ArcelorMittal

Aperam – Spin-off and financials

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16 December 2010

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”, “will” 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 Annual Report on Form 20-F for the year ended December 31, 2009 filed 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.

Content

- Spin-off process and calendar
- Financial overview
- Financial overview by segment
- Financing
- Corporate governance
- Q&A

Spin-off rational, process and calendar

ArcelorMittal

Spin-off rational

ArcelorMittal

Extract from ArcelorMittal and Aperam Boards report

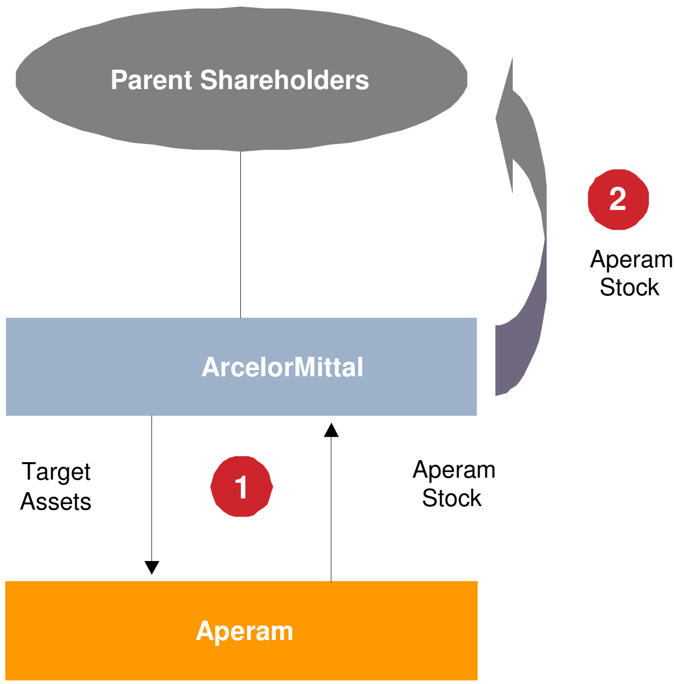
"Stainless steel is a capital intensive business that has been competing within ArcelorMittal for capital allocation for additional investment, in particular against the strategic focus of ArcelorMittal on mining expansion and carbon steel growth projects in the emerging markets. The stainless division, which represents about 5% of ArcelorMittal's group EBITDA (based on average EBITDA over the five-year period 2005-2009), also receives limited attention from the financial markets as it is part of the wider ArcelorMittal group and is included in ArcelorMittal's overall results. Pure-play stainless steel companies have generally traded on the stock exchanges at a premium compared to carbon steel and diversified steel companies. ArcelorMittal's Management believes that an independent company focused on stainless products would be in a better position to attract and allocate capital, access third-party funding and create value for its shareholders through higher earnings multiples, resulting in a more equitable valuation.

The Spin-Off would also enable the Stainless Steel Business to benefit from better visibility in the markets, and to pursue its growth strategy as an independent company in the emerging markets and in specialty products including electrical steel."

Creating shareholder value

Aperam spin-off

Mechanics



- **Description**
  - Aperam shares to be attributed pro rata to parent shareholders through a spin-off process
- **Transitional Services Agreement**
  - Aperam and ArcelorMittal to enter transitional services agreement, purchasing /sourcing service agreement in order to keep synergies
- **Listing**
  - Aperam shares to be simultaneously listed in Luxembourg, Paris and Amsterdam
  - In the United States, Aperam shares to be traded on the over-the-counter market in the form of New York Registry Shares
- **Listing symbol**
  - "APAM"
- **Number of shares**
  - Approximately 78 million shares

One share of Aperam received for twenty shares of ArcelorMittal

Calendar

ArcelorMittal

- 8 December 2010: Announcement of the spin-off approval by the Boards of Directors of ArcelorMittal
- 16 December 2010: Publication of the Aperam listing prospectus and publication of the convening notice for the EGM of ArcelorMittal
- January 2011: Management roadshow
- 25 January 2011: EGM of ArcelorMittal* & EGM of Aperam*
- Within 7 days: First trading day of Aperam
- 8 February 2011 Aperam annual results 2010

