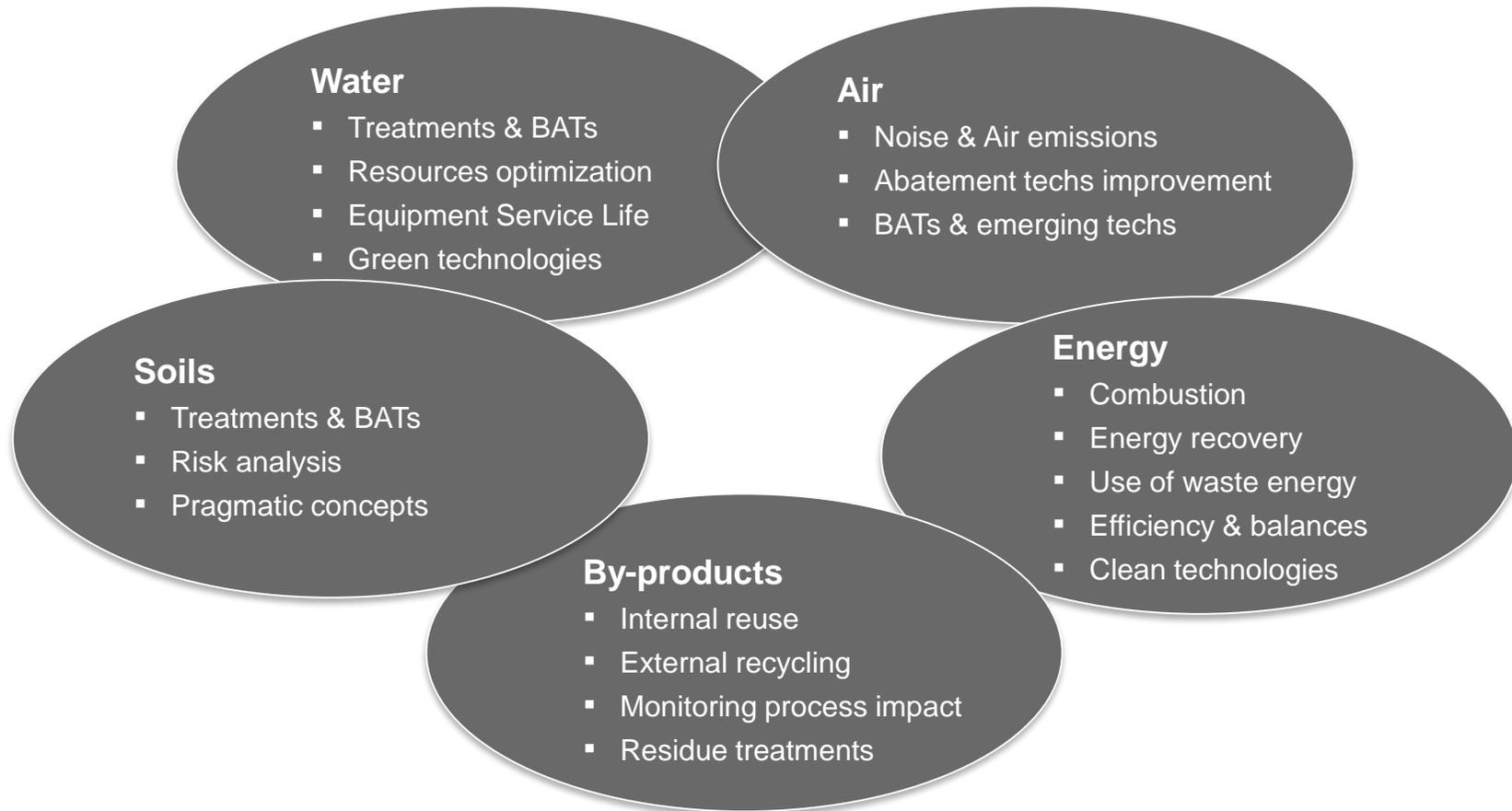
## CAPEX commitments through 2024 (€bn)



