

PAOLO SCARONI MEETS THE MANAGEMENT OF SIDERFORGEROSSİ GROUP SPA

28 October 2016, Arsiero – ITALIA

Subject: trends in the Oil & Gas industry - “The Oil Era”

On the morning of 28 October 2016, the shareholders and senior management team of the Siderforgerossi Group met Paolo Scaroni in the boardroom.

After studying humanities at Antonio Pigafetta High School in Vicenza and graduating from Bocconi University in Milan (where he is still a member of the International Advisory Council) with a degree in Business and Economics, Paolo Scaroni did an MBA at Columbia University in New York. He started his career working for the management consulting firm McKinsey.



In 1973 Paolo Scaroni joined Saint-Gobain and 1978 he was appointed as the Chairman of the group’s glass division in Paris. From 1985 to 1996 he served as the Deputy Chairman and CEO of Techint. In addition, from 1997 to 1999 he was the Chairman of Vicenza Calcio football club. In 1996, he moved to Great Britain to become the CEO of Pilkington. He left this role in 2002 to take up a position as the CEO of Enel. Thanks to the results that he achieved at Enel, in 2005 he was named the CEO of Eni, which saw its turnover and profits reach record levels in 2006 (thanks in part to the high oil prices and cold winter that year).

He has a number of honours to his name, having been made a *Knight of Labour* in Italy in 2004 and an *Officer of the Order of the Legion of Honour* in France in 2007.

In November 2008, he made the following remarks while discussing matters relating to the Kyoto Protocol and the 2020 Climate and Energy Package: “We believe that renewable energy - which essentially means wind and solar power - is bound to remain a small affair in the short term, with the technology and know-how that are currently available. Therefore, at Eni we are investing in research - into solar power in particular - and we firmly believe that renewable resources can only make a significant contribution to our energy needs if a groundbreaking technological discovery is made.”

Paolo Scaroni is currently a member of the Board of Directors of Assicurazioni Generali, Non-executive Deputy Chairman of the London Stock Exchange Group and a member of the Board of Directors of Veolia Environnement. In addition, he is a member of the Board of Overseers of Columbia Business School in New York and the Teatro alla Scala Foundation. He has been the Deputy Chairman of Rothschild since 2014.

An overview of Paolo Scaroni's management background was given by company Chairman Luciano Giacomelli in a short presentation befitting such an honoured guest. In a breathtaking speech, Paolo Scaroni then told the audience all about the past strengths and future weaknesses of the Oil & Gas industry, while discussing past and present OPEC policies. He very simply and concisely described the current "Oil Price War", while also mentioning emerging new competitors such as Iran, the shale oil and shale gas of emerging new American companies, the role of Russian politics in the gas market, and Saudi Arabia's current commercial initiatives.



"It's important to remember that the main cause of carbon dioxide emissions is the use of fossil fuels, first and foremost among which are coal and oil. The need to reduce these emissions has developed into such a huge wave - or perhaps more accurately an extremely high tide - that even the biggest global oil & gas groups cannot hold it back," he stated assuredly. "In the near future, fossil fuels are likely to go on satisfying part of our energy needs, for example by powering aircraft. However, in the short to medium term technological developments will make electrical energy storage possible," continued Scaroni. "Sources of renewable energy such as wind and solar power will become more and more efficient and significant. This blend of factors will enable the automotive industry - which is one of the main users of oil - to evolve and develop hybrid and 100% electric motors offering high performance and ranges, thus bringing the Oil Era to an end once and for all," he stated in conclusion.

Scaroni gave prompt, exhaustive responses to the numerous comments and questions from the fascinated participants.

The meeting was the first of three sessions of this kind planned for the executives of the Siderforgerossi Group, as part of a company scheme to share information and promote awareness and engagement among the senior management team as they espouse the market prospects in the short to medium term.

The Siderforgerossi Group would like to offer its heartfelt thanks to Paolo Scaroni for his invaluable input, which was built on many years of experience in the upper echelons of the Oil & Gas industry.