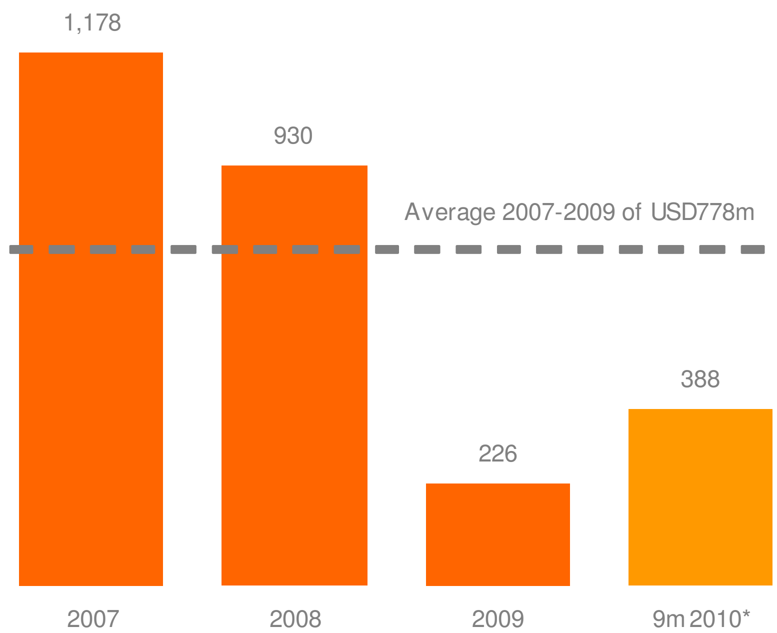
Spin-off to be completed in Q1 2011

* If quorum not reached reconvening of shareholder meeting approximately one month later

Financial overview

Profitability drivers

EBITDA in million of USD



Profitability key drivers

- **Leadership journey**
  - USD 250 million over the next two years resulting from cost reductions and increasing productivity
- **Volume**
  - According to CRU, stainless steel market expected to increase by 3%/4% in Europe and 6%/7% in South America
  - Each additional tonne to contribute to approximately USD 450 of EBITDA
- **Price**
  - According to CRU, stainless steel base price expected to remain under pressure
  - Each change of 10 USD/t in stainless steel base price to impact EBITDA by approximately USD 15m

Strong operational leverage

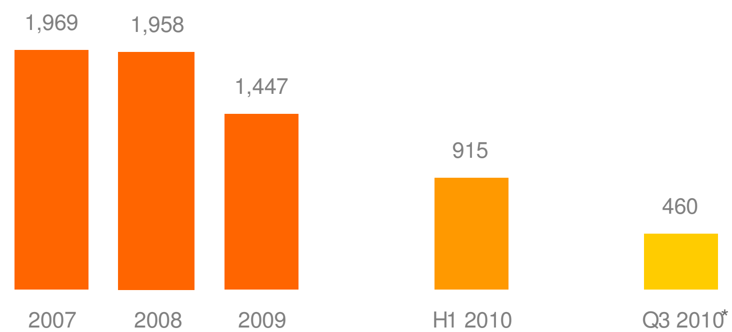
* Q3 unaudited

P&L historical highlights

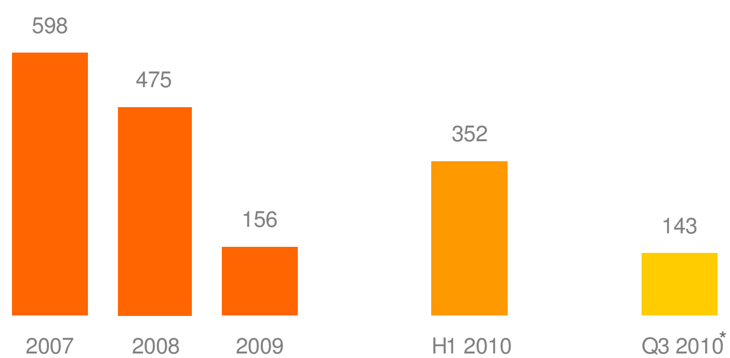
ArcelorMittal

- **Shipments**
  - In 2009, shipments declined by 26% due to the global economic crisis but rebounded by 35% in H1 2010 compared to H1 2009
- **Sales**
  - Sales declined by 49% in 2009 as transaction price dropped in addition to shipments
- **EBITDA**
  - EBITDA decreased to USD 226m in 2009. EBITDA of USD 388m reported for 9 months of 2010
- **Non-recurring charges**
  - In 2008 and 2009, Aperam recorded respectively USD 209m and USD 100m of inventories write-down and provisions for workforce reduction
- **Financial charges & tax**
  - Interest costs expected to be between 6%-7%
  - Effective tax rate expected to be between 15%-20%

