ArcelorMittal

(a société anonyme incorporated under the laws of the Grand Duchy of Luxembourg having its registered office at 19, avenue de la Liberté, L-2930 Luxembourg, Grand Duchy of Luxembourg, and registered with the Registre de Commerce et des Sociétés, Luxembourg under number B 82.454)

Euro 1,500,000,000	**Euro 1,000,000,000**
8.25 per cent. Bonds due 2013	**9.375 per cent. Bonds due 2016**
Issue Price 99.589 per cent.	**Issue Price 99.381 per cent.**

The Euro 1,500,000,000 8.25 per cent. Bonds due 2013 (the "**2013 Bonds**") and the Euro 1,000,000,000 9.375 per cent. Bonds due 2016 (the "**2016 Bonds**" and, together with the 2013 Bonds, the "**Bonds**")) will be issued by ArcelorMittal (the "**Issuer**" or "**we**" or "**ArcelorMittal**"). Interest on the Bonds is payable annually in arrear on 3 June in each year commencing on 3 June 2010. The interest payable on the Bonds will increase upon the occurrence of certain rating downgrade or rating withdrawal events as further described in "Terms and Conditions of the Bonds".

Payments on the Bonds will be made without deduction for or on account of taxes of the Grand Duchy of Luxembourg to the extent described under "Terms and Conditions of the Bonds - Taxation".

The 2013 Bonds mature on 3 June 2013 and the 2016 Bonds mature on 3 June 2016 but, in either case, may be redeemed before then at the option of the relevant holder upon the occurrence of a Put Restructuring Event or Change of Control (each as defined herein) at their principal amount together with accrued interest. See "Terms and Conditions of the Bonds - Redemption at the option of the Bondholders upon a Put Restructuring Event - Offer to Purchase upon a Change of Control". The Bonds are also subject to redemption in whole, at their principal amount, together with accrued interest, at the option of the Issuer at any time in the event of certain changes affecting taxes of the Grand Duchy of Luxembourg. See "Terms and Conditions of the Bonds - Redemption and Purchase".

The Bonds will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer. See "Terms and Conditions of the Bonds - Status".

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities, for the approval of this Prospectus for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**"). Application has also been made to the Luxembourg Stock Exchange for the Bonds to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. References in this Prospectus to the Bonds being "listed" (and all related references) shall mean that the Bonds have been "listed" on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (MiFID) 2004/39/EC.

The Bonds will initially be represented by a Temporary Global Bond, without interest coupons, which will be issued in new global note ("**NGN**") form and the Temporary Global Bond will be delivered on or prior to the Issue Date to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"). The Temporary Global Bond will be exchangeable for interests recorded in the records of Euroclear and Clearstream, Luxembourg in a Permanent Global Bond, without interest coupons, on or after a date which is expected to be 14 July 2009 upon certification as to non-U.S. beneficial ownership. The Permanent Global Bond will be exchangeable for definitive Bonds in bearer form in the denominations of Euro50,000 and integral multiples of Euro1,000 in excess thereof in the circumstances set out in it. See "Summary of Provisions relating to the Bonds while in Global Form".

The Bonds are expected to be rated BBB+ by Standard & Poor's Rating Services, Baa3 by Moody's Investors Services, Inc. and BBB by Fitch Ratings Ltd. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. See"Risk Factors - ArcelorMittal has a substantial amount of indebtedness, which, along with adverse conditions prevailing in global credit markets, could make it more difficult or expensive to refinance its maturing debt, incur new debt and/or flexibly manage its business" and "Risk Factors - A downgrade in ArcelorMittal's credit rating could adversely affect the trading price of the "Bonds".

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus.

JOINT LEAD MANAGERS

Banco Santander, S.A.	**CALYON Crédit Agricole CIB**	**Citi**
Commerzbank Aktiengesellschaft	**HSBC**	**J.P. Morgan**

CO-MANAGERS

Banco Bilbao Vizcaya Argentaria, S.A.	**CM-CIC BFCM**	**ING Wholesale Banking**
MeesPierson		**Rabobank International**

Prospectus dated 2 June 2009

This Prospectus comprises a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC (the "**Prospectus Directive**") and for the purpose of giving information with regard to the Issuer and its subsidiaries taken as a whole (the "**Group**") and the Bonds, which according to the particular nature of the Issuer and the Bonds, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer. The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Issuer which has taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see "Documents Incorporated by Reference").

References herein to "Terms and Conditions of the Bonds" shall mean to the Terms and Conditions of the 2013 Bonds or the Terms and Conditions of the 2016 Bonds, as applicable.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Managers (as defined in "Subscription and Sale" below) to subscribe or purchase, any of the Bonds. The distribution of this Prospectus and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers and sales of Bonds and distribution of this Prospectus, see "Subscription and Sale" below.

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Managers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, Bonds may not be offered, sold or delivered within the United States or to U.S. persons.

In connection with the issue of the Bonds, J.P. Morgan Securities Ltd. (the "Stabilising Manager") (or persons acting on behalf of the Stabilising Manager) may over-allot the 2013 Bonds and/or, as the case may be, the 2016 Bonds or effect transactions with a view to supporting the market price of the 2013 Bonds or, as the case may be, the 2016 Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the 2013 Bonds or, as the case may be, the 2016 Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Closing Date (as defined herein) of the 2013 Bonds or, as the case may be, the 2016 Bonds and 60 days after the date of the allotment of the 2013 Bonds or, as the case may be, the 2016 Bonds. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

In this Prospectus unless otherwise specified or the context otherwise requires, references to "**€**" or "**Euro**" are to the single currency of the participating member states of the European Union which was introduced on 1 January 1999, references to the "**U.S.**" and to the "**United States**" are to the United States of America, and references to "**$**" or "**U.S. Dollars**" are to the lawful currency of the United States of America.

Forward-Looking Statements

This Prospectus contains forward-looking statements based on estimates and assumptions. Forward-looking statements include, among other things, statements concerning the business, future financial condition, results of operations and prospects of ArcelorMittal, including its subsidiaries. These statements usually contain the words "believes", "plans", "expects", "anticipates", "intends", "estimates" or other similar expressions. For each of these statements, you should be aware that forward-looking statements involve known and unknown risks and uncertainties. Although it is believed that the expectations reflected in these forward-looking statements are reasonable, there is no assurance that the actual results or developments anticipated will be realised or, even if realised, that they will have the expected effects on the business, financial condition, results of operations or prospects of ArcelorMittal.

These forward-looking statements speak only as of the date on which the statements were made, and no obligation has been undertaken to publicly update or revise any forward-looking statements made in this prospectus or elsewhere as a result of new information, future events or otherwise, except as required by applicable laws and regulations. In addition to other factors and matters contained or incorporated by reference in this Prospectus, it is believed that the following factors, among others, could cause actual results to differ materially from those discussed in the forward-looking statements:

- the downturn in the global economy and any protracted global recession or a depression;
- the risk of a protracted fall in steel prices or of price volatility;
- the risk that excessive capacity may hamper the steel industry's recovery and prolong the downward cycle;
- any volatility or increases in the cost, or shortages in the supply, of raw materials, energy and transportation;
- the risk that unfair practices in steel trade could negatively affect steel prices and reduce ArcelorMittal's profitability;
- the risk that national trade restrictions could reduce or eliminate ArcelorMittal's access to steel markets;
- the risk that developments in the competitive environment in the steel industry could have an adverse effect on ArcelorMittal's competitive position;
- increased competition from other materials, which could significantly reduce market prices and demand for steel products;
- legislative or regulatory changes, including those relating to protection of the environment and health and safety;
- the risk that ArcelorMittal's high level of indebtedness and the adverse conditions prevailing in global credit markets could make it substantially more difficult or expensive to refinance its maturing debt, incur new debt and/or flexibly manage its business;
- ArcelorMittal's ability to manage its growth;