- **€1.15bn environmental investment plan to materially improve performance, including:**
  - €0.3bn stock pile coverage
  - €0.2bn investment at coke ovens
  - €0.2bn in waste water treatment
  - €0.3bn environmental remediation (clean-up) which will be financed with funds seized from the Riva Group
- **€1.25bn industrial investment plan to rapidly restore and improve:**
  - ‘catch-up’ capex for delayed maintenance
  - capex program for blast furnaces and steel plants
  - includes full €0.2bn re-vamping of BF#5

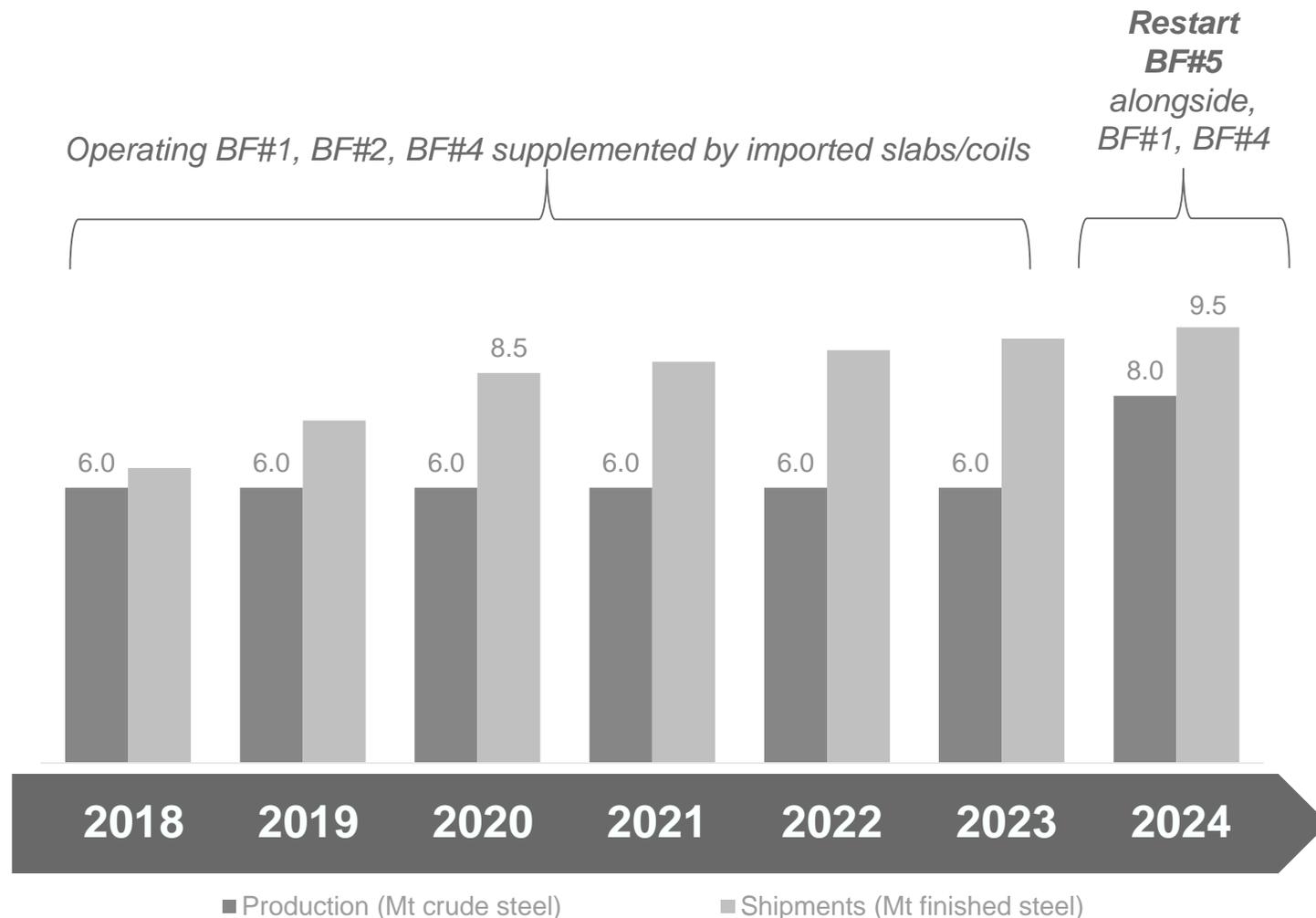
Commitment to invest €2.4 billion over the next 7 years