Shipments in millions of tonnes



EBITDA margin in USD/t



A slow and progressive recovery

* Q3 unaudited

P&L details

(USDm)	2007	2008	2009	H1 2010	Q3 2010**
Sales	**9,219**	**8,358**	**4,235**	**2,798**	**1,372**
EBITDA	**1,178**	**930**	**226**	**322**	**66**
- EBITDA margin %	*12.8%*	*11.1%*	*5.3%*	*11.5%*	*4.8%*
Non-recurring charges*	-	209	100	-	-
Depreciation and impairment	275	339	333	146	72
Operating Income (loss)	**903**	**382**	**-207**	**176**	**(6)**
- Operating margin %	*9.8%*	*4.6%*	*(4.9%)*	*6.3%*	*(0.4%)*
Income after investments	-	-	2	8	1
Net financing costs	(117)	(223)	(2)	(41)	(13)
Income (loss) before taxes and non-controlling interest	**786**	**159**	**(207)**	**143**	**(18)**
Income tax expense (benefit)	227	61	(57)	28	(6)
- Effective tax rate %	*28.9%*	*38.4%*	*27.5%*	*19.6%*	*33.3%*
Income (loss) before non-controlling interest	**559**	**98**	**(150)**	**115**	**(12)**
Non-controlling interest	161	39	-	1	-
Net income (loss)	**398**	**59**	**(150)**	**114**	**(12)**

Positive EBITDA during crisis

* Inventory write-down, onerous contracts and restructuring

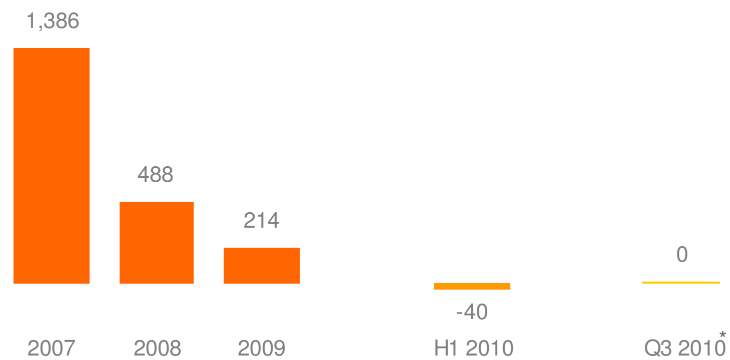
** Q3 non audited

Cash-flow historical highlights

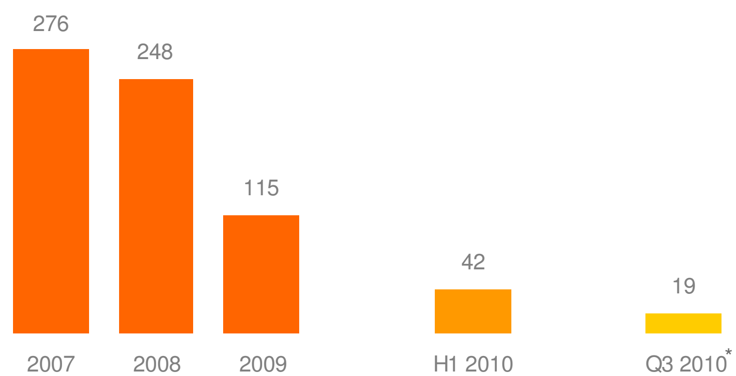
ArcelorMittal

- **Cash-flow from operations**
  - Following EBITDA, cash-flow from operation has dropped significantly during the 2009 crisis but remained positive
  - Increase in activity and working capital has led to a cash outflow in H1 2010
- **CAPEX**
  - Maintenance CAPEX of USD 180m
  - CAPEX expected to be between USD 200m and USD 250m in 2011
- **Dividend policy**
  - Board of Directors proposal of an annual gross dividend of USD 0.75 per share with a payment on a quarterly basis.
  - Based on approximately 78 million shares, dividend outflow expected to be USD 59m

Cash-flow from operation USDm



CAPEX USDm



CAPEX adjusted on cash-flow generated

* Q3 unaudited

Cash-flow statement details

ArcelorMittal

(USDm)	2007	2008	2009	H1 2010	Q3 2010*
Net Income (loss)	398	59	(150)	114	(12)
Non-controlling interests	161	39	-	1	-
Depreciation and impairment	275	339	333	146	72
Change in working capital	390	(173)	277	(278)	(94)
Other items and operating activities	162	224	(246)	(23)	34
Net cash provided by (used in) operating activities	**1,386**	**488**	**214**	**(40)**	-
Purchase of property, plant and equipment (CAPEX)	(276)	(248)	(115)	(42)	(19)
Other investing activity	(246)	23	205	(61)	91
Net Cash provided by (used in) investing activities	**(522)**	**(225)**	**90**	**(103)**	**72**
Dividends paid	(180)	(1063)	(156)	(59)	(18)
Proceed (payments) from payable to banks and long term debt	(467)	299	(183)	214	(55)
Net cash provided by (used in) financing activities	(647)	(764)	(339)	155	(73)
Effect of exchange rate changes on cash & Other financing activities	70	24	27	(8)	10
Change in cash and cash equivalent	**287**	**(477)**	(8)	**4**	9