- Mr Lakshmi N. Mittal's ability to exercise significant influence over the outcome of shareholder voting;
- any loss or diminution in the services of Mr Lakshmi N. Mittal, ArcelorMittal's Chairman of the Board of Directors and Chief Executive Officer;
- the risk that the earnings and cash flows of ArcelorMittal's operating subsidiaries may not be sufficient to meet future needs or for planned dividends or share buy-backs;
- the risk that changes in assumptions underlying the carrying value of certain assets, including as a result of deteriorating market conditions, could result in impairment of tangible and intangible assets, including goodwill;
- the risk that significant capital expenditure and other commitments ArcelorMittal has made in connection with past acquisitions may limit its operational flexibility and add to its financing requirements;
- risks relating to ArcelorMittal's mining operations;
- the risk that non-fulfilment or breach of transitional arrangements may result in the recovery of aid granted to some of ArcelorMittal's subsidiaries;
- ArcelorMittal's ability to fund under-funded pension liabilities;
- the risk of labour disputes;
- economic policy risks and uncertainties in the countries in which it operates or proposes to operate;
- the risk of disruption or volatility in the economic, political or social environment in the countries in which ArcelorMittal conducts business;
- fluctuations in currency exchange rates, commodity prices, energy prices and interest rates;
- the risk of disruptions to ArcelorMittal's operations;
- damage to ArcelorMittal's production facilities due to natural disasters;
- the risk that ArcelorMittal's insurance policies may provide limited coverage;
- the risk of product liability claims adversely affecting ArcelorMittal's operations;
- the risk of potential liabilities from investigations and litigation regarding antitrust matters;
- the risk of unfavourable changes to, or interpretations of, the tax laws and regulations in the countries in which ArcelorMittal operates; and
- the risk that ArcelorMittal may not be able fully to utilise its deferred tax assets.

These factors are discussed in more detail in this prospectus, including under "Risk Factors".

Presentation of certain financial and other information

Definitions and Terminology

Unless indicated otherwise, or the context otherwise requires, references herein to “ArcelorMittal”, “we”, “us”, “our”, the “Company” and the “Issuer” or similar terms are to ArcelorMittal, formerly known as Mittal Steel Company N.V. (“**Mittal Steel**”), having its registered office at 19, avenue de la Liberté, L-2930 Luxembourg, Grand Duchy of Luxembourg, and, where the context requires, its consolidated subsidiaries. ArcelorMittal’s principal subsidiaries, categorised by operating segment and location, are listed below.
All references herein to “Arcelor” refer to Arcelor, a *société anonyme* incorporated under Luxembourg law, which was acquired by Mittal Steel on 1 August 2006.

For the purposes of this Prospectus, the names of the following ArcelorMittal subsidiaries as abbreviated below will be used where applicable.

Name of Subsidiary	Abbreviation	Country
Flat Carbon Americas		
ArcelorMittal Dofasco Inc.	Dofasco	Canada
ArcelorMittal Lázaro Cárdenas S.A. de C.V.	ArcelorMittal Lázaro Cárdenas	Mexico
ArcelorMittal USA Inc.	ArcelorMittal USA	USA
ArcelorMittal Mines Canada Inc	ArcelorMittal Mines Canada	Canada
Flat Carbon Europe		
ArcelorMittal Atlantique et Lorraine SAS	ArcelorMittal Atlantique et Lorraine	France
ArcelorMittal Belgium N.V.	Arcelor Steel Belgium	Belgium
ArcelorMittal España S.A.	ArcelorMittal España	Spain
ArcelorMittal Flat Carbon Europe SA	AMFCE	Luxembourg
ArcelorMittal Galati S.A.	ArcelorMittal Galati	Romania
Industeel Belgium S.A.	Industeel Belgium	Belgium
Industeel France S.A.	Industeel France	France
Long Carbon Americas and Europe		
Acindar Industria Argentina de Aceros S.A.	Acindar	Argentina
ArcelorMittal Belval & Differdange SA	ArcelorMittal Belval & Differdange	Luxembourg
ArcelorMittal Brasil S.A.	ArcelorMittal Brasil	Brazil
ArcelorMittal Hamburg GmbH	ArcelorMittal Hamburg	Germany
ArcelorMittal Hochfeld GmbH	ArcelorMittal Hochfeld	Germany
ArcelorMittal Las Truchas, S.A. de C.V.	Sicartsa	Mexico
ArcelorMittal Madrid S.L.	ArcelorMittal Madrid	Spain
ArcelorMittal Montreal Inc	ArcelorMittal Montreal	Canada
ArcelorMittal Olaberría S.L.	ArcelorMittal Olaberría	Spain

ArcelorMittal Ostrava a.s.	ArcelorMittal Ostrava	Czech Republic
ArcelorMittal Point Lisas Ltd.	ArcelorMittal Point Lisas	Trinidad and Tobago
ArcelorMittal Poland S.A.	ArcelorMittal Poland	Poland
ArcelorMittal Ruhrort GmbH	ArcelorMittal Ruhrort	Germany
Société Nationale de Sidérurgie S.A.	Sonasid	Morocco
AACIS		
ArcelorMittal South Africa Ltd.	ArcelorMittal South Africa	South Africa
JSC ArcelorMittal Temirtau	ArcelorMittal Temirtau	Kazakhstan
OJSC ArcelorMittal Kryviy Rih	ArcelorMittal Kryviy Rih	Ukraine
Stainless Steel		
ArcelorMittal Inox Brasil S.A.	Acesita or ArcelorMittal Inox Brasil	Brazil
ArcelorMittal Stainless Belgium	AMSB	Belgium
Steel Solutions and Services		
ArcelorMittal International Luxembourg SA	ArcelorMittal Luxembourg	Luxembourg

Market Information

This Prospectus includes industry data and projections about our markets obtained from industry surveys, market research, publicly available information and industry publications. Statements on ArcelorMittal's competitive position contained in this Prospectus are based primarily on public sources including, but not limited to, publications of the International Iron and Steel Institute. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and that the projections they contain are based on a number of significant assumptions. We have not independently verified these data or determined the reasonableness of such assumptions. In addition, in many cases we have made statements in this Prospectus regarding our industry and our position in the industry based on internal surveys, industry forecasts and market research, as well as our own experience. This information has been accurately reproduced, and, as far as we are aware, and are able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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Documents Incorporated by Reference

This Prospectus should be read and construed in conjunction with the following documents, which have been previously published and filed with the CSSF and which shall be deemed to be incorporated in, and to form part of, this Prospectus:

(i) the 2008 Annual Report of the Issuer (the "**ArcelorMittal AR 2008**") (only those pages cited in the cross-reference table below);

(ii) the 2007 Annual Report of the Issuer (the "**ArcelorMittal AR 2007**") (only those pages cited in the cross-reference table below); and

(iii) first quarter 2009 earnings release dated 28 April 2009 containing unaudited financial information of the Issuer as at and for the three month period ended 31 March 2009 (the "**First Quarter Earnings Release**").

The financial information incorporated by reference herein was prepared in accordance with International Financial Reporting Standards as adopted in the European Union ("**IFRS**") except where indicated as such in the relevant document.

The Issuer will provide, free of charge, during normal working hours at the specified office of the Principal Paying Agent (whose address appears on the back page of this Prospectus), upon oral or written request, a copy of this Prospectus (and any document incorporated by reference herein). Written or oral requests for such documents should be directed to the specified office of the Paying Agent in Luxembourg.

The Prospectus and the documents incorporated by reference in this Prospectus will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and of the Issuer (www.arcelormittal.com).