# Environmental plan: Focussed on five core areas



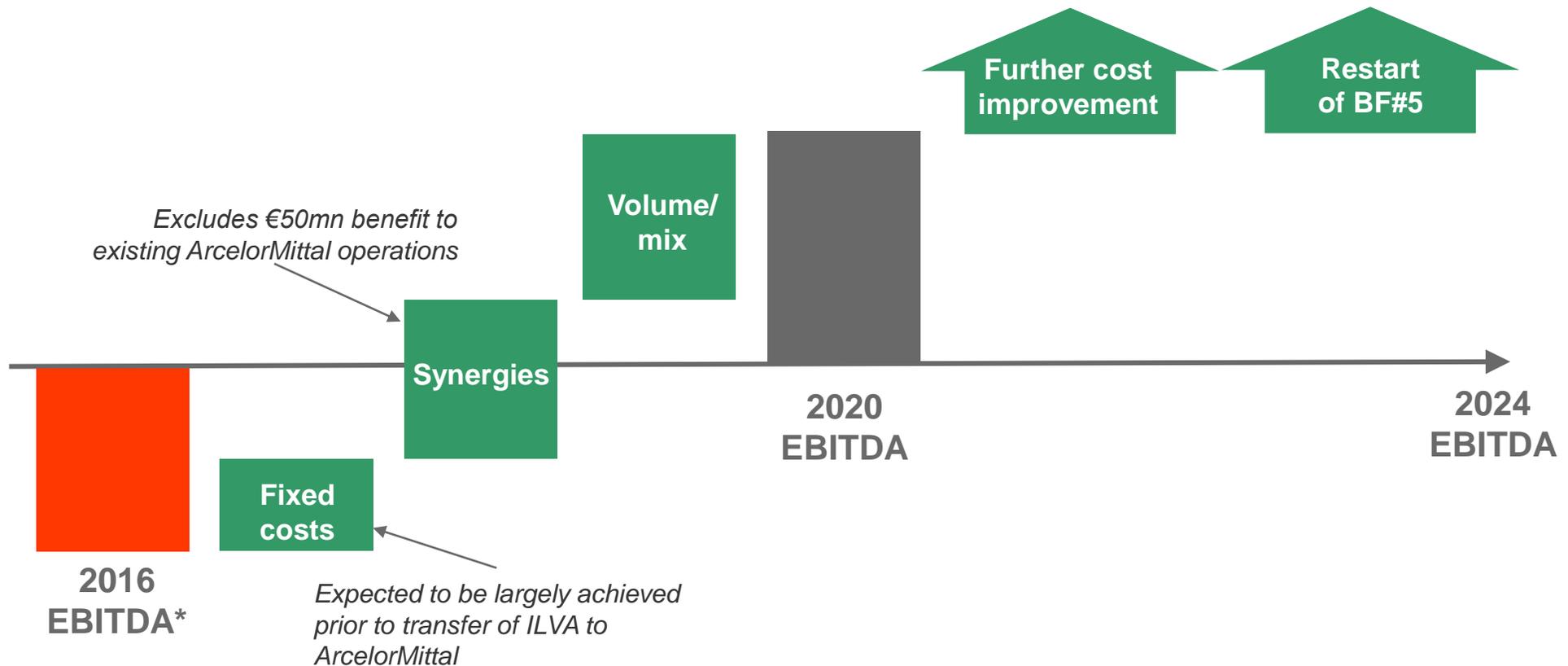
circa €1.1 billion of environmental investments over a six-year period

# Industrial plan to restore ILVA's market position



Crude steel production is limited to 6Mt until environmental capex plan completed

# EBITDA turnaround plan



€310mn in identified variable cost improvement / synergies



# ILVA impact on ArcelorMittal financials

- Acquisition will “complete” following receipt of EU Merger Regulation approval
- Following completion ArcelorMittal will fully consolidate ILVA
- Purchase price of €1.8bn, will be recognized on the BS as a payable, reduced by the quarterly instalments of €45mn that will flow through investing activities in CF
- New ILVA will be transferred with circa €1bn of net working capital and free of long term liabilities and financial debt
- New ILVA will be transferred to ArcelorMittal with a re-calibrated labor force
- ArcelorMittal will immediately commence the environmental capex plan and other investments
- **ILVA is expected to be accretive to ArcelorMittal EBITDA in Year 1 and accretive to ArcelorMittal cash flow in Year 3**