Cash-flow from operations positive over the cycle

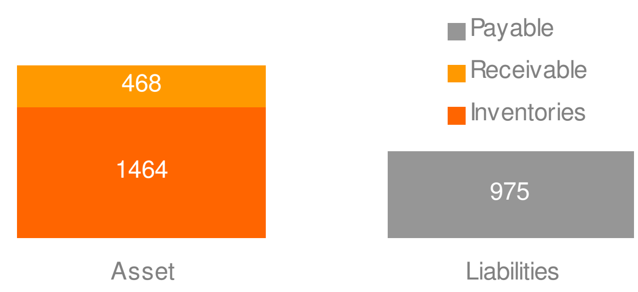
* Q3 unaudited

Pro forma balance sheet highlights (H1 2010)

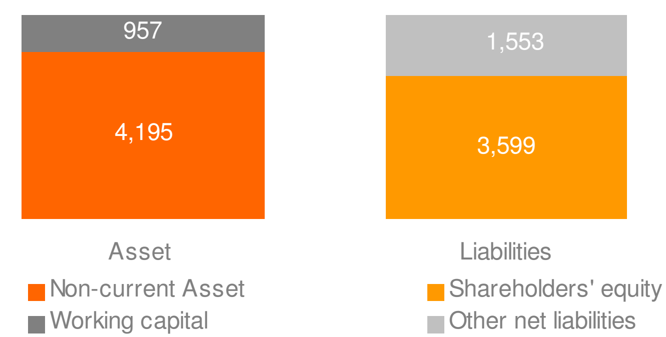
ArcelorMittal

- **Intangible & goodwill**
  - Goodwill of approximately USD 0.9bn mainly related to ArcelorMittal merger. Acesita goodwill deducted from equity.
- **Non-current assets**
  - Approximately USD 3.3bn excluding goodwill
- **Working capital**
  - Increased by approximately USD 0.2bn to USD 1bn in H1 2010 due to activity rebound.
- **Shareholders' equity**
  - USD 3.6bn with reduced minority interests
- **Gross debt & pension liabilities**
  - Approximately USD 1.1bn of gross financial debt and USD 0.2bn of pension liabilities

Working capital USDm*



Assets & liabilities*



A pro forma gearing of 26% at end of H1 2010

* Proforma at 30/06/10

Balance sheet details

(USDm)	2007	2008	2009	H1 2010	H1 2010 Pro forma*
Non current assets	**5,222**	**4,631**	**5,023**	**4,195**	**4,195**
Goodwill and intangible assets	1,121	973	1,045	924	924
Property, plant and equipment	3,610	3,106	3,193	2,774	2,774
Other non current assets	491	552	785	497	497
Current assets & working capital	**3,071**	**1,988**	**1,502**	**1,885**	**1,278**
Inventories, trade receivables & trade payable	1,249	1,071	805	957	957
Other assets	584	253	235	199	199
ArcelorMittal tax indemnification**	-	-	-	245	-
Amount receivable under cash-pooling arrangement	635	536	344	362	-
Cash, cash equivalents & restricted cash	603	128	118	122	122
Shareholders' equity	**5,520**	**3,279**	**3,589**	**3,389**	**3,599**
Group share	4,601	3,267	3,583	3,385	3,595
Non-controlling interest	919	12	6	4	4
Non current liabilities	**1,622**	**1,808**	**1,901**	**1,397**	**995**
Interest bearing liabilities	805	1,206	1,375	945	133
Deferred employee benefit	214	191	193	161	161
Provision and other	603	411	333	291	310
Current liabilities (excluding trade payable)	**1,151**	**1,532**	**1,035**	**1,294**	**879**
Interest bearing liabilities	499	874	506	902	935
Other	652	658	529	392	335

Approximately USD 1.0 billion of net financial debt (pro forma)