Annex IX Section Number	**Page Numbers of Relevant Document**
11.1. Historical Financial Information	
Audited consolidated financial statements of ArcelorMittal for the financial year ended December 2007:	
(i) consolidated balance sheets:	pp. 43-44 of the ArcelorMittal AR 2007
(ii) consolidated statements of income:	pp. 45-46 of the ArcelorMittal AR 2007
(iii) consolidated statements of changes in equity:	p. 47 of the ArcelorMittal AR 2007
(iv) consolidated statements of cash flow:	p. 48 of the ArcelorMittal AR 2007
(v) notes to the consolidated financial statements:	pp. 49-119 of the ArcelorMittal AR 2007
(vi) auditors' report on the consolidated financial statements:	p. 120 of the ArcelorMittal AR 2007
Audited consolidated financial statements of ArcelorMittal for the financial year ended December 2008:	
(i) consolidated balance sheets:	pp. 69-70 of the ArcelorMittal AR 2008
(ii) consolidated statements of income:	pp. 71-72 of the ArcelorMittal AR 2008

Annex IX Section Number	Page Numbers of Relevant Document
(iii) consolidated statements of changes in equity:	p. 73 of the ArcelorMittal AR 2008
(iv) consolidated statements of cash flow:	p. 74 of the ArcelorMittal AR 2008
(v) notes to the consolidated financial statements:	pp. 75-151 of the ArcelorMittal AR 2008
(vi) auditors' report on the consolidated financial statements:	p. 152 of the ArcelorMittal AR 2008
Interim and Other Financial Information:	pp. 1-19 of the First Quarter Earnings Release

For the avoidance of doubt, the information contained in the documents incorporated by reference which is not cross-referenced in the table above does not form part of this Prospectus. You should assume that the information appearing in this Prospectus, or any documents incorporated by reference in this Prospectus, is accurate only as of the date on the front cover of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date.

Risk Factors

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Bonds are also described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Bonds, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Bonds may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Bonds are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision. Terms defined in the relevant "Terms and Conditions of the Bonds" below shall have the same meaning where used below.

Risks Related to the Global Economy and the Steel Industry

The downturn in the global economy that accelerated during the second half of 2008 has caused a sharp reduction in worldwide demand for steel, and a protracted global recession or a depression would have a material adverse effect on the steel industry and ArcelorMittal

ArcelorMittal's activities and results are affected by international, national and regional economic conditions. Starting in September 2008, a steep downturn in the global economy, sparked by uncertainty in credit markets and deteriorating consumer confidence, has sharply reduced demand for steel products. This has had, and continues to have, a pronounced negative effect on ArcelorMittal's business and results of operations.

If global macroeconomic conditions continue to deteriorate, the outlook of steel producers will worsen further. In particular, a significant and prolonged recession or depression in the United States and Europe, or significantly slower growth or the spread of recessionary conditions to emerging economies that are substantial consumers of steel (such as China, Brazil, Russia and India, as well as emerging Asian markets, the Middle East and the Commonwealth of Independent States ("CIS") regions) would exact a heavy toll on the steel industry. Continued financial weakness among substantial consumers of steel products, such as the automotive industry (to which ArcelorMittal shipped approximately 15.2 million tonnes of steel in 2008) and the construction industry, or the bankruptcy of any large companies in such industries, would exacerbate the negative trend in market conditions. Despite ArcelorMittal's size and global breadth, protracted declines in steel consumption caused by poor economic conditions in one or more of its major markets or by the deterioration of the financial condition of its key customers would have a material adverse effect on demand for its products and hence on its results.

The Issuer has announced and is implementing a variety of measures in response to the market downturn and the worldwide collapse in demand for steel products. These include: postponing target completion dates for the realization of previously announced shipment growth objectives; implementing a series of cost-reduction and productivity improvement measures in view of achieving $5 billion in cost savings over the next five years; implementing temporary cuts in steel production of up to 40-45% globally in order to seek to accelerate inventory reduction; and targeting a $10 billion reduction in "net debt" (i.e., long-term debt net of current portion plus payables to banks and current portion of long-term debt, less cash and cash equivalents, restricted cash and short-term investments) by the end of 2009. These initiatives may not prove sufficient, in terms of cost-reduction or in realigning ArcelorMittal's production levels with reduced demand, to maintain ArcelorMittal's profitability going forward.

A protracted fall in steel prices would have a material adverse effect on the results of ArcelorMittal, as could price volatility

Steel prices are volatile and the global steel industry has historically been cyclical. After rising during 2007 and through the summer of 2008, steel prices in global markets fell sharply beginning in the late summer of 2008 as a result of collapsing demand and the resulting excess supply in the industry. The fall in prices during this period adversely affected the results of steel producers generally, including ArcelorMittal, as a result of lower revenues and write-downs of finished steel products and raw material inventories.

Steel prices are sensitive to trends in cyclical industries, such as the automotive, construction, appliance, machinery, equipment and transportation industries, which are the significant markets for ArcelorMittal's products. In the past, substantial price decreases during periods of economic weakness have not always been offset by commensurate price increases during periods of economic strength. Although prices are expected to stabilize at some point, the timing and extent of price recovery or return to prior levels cannot be predicted. An eventual rebound in steel prices will likely depend on a broad recovery from the current global economic downturn, although the length and nature of business cycles affecting the steel industry have historically been unpredictable. If the downturn in steel prices were to be protracted, this would materially and adversely affect ArcelorMittal's revenues and profitability including through possible further write-downs of steel product and raw materials inventories.

Excess capacity, resulting in part from expanded production in China and other developing economies in recent years, may hamper the steel industry's recovery and prolong the downward cycle

In addition to economic conditions and prices, the steel industry is affected by other factors such as worldwide production capacity and fluctuations in steel imports/exports and tariffs. Historically, the steel industry has suffered from substantial over-capacity, and it is possible in the context of the current downturn that global production levels will fail to adjust fully to rapidly falling demand or that production increases will outstrip demand increases in the early stages of recovery, resulting in an extended period of depressed prices and industry weakness.

ArcelorMittal has already made significant production cuts in response to the current economic crisis, as have other steel producers. ArcelorMittal also expects that consolidation in the steel sector in recent years should, as a general matter, help producers to maintain more consistent performance through the down cycle by preventing fewer duplicate investments and increasing producers' efficiency, economies of scale and bargaining power with customers and suppliers. In the context of a severe and/or protracted economic downturn, however, the chronic overcapacity that plagued the industry during the period from 1973 to 2000 may re-emerge.

As demand for steel has surged in China, India and other emerging markets, steel production capacity in these markets has also surged, and China is now the largest worldwide steel producing country by a significant margin. China's net exports slowed in 2007. In the second half of 2008, capacity expansion in the Chinese mills slowed and capacity utilization rates declined, resulting in decreased exports. In the future, however, any significant excess capacity in China and increased exports by Chinese steel companies would weigh on steel prices in many markets.

Volatility in the prices of raw materials, energy and transportation, including mismatches between trends in prices for raw materials and steel, as well as limitations on or disruptions in the supply of raw materials, could adversely affect ArcelorMittal's profitability

Steel production requires substantial amounts of raw materials and energy, including iron ore, coking coal and coke, scrap, electricity and natural gas. In recent years, and particularly in 2007, and through the first half of 2008, there was a sharp rise in the prices of a number of commodities essential for the process of steel-making. In particular, the annual benchmark price of iron ore rose 65% in 2008 due, among other things, to the dynamics of supply (concentration in the mining industry) and demand (including the surge in Chinese demand). Spot prices of iron ore have decreased sharply as a result of the global economic downturn and lower steel demand, and at year-end 2008 were 57% lower than they were in June 2008. The prices of coking coal, zinc and nickel, as well as scrap, have also decreased substantially during the last few months.

