

ArcelorMittal Commercial Denmark ApS

Artillerivej 90, st.

2300 Copenhagen S

CVR No. 10090067

Annual report 2016

The annual report was presented and adopted at the annual general meeting of the Company on 22 May 2017

Ane Margrethe Bukh Madsen
Chairman

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ArcelorMittal Commercial Denmark ApS

Company details

Company	ArcelorMittal Commercial Denmark ApS Artillerivej 90, st. 2300 Copenhagen S
Central Business Registration No.	10090067
Date of formation	18 June 2002
Registered office	Copenhagen
Financial year	1 January 2016 - 31 December 2016
Executive Board	Ane Margrethe Bukh Madsen, CEO Alex Mørch-Petersen, CEO
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 København S Central Business Registration No.: 33963556

Management's statement

The Executive Board has today considered and approved the annual report of ArcelorMittal Commercial Denmark ApS for the financial year 1 January 2016 - 31 December 2016.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January 2016 - 31 December 2016.

We recommend that the annual report be adopted at the Annual General Meeting.

Copenhagen, 22 May 2017

Executive Board

Ane Margrethe Bukh Madsen
CEO

Alex Mørch-Petersen
CEO

Independent auditor's report

To the shareholders of ArcelorMittal Commercial Denmark ApS

Opinion

We have audited the financial statements of ArcelorMittal Commercial Denmark ApS for the financial year 1. januar 2016 - 31. december 2016, which comprise income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31. december 2016 and of the results of its operations and cash flows for the financial year 1. januar 2016 - 31. december 2016 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the financial statements* section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- * Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- * Obtain an understanding of internal control relevant to the audit 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.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

Independent auditor's report

- estimates and related disclosures made by Management.
- * Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
 - * Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 22 May 2017

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR-no. 33963556

Jesper Jørgensen

State Authorised Public Accountant

Management's Review

The Company's principal activities

The Company's primary activity consists of agency trade with the Parent's products. The products comprise products of steel sold to the industry.

Development in activities and financial matters

The Company's income statement of the financial year 1. januar 2016 - 31. december 2016 shows a result of DKK 935.516 and the Balance Sheet at 31. december 2016 a balance sheet total of DKK 3.141.398 and an equity of DKK 1.771.793.

Material changes in the Company's operations and financial matters

ArcelorMittal Commercial Denmark ApS has merged with ArcelorMittal Construction Denmark A/S, effective as of 1 January 2016.

Income Statement

	Note	2016 kr.	2015 kr.
Revenue		10.543.492	11.391.409
Other external expenses		-2.285.568	-2.668.886
Gross result		8.257.924	8.722.523
Staff costs	1	-7.220.787	-7.475.579
Depreciation, amortisation and impairment losses		0	-25.575
Profit from ordinary operating activities		1.037.137	1.221.369
Other financial income from group enterprises		7.297	2.340
Other financial income		763	59
Financial expenses arising from group enterprises		-149.742	0
Other financial expenses		-1.939	-31.982
Profit from ordinary activities before tax		893.516	1.191.786
Tax on profit/loss from ordinary activities	2	42.000	-65.573
Profit		935.516	1.126.213
Proposed distribution of results			
Proposed dividend recognised in equity		1.100.000	1.500.000
Retained earnings		-164.484	-373.787
Distribution of profit		935.516	1.126.213

ArcelorMittal Commercial Denmark ApS

Balance Sheet as of 31. December

	Note	2016 kr.	2015 kr.
Assets			
Other fixtures, fittings, tools and equipment	3	0	0
Leasehold improvements	4	0	0
Property, plant and equipment		0	0
Deposits	5	126.500	366.061
Investments		126.500	366.061
Fixed assets		126.500	366.061
Receivables from group enterprises		2.234.795	2.917.823
Other receivables		77.451	229.933
Prepayments		17.236	23.158
Deferred tax		298.000	0
Receivables		2.627.482	3.170.914
Cash and cash equivalents		387.416	640.178
Current assets		3.014.898	3.811.092
Assets		3.141.398	4.177.153

Balance Sheet as of 31. December

	Note	2016 kr.	2015 kr.
Liabilities and equity			
Contributed capital		610.000	610.000
Retained earnings		61.793	66.242
Proposed dividend recognised in equity		1.100.000	1.500.000
Equity		1.771.793	2.176.242
Trade payables		101.122	332.944
Payables to group enterprises		172.609	196.448
Tax payables		2.795	140.641
Other payables		1.093.079	1.330.878
Liabilities other than provisions		1.369.605	2.000.911
Liabilities other than provisions within the business		1.369.605	2.000.911
Liabilities and equity		3.141.398	4.177.153
Unrecognised rental and lease commitments	6		
Related parties	7		