*Following spin-off debt restructuring

** Disclosed under non current assets for 2007, 2008 and 2009

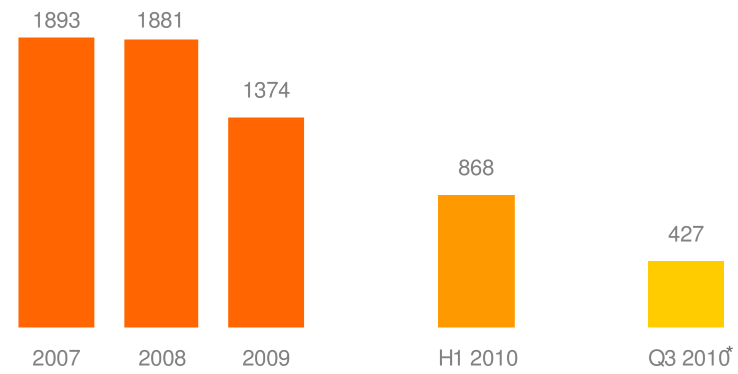
Financial overview by segment

Stainless & Electrical Steel financial highlights

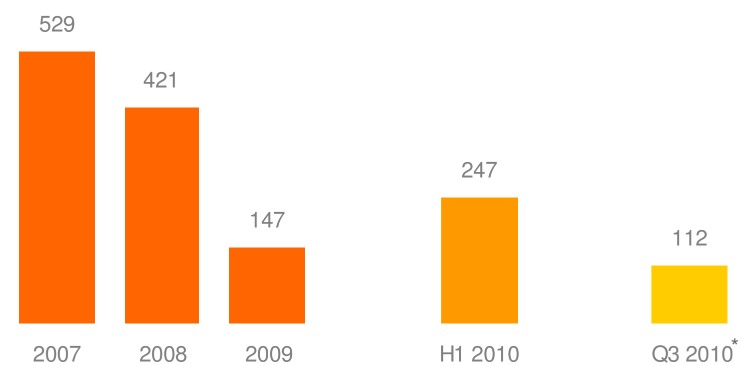
ArcelorMittal

- **Shipments**
  - In 2009, shipments declined by 27% due to the global economic crisis which impacted both regions. Rebound in H1 2010 was faster in South America than in Europe
- **Sales**
  - Sales declined by 53% in 2009 as transaction price dropped in parallel to volume
- **EBITDA**
  - EBITDA decreased to USD 202m in 2009 due to falling prices and volumes. Brazil remained profitable whereas Europe recorded an EBITDA loss
  - In H1 2010, profitability improved in both regions, but margin dropped again in Q3 2010
- **Non-recurring charges**
  - In 2008 and 2009, the segment recorded, respectively, USD 150m and USD 72m of inventories write-down and provisions for workforce reduction

Shipments in millions of tonnes



EBITDA margin in USD/t



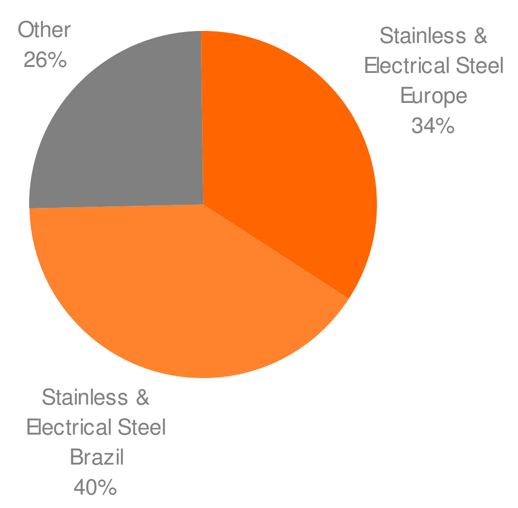
Europe is still suffering from low capacity utilisation

* Q3 unaudited

Stainless & Electrical Steel - Leadership Journey and value creation drivers

- **Leadership Journey**
  - Variable cost improvement resulting from full biomass (charcoal) integration and access to natural gas in Brazil
  - Fixed cost reduction improvement resulting from downstream rationalisation and productivity investment in Europe
  - Overall fixed and SG&A cost reduction resulting from organisation simplification and restructuring
- **Other key value creation drivers**
  - Volume increase in Europe in line with market expected progressive recovery
  - Mix improvement in South America resulting from focus on domestic market
  - Significant growth potential for electrical steel in Brazil

Management gains breakdown by segment for 2011



Each additional tonne expected to contribute to approximately USD 350 of EBITDA

Source: Aperam

Operating performance for Stainless & Electrical Steel

ArcelorMittal

(000t)	2007	2008	2009	H1 2010	Q3 2010**
Shipments	1,893	1,881	1,374	868	427
- Europe Shipments	1,215	1,215	859	567	263
- Brazil Shipments	678	666	515	301	164