The availability and prices of raw materials may be negatively affected by, among other factors, new laws or regulations; suppliers' allocations to other purchasers; business continuity of suppliers; interruptions in production by suppliers; accidents or other similar events at suppliers' premises or along the supply chain; wars, natural disasters and other similar events; changes in exchange rates; consolidation in steel-related industries; the bargaining power of raw material suppliers; worldwide price fluctuations; and the availability and cost of transportation. The raw materials industry is highly concentrated and producers possessed substantial pricing power during the recent periods of high demand. Although ArcelorMittal has substantial captive sources of iron ore and coal from its own mines and has new mines under development, it also obtains a substantial portion of its raw materials requirements under long-term supply contracts (including with Brazilian mining company Companhia Vale do Rio Doce, now known as Vale). Any prolonged interruption in the supply of raw materials or energy, or substantial volatility in their costs that steel companies are not able to pass on to customers, could adversely affect the business, financial condition, results of operations or prospects of ArcelorMittal and other steel companies.

In addition, energy costs, including the cost of electricity and natural gas, make up a substantial portion of the cost of goods sold by steel companies. The price of energy has varied significantly in the past several years and may vary significantly in the future largely as a result of market conditions and other factors beyond the control of steel companies, including significant volatility in oil prices. Because the production of direct reduced iron and the re-heating of steel involve the use of significant amounts of natural gas, steel companies are sensitive to the price of natural gas and dependent on having access to reliable supplies.

Although the prices of raw materials have recently dropped along with the price of steel, and these prices are as a general matter highly correlated, there can be no guarantee that they will continue to move in tandem. In addition, ArcelorMittal sources a substantial portion of its raw materials through contracts with prices fixed annually, creating the risk of adverse differentials between its own production cost and steel price trends, such as that which occurred in late 2008 leading to a margin squeeze as well as provisions for certain raw material supply contracts. Moreover, if raw materials and energy prices rise significantly (whether due to scarcity of supply or other reasons) but prices for steel do not increase commensurately, it would have a negative effect on ArcelorMittal's business, financial condition and results of operations or prospects.

Unfair practices in steel trade could negatively affect steel prices and reduce ArcelorMittal's profitability

ArcelorMittal is exposed to the effects of "dumping" and other unfair trade and pricing practices by competitors. Moreover, government subsidization of the steel industry remains widespread in certain countries, particularly those with centrally-controlled economies. As a consequence of the current global financial crisis, there is a risk of increased unfairly-traded steel imports into North America, Europe, and other markets in which ArcelorMittal produces and sells its products. Such imports could have the effect of reducing prices and demand for ArcelorMittal products.

National trade restrictions could reduce or eliminate ArcelorMittal's access to steel markets

ArcelorMittal has international operations and makes sales throughout the world and therefore its businesses have significant exposure to the effects of trade actions and barriers. Various countries have in the past instituted, or are currently contemplating the institution of, trade actions and barriers. ArcelorMittal cannot predict the timing and nature of similar or other trade actions. Because of the international nature of ArcelorMittal's operations, it may be affected by any trade actions or restrictions introduced by any country in which it sells, or has the potential to sell, its products. Any such trade actions could materially and adversely affect ArcelorMittal's business by reducing or eliminating ArcelorMittal's access to steel markets.

Developments in the competitive environment in the steel industry could have an adverse effect on ArcelorMittal's competitive position and hence its business, financial condition, results of operations or prospects

The markets in which steel companies operate are highly competitive. Competition, whether from established market participants or new entrants such as exporters of excess capacity from markets such as China, could cause ArcelorMittal to lose market share, increase expenditures or reduce pricing, any one of which could have a material adverse effect on its business, financial condition, results of operations or prospects.

Competition from other materials could significantly reduce market prices and demand for steel products and thereby reduce ArcelorMittal's cash flow and profitability

In many applications, steel competes with other materials that may be used as steel substitutes, such as aluminum (particularly in the automobile industry), cement, composites, glass, plastic and wood. Additional substitutes for steel products could significantly reduce market prices and demand for steel products and thereby reduce ArcelorMittal's cash flow and profitability.

ArcelorMittal is subject to stringent environmental laws and regulations that give rise to significant costs and liabilities, including those arising from environmental remediation programs

ArcelorMittal is subject to a broad range of environmental laws and regulations in each of the jurisdictions in which it operates. These laws and regulations, as interpreted by relevant agencies and the courts, impose increasingly stringent environmental protection standards regarding, among other things, air emissions, wastewater storage, treatment and discharges, the use and handling of hazardous or toxic materials, waste disposal practices, and the remediation of environmental contamination. The costs of complying with, and the imposition of liabilities pursuant to, environmental laws and regulations could be significant. Failure to comply could result in the assessment of civil and criminal penalties, the suspension of permits, requirements to curtail or suspend operations, and lawsuits by third parties. Despite ArcelorMittal's efforts to comply with environmental laws and regulations, there remains a risk that environmental incidents or accidents may occur that may negatively affect its reputation or the operations of the relevant facility.

Compliance with environmental obligations may require additional capital expenditures or modifications in operating practices. For example, U.S. laws and regulations and EU Directives, as well as any new or additional environmental compliance requirements that may arise out of the implementation by different countries of the Kyoto Protocol (United Nations Framework on Climate Change, 1992) and future, more stringent greenhouse gas restrictions and emissions trading schemes, may require changes to the operations of steel facilities, further reductions in emissions and the purchase of emission rights.

ArcelorMittal also incurs costs and liabilities associated with the assessment and remediation of contaminated sites. In addition to the impact on current facilities and operations, environmental remediation obligations can give rise to substantial liabilities with respect to divested assets and past activities. This may also be the case for acquisitions when liabilities for past acts or omissions are not adequately reflected in the terms and price of acquisition. ArcelorMittal could become subject to further remediation obligations in the future, as additional contamination is discovered or cleanup standards become more stringent.

Costs and liabilities associated with mining activities include those resulting from tailings and sludge disposal, effluent management, and rehabilitation of land disturbed during mining processes. ArcelorMittal could become subject to unidentified liabilities in the future, such as those relating to uncontrolled tailings breaches or other future events or to underestimated emissions of polluting substances.

ArcelorMittal operations may be located in areas where communities may regard its activities as having a detrimental effect on their natural environment and conditions of life. Any actions taken by such communities in response to such concerns could compromise ArcelorMittal's profitability or, in extreme cases, the viability of an operation or the development of new activities in the relevant region or country.

ArcelorMittal is subject to stringent health and safety laws and regulations that give rise to significant costs and liabilities

ArcelorMittal is subject to a broad range of health and safety laws and regulations in each of the jurisdictions in which it operates. These laws and regulations, as interpreted by relevant agencies and the courts, impose increasingly stringent health and safety protection standards regarding, among other things, employee health and safety. The costs of complying with, and the imposition of liabilities pursuant to, health and safety laws and regulations could be significant, and failure to comply could result in the assessment of civil and criminal penalties, the suspension of permits or operations, and lawsuits by third parties. Such failure to comply could also result in penalties resulting in the loss of key management, which may have a negative impact on ArcelorMittal's business.

Despite ArcelorMittal's efforts to comply with health and safety laws and regulations, there remains a risk that health and safety accidents may occur that may result in costs and liabilities and negatively impact ArcelorMittal's reputation or the operations of the affected facility. Such incidents could include explosions or gas leaks, fires or collapses in underground mining operations, vehicular accidents, or other incidents involving mobile equipment. Such incidents could lead to production stoppages, loss of key personnel, the loss of key assets, or put employees or persons living in the surroundings of sites or mines at risk.

ArcelorMittal may continue to be exposed to increased operational costs due to the costs and lost time associated with the HIV/AIDS and malaria infection rates within our workforce in Africa and other regions. Because ArcelorMittal operates globally, ArcelorMittal may be affected by potential avian flu outbreaks in any of the regions in which it operates.

Under certain circumstances, authorities could require ArcelorMittal facilities to curtail or suspend operations based on health and safety concerns. For example, following accidents in 2007 that resulted in numerous fatalities, the Kazakh government threatened to revoke the operating license of ArcelorMittal Temirtau unless certain additional safety measures are implemented at its facilities. ArcelorMittal is working on improvements agreed upon with the Kazakh government that are not yet completed; therefore the threat to revoke the operating license of ArcelorMittal Temirtau still exists.

