

DANIELI & C. OFFICINE MECCANICHE S.P.A.

33042 Buttrio (UD) via Nazionale n. 41

Fully paid-up share capital of euro 81,304,566

Registration Number with the Register of Companies of Udine, tax number and VAT registration number
00167460302

www.danieli.com

PRESS RELEASE

Danieli Universal Endless (DUE®) at Shougang Jingtang United Iron & Steel Co. - China

Danieli has been awarded an order for a dual-use plant made up of a caster plus a rolling mill, by Shougang Jingtang United Iron & Steel Co., Ltd in China, for the production of 2.1 million tpy of hot-rolled high-quality strip, running in both endless (continuous) and coil-to-coil modes (discontinuous).

This is an innovative Danieli-patented plant called Danieli Universal Endless (DUE®) that incorporates the best that technology can offer in the production of steel strips from thin slabs, and will be a world benchmark in its field.

The competitive bidding process, which lasted over a year, saw the participation of the best manufacturers in the field, German and Japanese in particular.

The plant is part of the “new normal” vision that establishes the guidelines for industrial development in the People’s Republic of China, which includes the steelmaking sector.

The goals of this vision are:

- cutting steel production by as much as 130 / 150 million tpy (or 6 times the amount produced in Italy);
- at the same time, revamping of remaining plants to improve:
 - o productivity;
 - o cost and quality competitiveness;
 - o environmental impact.

Should the parameters of the points mentioned above be considered insufficient by specific qualified committees, the allowed yearly production will be reduced to zero.

It follows that the evaluation and discussion of the situation by Chinese experts, not only those of the customer (who in this case produces more than 30 million tpy) but also by other specialists from Chinese research institutes, were particularly rigorous and thorough.

In the end they decided to award the plant to Danieli, who on this project is in a Consortium with the Japanese company TMEIC for the supply of the electricals and automation of the rolling mill.

The core of the DUE® plant is the thin slab continuous caster, a machine that Danieli began experimenting with back in the 90s, on a prototype installed at ABS Cargnacco (Udine). Danieli

then sold its first industrial plant to Algoma (Canada), followed by OMK (Russia), Tangshan (China) and Posco (Korea), consolidating its technology and know-how over a period of 20 years, while continuing to grow and evolve.

This DUE® plant will be equipped with “deep learning” or smart automation, and will constitute a significant benchmark not only on the Chinese market but all over the world.

It will be unrivalled in terms of transformation costs and flexibility with respect to making production changes in steel type and finished product size, capable of producing – unique in the world – strips in thicknesses ranging from 0.8 to 12.7 mm in a wide range of steels.

Also included are in-line heat treatments to produce steels with mechanical properties suited to their final use. This feature will be the trend for steelmakers in the next few years.

The technological level this plant has reached is also the result of massive investment in research and the continuous improvement that Danieli has fostered in the last 20 years.

The official signing ceremony took place in China on May 14, 2016 (signing for Danieli was Mr. Georgios Ximeris - President of Danieli Wean United; for Shougang Jingtang Mr. Wang Tao - General Manager; for China Shougang International Trade & Engineering Corporation Mr. Zhang Bingcheng - General Manager; for TMEIC Mr. Sainoh Tetsuya - Vice General Manager Metal business) in the presence of the Chairman of the Shougang Group Mr. Jin Wei, and the Chairman and CEO of Danieli Mr. Gianpietro Benedetti. These two men made a commitment to work together closely to ensure the successful outcome of this initiative, which will be a milestone in the history of the steelmaking industry.

The amount invested in the plant will be around 300 million USD.

Attached: Photo of signing ceremony

Buttrio, 1.06.2016

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Financial statements and publications at the company's headquarters

on the authorized storage mechanism “SDIR & STORAGE

www.emarketstorage.com and on the company's Web Site:

www.danieli.com, *Investors* section