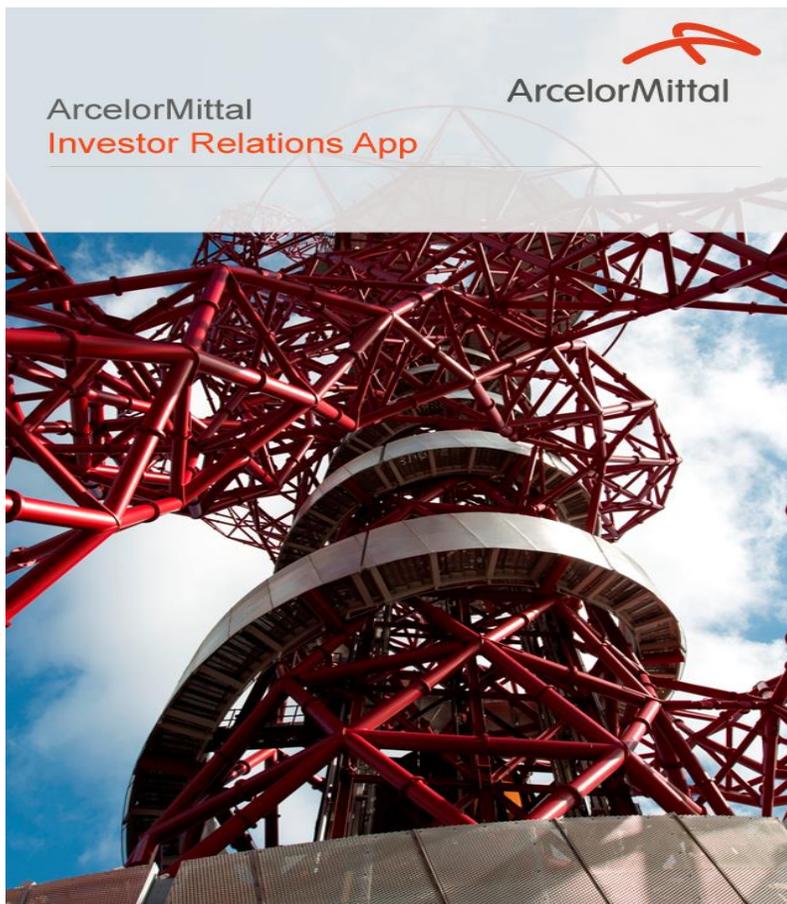
On completion ILVA will be fully consolidated by ArcelorMittal



# ILVA will create value for ArcelorMittal

- ILVA is the perfect opportunity for ArcelorMittal
  - Large scale, underperforming asset requiring turnaround
  - Significant cost improvement potential and synergies identified
  - Opportunity to leverage AM strengths in R&D and product leadership and service
  - Ilva will be re-established as a tier one supplier to European & Italian customers
- Minimal balance sheet impacts, EBITDA accretive in Year 1
- Next step is regulatory approvals
- Completion is anticipated by year end 2017

# ArcelorMittal IR app and contacts



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We have released an ArcelorMittal investor relations app available for download on IOS or android devices



# Save the date

Dear analysts and investors,  
Due to unforeseen circumstances, we **have changed the date** for our event in Belgium.

With a focus on our **Industry Leadership and European Transformation**, the event will kick off with a dinner on **Monday, July 3, 2017** followed by a tour of our flagship European production facility in Ghent, on **July 4, 2017**. Your hosts will be **Aditya Mittal, Group CFO and CEO ArcelorMittal Europe, Geert van Poelvoorde, Executive Vice President & CEO Europe Flat, Greg Ludkovsky, Vice President and Head of R&D**. The event will conclude by approximately 1:00pm.

Please indicate your interest in attending to [valerie.mello@arcelormittal.com](mailto:valerie.mello@arcelormittal.com) as soon as possible.

We are looking forward to seeing you in Ghent!

**ArcelorMittal IR team**



**ArcelorMittal**  
**Ghent Plant tour**

**3&4 July 2017**