Risks Related to ArcelorMittal

ArcelorMittal has a substantial amount of indebtedness, which, along with adverse conditions prevailing in global credit markets, could make it more difficult or expensive to refinance its maturing debt, incur new debt and/or flexibly manage its business

As of March 31, 2009, ArcelorMittal had total debt outstanding of $30.7 billion, consisting of $7.6 billion of short-term indebtedness (including payables to banks and the current portion of long-term debt) and $23.1 billion of long-term indebtedness. As of March 31, 2009, ArcelorMittal had $4.0 billion of cash and cash equivalents, including short-term investments and restricted cash, and $7.6 billion available to be drawn under existing credit facilities. As of March 31, 2009, substantial amounts of indebtedness were scheduled to mature in the remainder of 2009 ($7.3 billion), 2010 ($5.4 billion), 2011 ($3.8 billion) and 2012 ($8.2 billion). Since March 31 2009, ArcelorMittal has refinanced approximately $7.8 billion of indebtedness through several capital markets transactions, including: an offering that closed on April 1st of €1.25 billion (approximately $1.6 billion) of 2014 7.25% bonds convertible into and/or exchangeable for new or existing ArcelorMittal shares (OCEANE); an offering that closed on May 6th of 140,882,634 common shares for $3.2 billion and of 2014 5% convertible notes for $800 million; and an offering that closed on May 20th of two series of U.S. dollar-denominated notes (9% Notes due 2015 and 9.85% Notes due 2019) for an approximate amount of $2.2 billion.

In response to the downturn in the global steel market and difficult credit market conditions, ArcelorMittal announced at the end of the third quarter of 2009 a target to reduce "net debt" (i.e., long-term debt net of current portion plus payables to banks and current portion of long-term debt, less cash and cash equivalents, restricted cash and short-term investments) by $10 billion by the end of 2009. While ArcelorMittal achieved $5.8 billion of this reduction in the fourth quarter of 2008 and first quarter of 2009 (of which a substantial portion resulted from the unwinding of a hedging transaction and gains on an asset disposal), there can be no assurance that it will attain the full amount of the targeted reduction. If the steel market deteriorates further, consequently reducing operating cash flows, ArcelorMittal may come under liquidity pressure, depending in particular on conditions in the credit markets. Credit default swaps on ArcelorMittal debt, although illiquid and driven by technical or speculative factors, have traded at elevated spreads since the fall of 2008, although easing somewhat since early 2009. ArcelorMittal could, in order to increase financial flexibility during a period of reduced availability of credit, implement capital raising measures such as an equity offering or asset disposals, which could in turn create a risk of diluting existing shareholders, receiving relatively low proceeds and/or causing substantial accounting losses (particularly if done in difficult market conditions).

ArcelorMittal's principal financing facilities-that is, the $3.2 billion term and revolving credit facility, which was amended on February 6, 2007 and on March 14, 2008 (the "2005 Credit Facility"), the $800 million committed multi-currency letter of credit facility (the "Letter of Credit Facility"), the €17 billion (approximately $25 billion) term and revolving credit facility entered into on November 30, 2006 (the "€17 Billion Facility") and the $4 billion revolving credit facility entered into on May 13, 2008, which was amended on October 23, 2008 (the "$4 Billion Facility")-contain restrictive covenants. Among other things, these covenants limit encumbrances on the assets of ArcelorMittal and its subsidiaries, the ability of ArcelorMittal's subsidiaries to incur debt and ArcelorMittal's ability to dispose of assets in certain circumstances. These facilities also include financial covenants: a leverage ratio (that must not exceed 3.5 to 1) in the 2005 Credit Facility, the €17 Billion Facility and the $4 Billion Facility; and an interest coverage ratio (that must be greater than 4 to 1) in the Letter of Credit Facility. Failure to comply with these covenants would enable the lenders to accelerate ArcelorMittal's repayment obligations. Moreover, ArcelorMittal's debt facilities and its guarantees have provisions whereby certain events relating to other borrowers within the ArcelorMittal group could, under certain circumstances, lead to acceleration of debt repayment under other ArcelorMittal credit facilities. Any possible invocation of these cross-acceleration clauses could cause some or all of the other guaranteed debt to accelerate, exacerbating liquidity pressures. At March 31, 2009, ArcelorMittal's leverage ratio was approximately 1.3 to 1. Limitations arising from these restrictive and financial covenants in its credit facilities could limit ArcelorMittal's operating and financial flexibility, including to distribute dividends, make capital expenditures or engage in strategic acquisitions or investments in accordance with current or future policies.

ArcelorMittal's high level of debt outstanding could have adverse consequences more generally, including by impairing its ability to obtain additional financing for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes, and limiting its flexibility to adjust to changing market conditions or withstand competitive pressures, resulting in greater vulnerability to a downturn in general economic conditions.

Furthermore, most of ArcelorMittal's current borrowings are at variable rates of interest and thereby expose ArcelorMittal to interest rate risk (i.e., if interest rates rise, ArcelorMittal's debt service obligations on its variable rate indebtedness would increase). Depending on market conditions, ArcelorMittal may use interest-rate swaps or other financial instruments to hedge a portion of its interest rate exposure either from fixed to floating or floating to fixed. As of December 31, 2008, approximately 21% (18% after taking swaps into account) of ArcelorMittal's outstanding indebtedness was at fixed rates of interest.

ArcelorMittal's long-term corporate credit rating is currently BBB+ according to Standard & Poor's Ratings Services, BBB according to Fitch Ratings and Baa3 according to Moody's Investor Services. On May 20, 2009, Fitch Ratings and Moody's each lowered its rating for ArcelorMittal by one notch (from BBB+ to BBB, and Baa2 to Baa3, respectively) and assigned a stable outlook, each after having announced several weeks earlier that ArcelorMittal's ratings were under review for a possible downgrade. On April 29, 2009, Standard & Poor's placed its rating for ArcelorMittal on Credit Watch with negative implications, which implies a potential downgrade in the short term. The ratings agencies could, at any time, downgrade ArcelorMittal's ratings further either due to factors specific to ArcelorMittal, a prolonged cyclical downturn in the steel industry, or ongoing difficult conditions in the credit markets. Any decline in ArcelorMittal's credit rating would increase its cost of borrowing and could significantly harm its financial condition, results of operations and profitability, including its ability to refinance its existing indebtedness.

ArcelorMittal results from a merger of two companies in 2006/2007 and has continued to grow through acquisitions subsequently. The failure to manage the Company's growth and integration could significantly harm ArcelorMittal's future results and require significant expenditures to address the operational and control requirements of this growth

ArcelorMittal results from Mittal Steel's acquisition of Arcelor, a company of approximately equivalent size, in August 2006 and the subsequent merger of the two companies in 2007. Since the completion of these transactions, the combined company has reached significant milestones in its operational integration process, having consolidated support functions, optimized its supply chain and procurement structure, and leveraged research and development services across a larger base, thereby achieving cost savings and revenue synergies, as well as other benefits.

The combined company has continued, as did its predecessor companies, to make numerous and substantial acquisitions and investments, with transactions of approximately $9.7 billion (including cash purchase price, assumed net debt and shares issued at fair market value) completed in 2008. Such growth has entailed significant investment and increased operating costs and has required greater allocation of management resources away from daily operations. In addition, managing this growth has required, among other things, the continued development of ArcelorMittal’s financial and management information control systems, the integration of acquired assets with existing operations and the adoption of manufacturing best practices, attracting and retaining qualified management and personnel as well as the continued training and supervision of such personnel, and the ability to manage the risks and liabilities associated with the acquired businesses. Failure to manage such growth, while at the same time maintaining adequate focus on the existing assets of ArcelorMittal-especially in the context of the current difficult economic environment-could have a material adverse effect on ArcelorMittal’s business, financial condition, results of operations or prospects. In particular, if the continued integration of recent acquisitions is not successful, ArcelorMittal’s operating results may be harmed, it may lose key personnel and key customers, and it may not be able to retain or expand its market position.