Statement of changes in Equity

	Contributed capital	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2016	610.000	66.242	1.500.000	2.176.242
Change of equity through mergers and business combinations		160.032		160.032
Dividend paid			-1.500.000	-1.500.000
Profit (loss)		-164.484	1.100.000	935.516
Equity 31 December 2016	610.000	61.790	1.100.000	1.771.790

Notes

	2016	2015
1. Staff costs		
Wages and salaries	6.701.025	7.016.727
Pension costs	184.204	181.433
Other social security costs	69.104	74.688
Other staff costs	266.454	202.731
	7.220.787	7.475.579
Average number of employees	11	11
2. Tax on profit/loss on ordinary activities		
Current tax	0	65.573
Change in deferred tax	-42.000	0
	-42.000	65.573
3. Other fixtures, fittings, tools and equipment		
Cost at the beginning of the year	653.152	653.152
Disposal during the year	-64.714	0
Cost at the end of the year	588.438	653.152
Depreciation and amortisation at the beginning of the year	-653.152	-653.152
Reversal of impairment losses and amortisation of disposed assets	64.714	0
Impairment losses and amortisation at the end of the year	-588.438	-653.152
Carrying amount at the end of the year	0	0
4. Leasehold improvements		
Cost at the beginning of the year	226.785	226.785
Disposal during the year	-226.785	0
Cost at the end of the year	0	226.785
Depreciation and amortisation at the beginning of the year	-226.785	-201.210
Reversal of impairment losses and amortisation of disposed assets	226.785	-25.575
Impairment losses and amortisation at the end of the year	0	-226.785
Carrying amount at the end of the year	0	0

Notes

	2016	2015
5. Deposits		
Cost at the beginning of the year	366.061	232.091
Additions	0	133.970
Disposals	-239.561	0
Cost at the end of the year	126.500	366.061
Carrying amount at the end of the year	126.500	366.061

6. Unrecognised rental and lease commitments

Operational lease contracts on car and rent have been concluded for the years 2015 to 2019 in the amount of DKK 1.420 thousand.

7. Related parties

The following shareholders are registered in the Company's register of shareholders, who owns 100% of the share capital:

ArcelorMittal Commercial Section SA
66 Rue de Luxembourg, L-4221 Esch-Sur-Alzette, Luxembourg

The financial statements of ArcelorMittal Commercial Section SA Group are available at:

ArcelorMittal Commercial Section SA
66 Rue de Luxembourg, L-4221 Esch-Sur-Alzette, Luxembourg

8. Transactions with related parties

ArcelorMittal Commercial Denmark ApS has had the following transactions with related parties in the financial year:

Name	Registered office	Nature of the scope of transactions
ArcelorMittal FCE	Luxembourg	Invoiced cost plus
ArcelorMittal Wire France	France	Reinvoicing for personel expenses
ArcelorMittal Europe	Luxembourg	IT services
ArcelorMittal SSC Poland	Poland	Administrative services
ArcelorMittal Treasury	France	Interests

During the financial year, the Company has had revenues following the cost plus principle of TDKK 10.053.

9. Accounting policies

Reporting class

The Annual Report of ArcelorMittal Commercial Denmark ApS for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Merger

ArcelorMittal Commercial Denmark ApS was merged with ArcelorMittal Construction Denmark A/S on the 1st of January. The method used is the book value method and therefore the comparison numbers have not been changed.

Reporting currency

The Annual Report is presented in Danish kroner.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Revenue from commissions etc is calculated according to the cost-plus principle for which reason revenue for the year is attributable to realised expenses plus 0%, 5% or 20%, depending on which group division the expenses concern and, thus, what work the Entity performs for the divisions in question. Revenue is recognised net of VAT and duties related to the sale.

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Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationary and office supplies, marketing costs, etc.

Staff costs

Staff expenses comprise salaries and wages as well as social security contributions, pension contributions, etc for entity-staff.

Amortisation, depreciation and impairment losses

Depreciation and impairment losses relating to property, plant and equipment comprise depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Other financial income

Other financial income comprise dividends etc received on other investments, interest income on receivables from group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses on payables to group enterprises as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	4 years
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Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

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Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.