(USDm)	2007	2008	2009	H1 2010	Q3 2010**
Sales	7,474	6,787	3,185	2,260	1,058
EBITDA	1,001	792	202	215	48
- Europe EBITDA	431	196	(43)	73	(14)
- Brazil EBITDA	570	596	245	142	62
Non-recurring charges*	-	150	72	-	-
Impairment	-	20	9	-	-
Depreciation	238	277	278	128	64
Operating income (loss)	763	345	(157)	86	(16)

Profitability remains low

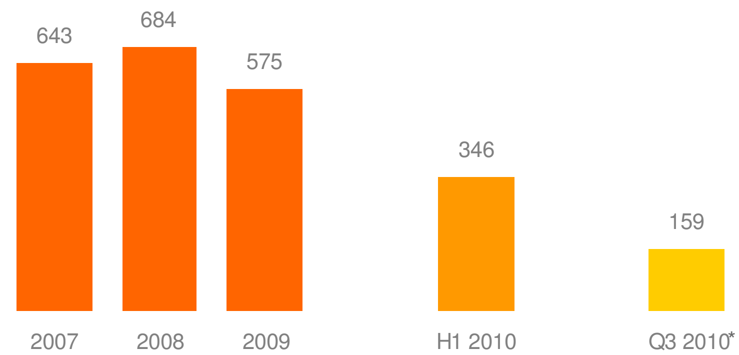
* Inventory write-down, onerous contracts and restructuring

** Q3 unaudited

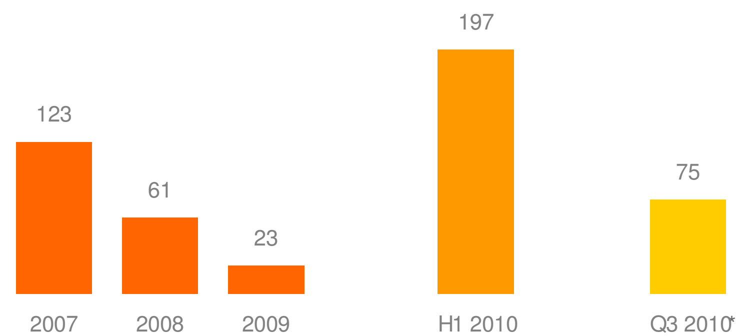
Services & Solutions financial highlights

– **Shipments**
  - In 2009, shipments declined by 16% due to the global economic crisis but the segment was more resilient than the Stainless & Electrical steel segment
– **Sales**
  - Sales declined by 38% in 2009 due to volume and price decline. In H1 2010, the segment reported a 69% increase in its sales
– **EBITDA**
  - EBITDA deteriorated strongly in Q4 2008 and 2009 due to sales decrease resulting from the global economic crisis
  - In H1 2010, the EBITDA margin on the segment increase to approximately USD 200/t due to the strong increase in sales
– **Non-recurring charges**
  - In 2008 and 2009, the segment recorded respectively USD 55m and USD 17m of inventory write-down and provisions for workforce reduction

Shipments in millions of tonnes



EBITDA margin in USD/t



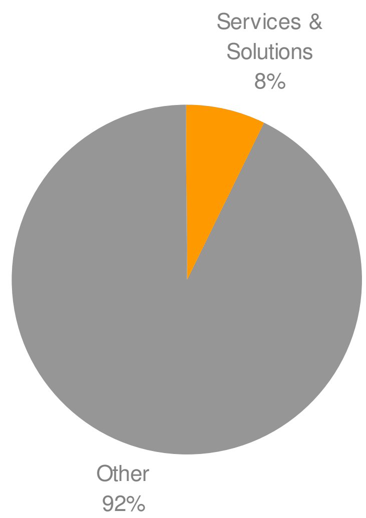
USD 200/t of EBITDA in H1 2010

* Q3 unaudited

Services & Solutions - Leadership Journey and value creation drivers

- **Leadership Journey**
  - Fixed cost and variable cost reduction expected from several optimisation initiatives in Tubes and South America
  - Overall fixed and SG&A cost reduction resulting from organisation simplification and global benchmarking
- **Other key value creation drivers**
  - Volume increase in Europe resulting from market recovery and new commercial initiatives
  - Growth in South America resulting from new commercial initiatives

Management gains breakdown by segment for 2011



Each additional tonne expected to contribute to approximately USD 200 of EBITDA

Operating performance for Services & Solutions

(000t)	2007	2008	2009	H1 2010	Q3 2010**
Shipments	643	684	575	346	159

(USDm)	2007	2008	2009	H1 2010	Q3 2010**
Sales	3,094	2,823	1,758	1,185	576
EBITDA	79	42	13	68	13
Unusual & non-recurring charges*	-	55	17	-	-
Impairment	-	-	5	-	-
Depreciation and amortisation	23	30	31	15	7
Operating income / loss	56	(43)	(40)	53	5