Mr. Lakshmi N. Mittal has the ability to exercise significant influence over the outcome of shareholder voting

As of December 31, 2008, Mr. Lakshmi N. Mittal (along with his wife, Mrs. Usha Mittal) own 623,285,000 of ArcelorMittal’s outstanding common shares, representing approximately 45.63% of ArcelorMittal’s outstanding voting shares. Consequently, Mr. Lakshmi N. Mittal has the ability to influence significantly the decisions adopted at the ArcelorMittal general meetings of shareholders, including matters involving mergers or other business combinations, the acquisition or disposition of assets, issuances of equity and the incurrence of indebtedness. Mr. Lakshmi N. Mittal also has the ability to significantly influence a change of control of ArcelorMittal.

The loss or diminution of the services of the Chairman of the Board of Directors and Chief Executive Officer of ArcelorMittal could have a material adverse effect on its business and prospects

The Chairman of the Board of Directors and Chief Executive Officer of ArcelorMittal, Mr. Lakshmi N. Mittal, has for over a quarter of a century contributed significantly to shaping and implementing the business strategy of Mittal Steel and subsequently ArcelorMittal. His strategic vision was instrumental in the creation of the world’s largest and most global steel group. The loss or any diminution of the services of the Chairman of the Board of Directors and Chief Executive Officer could have a material adverse effect on ArcelorMittal’s business and prospects. ArcelorMittal does not maintain key man life insurance on its Chairman of the Board of Directors and Chief Executive Officer.

ArcelorMittal is a holding company that depends on the earnings and cash flows of its operating subsidiaries, which may not be sufficient to meet future operational needs or for shareholder distributions

Because ArcelorMittal is a holding company, it is dependent on the earnings and cash flows of, and dividends and distributions from, its operating subsidiaries to pay expenses, meet its debt service obligations, pay any cash dividends or distributions on its common shares or conduct share buy-backs. Some of these operating subsidiaries have debt outstanding or are subject to acquisition agreements that impose restrictions or prohibitions on such operating subsidiaries’ ability to pay dividends. Under the laws of Luxembourg, ArcelorMittal will be able to pay dividends or distributions only to the extent that it is entitled to receive cash dividend distributions from its subsidiaries, recognize gains from the sale of its assets or record share premium from the issuance of shares.

If earnings and cashflows of its operating subsidiaries are substantially reduced, ArcelorMittal may not be in a position to meet its operational needs or to make shareholder distributions in line with announced proposals or at all.

Changes in assumptions underlying the carrying value of certain assets, including as a result of deteriorating market conditions, could result in impairment of such assets, including intangible assets such as goodwill

At each reporting date, ArcelorMittal reviews the carrying amounts of its tangible and intangible assets (excluding goodwill, which is reviewed at least annually) to determine whether there is any indication that the carrying amount of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the amount of the impairment, if any. The recoverable amount is the higher of its net selling price (fair value reduced by selling costs) and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, an impairment loss is recognized. An impairment loss is recognized as an expense immediately as part of operating income in the statement of income.

Goodwill represents the excess of the amounts ArcelorMittal paid to acquire subsidiaries and other businesses over the fair value of their net assets at the date of acquisition. Goodwill is reviewed for impairment annually at the cash generating unit level or whenever changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of the cash generating units are determined from value in use calculations, which depend on certain key assumptions. These include assumptions regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market rates for investments of similar risk. The growth rates are based on the Issuer’s growth forecasts which are in line with industry trends. Changes in selling prices and direct costs are based on historical experience and expectations of future changes in the market.

If management’s estimates change, the estimate of the fair value of goodwill could fall significantly and result in impairment. While impairment of goodwill does not affect reported cash flows, it does result in a non-cash charge in the consolidated income statement, which could have a material adverse effect on our results of operations or financial position. Based on its impairment review during 2008, the Issuer recorded $131 million of impairment of goodwill and a $429 million reduction of goodwill. At December 31, 2008, the Issuer had $13.6 billion of goodwill and $2.5 billion of other intangibles.

The Issuer also analyses at each reporting date the recoverable amount of its manufacturing property, plant and equipment based on its value in use, and records an expense to the extent that the recoverable amount is less than the carrying amount. For the year ended December 31, 2008, the Issuer recorded an impairment loss of $499 million in this respect.

No assurance can be given as to the absence of significant further impairment charges in future periods, particularly if market conditions deteriorate further.

The significant capital expenditure and other commitments ArcelorMittal has made in connection with past acquisitions may limit its operational flexibility and add to its financing requirements

In connection with the acquisition of some of its operating subsidiaries, ArcelorMittal made significant capital expenditure commitments and other commitments under privatization and other major contracts. ArcelorMittal expects to fund these capital expenditure commitments and other commitments primarily through internal sources, but ArcelorMittal can make no assurances that it will be able to generate or obtain sufficient funds to meet these requirements or to complete these projects on a timely basis or at all. In addition, completion of these projects may be affected by factors that are beyond the control of ArcelorMittal.

ArcelorMittal has also made commitments relating to employees at some of its operating subsidiaries. It has agreed, in connection with the acquisition of interests in these subsidiaries, including the acquisition of Arcelor, that it will not make collective dismissals for certain periods. These periods generally extend for several years following the date of acquisition. The inability to make such dismissals may affect ArcelorMittal’s ability to co-ordinate its workforce and efficiently manage its business in response to changing market conditions in the areas affected, though ArcelorMittal may implement productivity improvement measures by voluntary means when required.

ArcelorMittal may not be able to remain in compliance with some or all of these requirements in the future. Failure to remain in compliance may result in forfeiture of part of ArcelorMittal's investment and/or the loss of tax and regulatory benefits.

ArcelorMittal's mining operations are subject to mining risks

ArcelorMittal operates mines and has substantially increased the scope of its mining activities by making several large upstream acquisitions in 2007 and 2008. Mining operations are subject to hazards and risks normally associated with the exploration, development and production of natural resources, any of which could result in production shortfalls or damage to persons or property. In particular, hazards associated with open-pit mining operations include, among others:

- flooding of the open pit;
- collapse of the open-pit wall;
- accidents associated with the operation of large open-pit mining and rock transportation equipment;
- accidents associated with the preparation and ignition of large-scale open-pit blasting operations;
- production disruptions due to weather; and
- hazards associated with the disposal of mineralized waste water, such as groundwater and waterway contamination.

Hazards associated with underground mining operations, of which ArcelorMittal has several, include, among others:

- underground fires and explosions, including those caused by flammable gas;
- cave-ins or falls of ground;
- discharges of gases and toxic chemicals;
- flooding;
- sinkhole formation and ground subsidence;
- other accidents and conditions resulting from drilling; and
- blasting and removing, and processing material from, an underground mine.

ArcelorMittal is at risk of experiencing any or all of these hazards. In January 2008, a methane gas explosion at ArcelorMittal's Abaiskaya underground mine in Kazakhstan resulted in 30 fatalities and a cessation or disruption of operations for six months. On June 2, 2008 a coal and gas explosion caused by an unpredictable geological failure took place at the Tentekskaya mine in Kazakhstan and took the lives of five miners. Since then, the development roadway has been recovered and operations have resumed. The reoccurrence of any of these hazards, or the occurrence of any of those listed above, could delay production, increase production costs and result in death or injury to persons, damage to property and liability for ArcelorMittal, some or all of which may not be covered by insurance, as well as substantially harm ArcelorMittal's reputation as a company focused on ensuring the health and safety of its employees.

Some of ArcelorMittal's subsidiaries benefited from state aid granted prior to, or in connection with, their respective privatizations, the granting of which is subject to transitional arrangements under the respective treaties concerning the accession of these countries to the European Union. Non-fulfillment or breach of the transitional arrangements and related rules may result in the recovery of aid granted pursuant to the transitional arrangements

ArcelorMittal has acquired formerly state-owned companies in the Czech Republic, Poland and Romania, some of which benefited from state aid granted prior to, or in connection with, their respective privatization and restructuring. Moreover, the restructuring of the steel industries in each of the Czech Republic, Poland and Romania is subject to transitional arrangements and related rules that determine the legality of restructuring aid. The transitional arrangements form part of the respective treaties concerning the accession of the Czech Republic, Poland and Romania to the European Union. Non-fulfillment or breach of the transitional arrangements and related rules may nullify the effect of the transitional arrangements and may result in the recovery of aid granted pursuant to the transitional arrangements that have been breached. The restructurings of the concerned ArcelorMittal companies in Poland and the Czech Republic have been successfully completed. The restructuring process in Romania was completed at the end of 2008 and its results will be assessed thereafter.

Underfunding of pension and other post-retirement benefit plans at some of ArcelorMittal's operating subsidiaries, and the possible need to make substantial cash contributions to pension plans or to pay for healthcare, which may increase in the future, may reduce the cash available for ArcelorMittal's business

ArcelorMittal's principal operating subsidiaries in Brazil, Canada, Europe, South Africa and the United States provide defined benefit pension plans to their employees. Some of these plans are currently underfunded. At December 31, 2008, the value of ArcelorMittal USA's pension plan assets was $1,916 million, while the projected benefit obligation was $3,281 million, resulting in a deficit of $1,365 million. At December 31, 2008, the value of the pension plan assets of ArcelorMittal's Canadian subsidiaries was $1,786 million, while the projected benefit obligation was $2,275 million, resulting in a deficit of $489 million. At December 31, 2008, the value of the pension plan assets of ArcelorMittal's European subsidiaries was $566 million, while the projected benefit obligation was $2,316 million, resulting in a deficit of $1,750 million. ArcelorMittal USA also had an underfunded post-employment benefit obligation of $3,238 million relating to life insurance and medical benefits as of December 31, 2008. ArcelorMittal's Canadian subsidiaries also had an underfunded post-employment benefit obligation of $667 million relating to life insurance and medical benefits as of December 31, 2008. ArcelorMittal's European subsidiaries also had an underfunded post-employment benefit obligation of $591 million relating to life insurance and medical benefits as of December 31, 2008.

ArcelorMittal's funding obligations depend upon future asset performance, the level of interest rates used to discount future liabilities, actuarial assumptions and experience, benefit plan changes and government regulation. Because of the large number of variables that determine pension funding requirements, which are difficult to predict, as well as any legislative action, future cash funding requirements for ArcelorMittal's pension plans and other post-employment benefit plans could be significantly higher than currently estimated amounts. If so, these funding requirements could have a material adverse effect on ArcelorMittal's business, financial condition, results of operations or prospects.

ArcelorMittal could experience labor disputes that could disrupt its operations and its relationships with its customers

A majority of the employees of ArcelorMittal and of its contractors are represented by labor unions and are covered by collective bargaining or similar agreements, which are subject to periodic renegotiation. Strikes or work stoppages could occur prior to, or during, the negotiations leading to new collective bargaining agreements, during wage and benefits negotiations or during other periods for other reasons. ArcelorMittal has experienced strikes and work stoppages at various facilities in recent years, and may experience them again in the future, particularly in light of its plan to reduce costs and production in response to the ongoing economic crisis. Any such breakdown leading to work stoppage and disruption of operations could have an adverse effect on the operations and financial results of ArcelorMittal.

ArcelorMittal is subject to economic policy risks and uncertainties in the countries in which it operates or proposes to operate. Any deterioration or disruption of the economic environment and business climate in those countries may have a material adverse effect on ArcelorMittal's business, financial condition, results of operations or prospects

In recent years, many of the countries in which ArcelorMittal operates, or proposes to operate, have implemented measures aimed at improving the business environment and providing a stable platform for economic development. For example, several Eastern European countries, such as Poland, the Czech Republic and Romania, have initiated free-market economic reforms in connection with or in anticipation of their accession to the European Union. Others, such as Algeria, Liberia and South Africa, have attempted to reinforce political stability and improve economic performance after recent periods of political instability. Ukraine and Kazakhstan have implemented free-market economic reforms. ArcelorMittal's business strategy was developed partly on the assumption that this modernization, restructuring and upgrading of the business climate and physical infrastructure in the developing countries in which it invested will continue, thus creating increased demand for ArcelorMittal's steel products. This trend will not necessarily continue, particularly in light of the recent economic downturn, which is also affecting more developed economies in the United States and Europe.

Risks of widespread insolvency, mass unemployment and the deterioration of various sectors of the economies where ArcelorMittal operates have increased following the global economic downturn. Any slowdown in the development of these economies or any reduction in the investment budgets of governmental agencies and companies responsible for the modernization of physical infrastructure could have a material adverse effect on ArcelorMittal's business, financial condition, results of operations or prospects.

ArcelorMittal is subject to political, social and legal uncertainties in some of the developing countries in which it operates or proposes to operate. Any disruption or volatility in the political, social or legal environment in those countries may have a material adverse effect on ArcelorMittal's business, financial condition, results of operations or prospects

ArcelorMittal operates, or proposes to operate, in a number of developing countries. Some of the countries in which it currently operates, have been undergoing substantial political transformations from centrally controlled command economies to pluralist market-oriented democracies. Political, economic and legal reforms necessary to complete such transformation may not continue. On occasion, ethnic, religious, historical and other divisions have given rise to tensions and, in certain cases, wide-scale civil disturbances and military conflict. Tensions may increase as a result of the global economic downturn. The political systems in these and other developing countries are vulnerable to the populations' dissatisfaction with reforms, social and ethnic unrest and changes in governmental policies, any of which could have a material adverse effect on ArcelorMittal's business, financial condition, results of operations or prospects and its ability to continue to do business in these countries.

In addition, the legal systems in some of the countries in which ArcelorMittal operates remain less than fully developed, particularly with respect to property rights, the protection of foreign investment and bankruptcy proceedings, generally resulting in a lower level of legal certainty or security than in more developed countries. Moreover, ArcelorMittal may encounter difficulties in enforcing court judgments or arbitral awards in some countries in which it operates, among other reasons, because those countries may not be parties to treaties that recognize the mutual enforcement of court judgments.

ArcelorMittal may experience currency fluctuations and become subject to exchange controls that could adversely affect its business, financial condition, results of operations or prospects

ArcelorMittal operates and sells products globally, and, as a result, its business, financial condition, results of operations or prospects could be adversely affected by fluctuations in exchange rates. Major changes in exchange rates, particularly changes in the value of the U.S. dollar against the currencies of the countries in which ArcelorMittal operates, could have an adverse effect on its business, financial condition, results of operations or prospects.

Some transactions involving, for example, the South African rand, Kazakh tenge, Brazilian real, Argentine peso, Algerian dinar and Ukrainian hryvnia are, or in the past have been, subject to limitations imposed by those countries' central banks. The imposition of exchange controls or other similar restrictions on currency convertibility in the countries in which ArcelorMittal operates could adversely affect its business, financial condition, results of operations or prospects.

Disruptions to ArcelorMittal's manufacturing processes could adversely affect ArcelorMittal's operations, customer service levels and financial results

Steel manufacturing processes are dependent on critical steel-making equipment, such as furnaces, continuous casters, rolling mills and electrical equipment (such as transformers), and such equipment may incur downtime as a result of unanticipated failures or other events, such as fires or furnace breakdowns. ArcelorMittal's manufacturing plants have experienced, and may in the future experience, plant shutdowns or periods of reduced production as a result of such equipment failures or other events. To the extent that lost production as a result of such a disruption could not be compensated for by unaffected facilities, such disruptions could have an adverse effect on ArcelorMittal's operations, customer service levels and financial results.