Strong performance in H1 2010

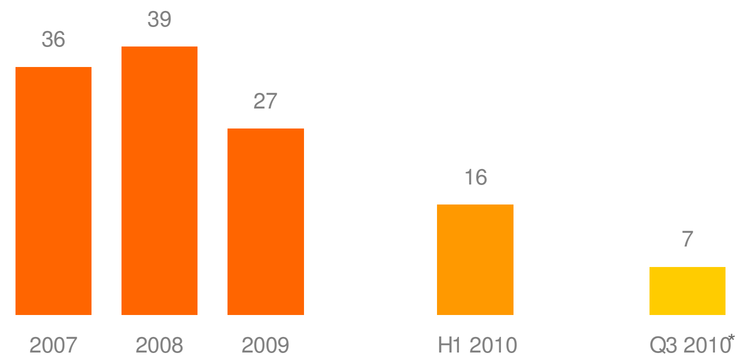
* Inventory write downs, onerous contracts and restructuring

** Q3 unaudited

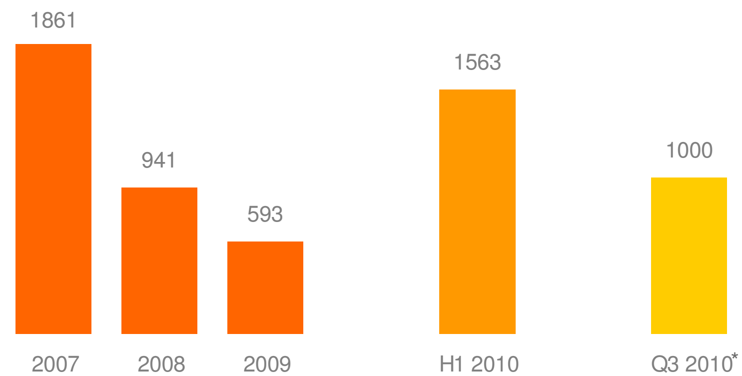
Alloys & Specialties
Financials highlights

- **Shipments**
  - In 2009, shipments declined by 31% due to the global economic crisis and a decline in certain specific “project” markets such as LNG tankers.
  - In H1 2010, shipment increased by 14% due to overall recovery in demand as well as extensions of product ranges (wire) and downstream activities (components)
- **Sales**
  - Sales declined by 46% in 2009 due to the reduction in shipments but also due to the strong decline of the nickel price.
- **EBITDA**
  - EBITDA dropped significantly in 2008 and 2009 but rebound in H1 2010 due mainly to volume and mix improvements
- **Non-recurring charges**
  - In 2008 and 2009, the segment recorded respectively USD 5m and USD 11m of inventories write-down and provisions for workforce reduction

Shipments in million tonnes



EBITDA margin in USD/t



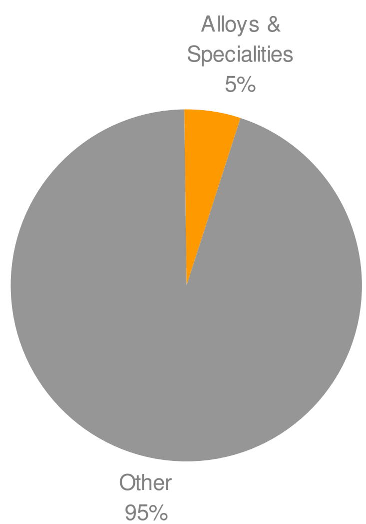
A strong margin recovery for high value added products

* Q3 unaudited

Alloys & Specialties - Leadership journey and value creation drivers

– **Leadership journey**
  - Fixed cost and variable cost reduction per ton expected through continuous improvement, yield and quality enhancements
  - Continuing optimisation of SG&A resulting from organisation simplification
– **Other key value creation drivers**
  - Developing positions and leadership in wire rod and drawn wire through selected initiatives
  - Grasping new market and specific new developments in strips
  - Taking advantage of market growth in plate and bars (Oil & Gas, Aerospace…)
  - Meltshop enhancement project : towards best-in-class in raw material optimization

Management gains breakdown by segment for 2011



Expanding EBITDA margin above 1,000 USD/t

Operating performance for Alloys & Specialities

ArcelorMittal

(000t)	2007	2008	2009	H1 2010	Q3 2010**
Shipments	36	39	27	16	7

(USDm)	2007	2008	2009	H1 2010	Q3 2010**
Sales	872	801	435	237	126
EBITDA	67	37	16	25	7
Non-recurring charges*	-	5	11	-	-
Impairment	-	-	-	-	-
Depreciation	6	6	6	3	1
Operating income (loss)	61	26	(1)	22	6

Profitability recovering progressively from crisis

* Inventory write downs, onerous contracts and restructuring

** Q3 unaudited

Financing

Financial policy

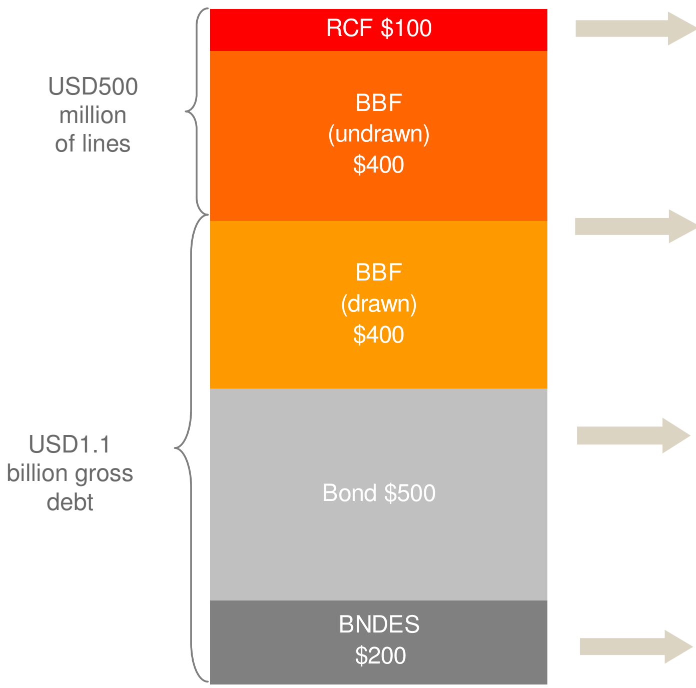
ArcelorMittal

- **Communication**
  - Maintain high standards of disclosure through regular and transparent dialogue with regulators, debt community and rating agencies
- **Funding**
  - Funding raised primarily by the parent company (except certain financing facilities in Brazil and overdraft lines for subsidiaries)
  - Diversify funding and maturities - spread maturities of debt to minimize refinancing risk (with a minimum average maturity of 3 years) and diversify funding sources to minimize reliance on any one investor base
  - Financial covenants - avoid any earnings based maintenance covenants and ensure sufficient headroom
  - Peak gearing ratio (net debt/equity) of < 50%
- **Liquidity**
  - Minimum liquidity (cash plus unused committed credit facilities) of USD 500 million at all times

Commitment to a conservative financial policy

Financing strategy

ArcelorMittal



- **USD 100 million revolving credit facility**
  - 3 year facility
  - Secured by fixed assets
- **USD 800 million borrowing base facility**
  - 3 year facility
  - Secured by inventories and receivables
- **USD 500 million bond**
  - 5 and 7 years tranches
- **Existing Brazilian and BNDES financing**

The proceeds of USD 900 million will be used to repay a bridge loan from ArcelorMittal

Corporate governance

Board of Directors structure

ArcelorMittal

Targeted final BOD structure

4 Independent Directors

3 Non Independent Directors

Independent members of the BoD	**Non-Independent members of the BoD**
• **Ms. Kathryn Matthews**, Independent • **Mr. Dave Burritt**, Independent • 2 Independent Directors out of which 1 Lead Independent Director	• **Mr. Lakshmi N. Mittal**, Chairman, Non-Independent • **Aditya Mittal**, Non-Independent • **Gonzalo Urquijo**, Non-Independent

Committees of the Board

- Audit and Risk Management
- Remuneration, Nomination and Corporate Governance
- Sustainability, Performance and Strategy Committee
- Transition Committee

A majority of independent Board members

Corporate Governance framework

1. Independent Board of Directors

2. Lead Independent Director

- Coordination of the activities of the Independent Directors;
- Liaising between the Non-Independent Directors and the Independent Directors;
- Calling meetings of the Independent Directors when necessary and appropriate; and
- Performing such other duties as may be assigned to him or her by the Board of Directors from time to time.

3. Corporate governance practices

The Company is committed to adopting best practice corporate governance standards. The Company will continuously monitor U.S., European Union and Luxembourg legal requirements and best practices in order to make adjustments to its corporate governance controls and procedures where necessary.

4. Alignment with ArcelorMittal best practices

Targeting best in class corporate governance

Q&A

ArcelorMittal