Natural disasters could significantly damage ArcelorMittal's production facilities

Natural disasters could significantly damage ArcelorMittal's production facilities and general infrastructure. For example, ArcelorMittal Lázaro Cárdenas's production facilities are located in Lázaro Cárdenas, Michoacán, Mexico and ArcelorMittal Temirtau is located in the Karaganda region of the Republic of Kazakhstan, both of which are areas that have historically experienced earthquakes of varying magnitude. ArcelorMittal Point Lisas is located in Trinidad, which is vulnerable to hurricanes. Extensive damage to these facilities or any other major production complexes and staff casualties whether as a result of floods, earthquakes, hurricanes, tsunamis or other natural disasters, could, to the extent that lost production as a result of such a disaster could not be compensated for by unaffected facilities, severely affect ArcelorMittal's ability to conduct its business operations and, as a result, reduce its future operating results.

ArcelorMittal's insurance policies provide limited coverage, potentially leaving it uninsured against some business risks

The occurrence of an event that is uninsurable or not fully insured could have a material adverse effect on ArcelorMittal's business, financial condition, results of operations or prospects. ArcelorMittal maintains insurance on property and equipment in amounts believed to be consistent with industry practices but it may not be fully insured against some business risks. ArcelorMittal's insurance policies cover physical loss or damage to its property and equipment on a reinstatement basis arising from a number of specified risks and certain consequential losses, including business interruption arising from the occurrence of an insured event under the policies. Under these policies, damages and losses caused by certain natural disasters, such as earthquakes, floods and windstorms, are also covered. Each of the operating subsidiaries of ArcelorMittal also maintains various other types of insurance, such as workmen's compensation insurance and marine insurance.

In addition, ArcelorMittal maintains trade credit insurance on receivables from selected customers subject to limits that it believes are consistent with those in the steel industry generally in order to protect it against the risk of non-payment due to customers' insolvency or other causes. Not all of ArcelorMittal's customers are or can be insured, and even when insurance is available, it may not fully cover the exposure.

As a result of the economic downturn, which has had a particularly severe impact on certain countries and industries, including the U.S. automobile industry, insurers no longer provide coverage for certain customers or impose trade credit insurance limits that are not sufficient to cover the Issuer's full exposure with respect to receivables from certain customers.

Notwithstanding the insurance coverage that ArcelorMittal and its subsidiaries carry, the occurrence of an accident that causes losses in excess of limits specified under the relevant policy, or losses arising from events not covered by insurance policies, could materially harm ArcelorMittal's financial condition and future operating results.

Product liability claims could adversely affect ArcelorMittal's operations

ArcelorMittal sells products to major manufacturers engaged in manufacturing and selling a wide range of end products. ArcelorMittal also from time to time offers advice to these manufacturers. Furthermore, ArcelorMittal's products are also sold to, and used in, certain safety-critical applications. There could be significant consequential damages resulting from the use of such products. ArcelorMittal has a limited amount of product liability insurance coverage, and a major claim for damages related to ArcelorMittal products sold and, as the case may be, advice given in connection with such products, could leave ArcelorMittal uninsured against a portion or all of the award and, as a result, materially harm its financial condition and future operating results.

ArcelorMittal is subject to regulatory risk, and may incur liabilities arising from investigations by governmental authorities and litigation regarding its pricing and marketing practices or other antitrust matters

ArcelorMittal is the largest steel producer in the world. As a result of this position, ArcelorMittal may be subject to exacting scrutiny from regulatory authorities and private parties, particularly regarding its trade practices and dealings with customers and counterparties. As a result of its position in the steel markets, and its historically acquisitive growth strategy, ArcelorMittal could be the target of governmental investigations and lawsuits based on antitrust laws in particular. These could require significant expenditures and result in liabilities or governmental orders that could have a material adverse effect on ArcelorMittal's business, operating results, financial condition and prospects.

ArcelorMittal and certain of its subsidiaries are currently under investigation by governmental entities in several countries, and are named as defendants in a number of lawsuits relating to various antitrust matters. For example, in December 2008 the French Competition Council imposed a fine of €301.78 million on subsidiaries of ArcelorMittal, concluding that they had agreed with their competitors to fix prices and allocate markets and customers during the 1999 to 2004 period. In January 2009, ArcelorMittal filed an appeal to contest the amount of the fine, but is unable to determine whether the appeal will be successful. Also, in September 2008, Standard Iron Works filed a complaint in U.S. federal court against ArcelorMittal, ArcelorMittal USA Inc. and other steel manufacturers, alleging that the defendants conspired since 2005 to restrict the output of steel products in order to affect steel prices. Since the filing of the Standard Iron Works lawsuit, other similar lawsuits have been filed and have been consolidated with this lawsuit. The defendants have filed a motion to dismiss the complaint. Antitrust proceedings and investigations involving ArcelorMittal and its subsidiaries are also currently pending in Brazil, Europe and South Africa.

Because of the fact-intensive nature of the issues involved and the inherent uncertainty of such litigation and investigations, negative outcomes are possible. An adverse ruling in the proceedings described above or in other similar proceedings in the future could subject ArcelorMittal to substantial administrative penalties and/or civil damages. In cases relating to other companies, civil damages have ranged as high as hundreds of millions of U.S. dollars in major civil antitrust proceedings during the last decade. With respect to the pending U.S. federal court litigation, ArcelorMittal could be subject to treble damages. Although ArcelorMittal has established reserves for certain antitrust claims, unfavorable outcomes in current and potential future litigation and investigations could reduce ArcelorMittal's liquidity and negatively affect its financial performance and financial condition.

The income tax liability of ArcelorMittal may substantially increase if the tax laws and regulations in countries in which it operates change or become subject to adverse interpretations or inconsistent enforcement

Taxes payable by companies in many of the countries in which ArcelorMittal operates are substantial and include value-added tax, excise duties, profit taxes, payroll-related taxes, property taxes and other taxes. Tax laws and regulations in some of these countries may be subject to frequent change, varying interpretation and inconsistent enforcement. Ineffective tax collection systems and continuing budget requirements may increase the likelihood of the imposition of arbitrary or onerous taxes and penalties, which could have a material adverse effect on ArcelorMittal's financial condition and results of operations. In addition to the usual tax burden imposed on taxpayers, these conditions create uncertainty as to the tax implications of various business decisions. This uncertainty could expose ArcelorMittal to significant fines and penalties and to enforcement measures despite its best efforts at compliance, and could result in a greater than expected tax burden.

In addition, many of the jurisdictions in which ArcelorMittal operates have adopted transfer pricing legislation. If tax authorities impose significant additional tax liabilities as a result of transfer pricing adjustments, it could have a material adverse effect on ArcelorMittal's financial condition and results of operations.

It is possible that tax authorities in the countries in which ArcelorMittal operates will introduce additional revenue raising measures. The introduction of any such provisions may affect the overall tax efficiency of ArcelorMittal and may result in significant additional taxes becoming payable. Any such additional tax exposure could have a material adverse effect on its financial condition and results of operations.

ArcelorMittal may face a significant increase in its income taxes if tax rates increase or the tax laws or regulations in the jurisdictions in which it operates, or treaties between those jurisdictions, are modified in an adverse manner. This may adversely affect ArcelorMittal's cash flows, liquidity and ability to pay dividends.

If ArcelorMittal were unable to utilize fully its deferred tax assets, its profitability could be reduced

At December 31, 2008, ArcelorMittal had $751 million recorded as deferred tax assets on its balance sheet. These assets can be utilized only if, and only to the extent that, ArcelorMittal's operating subsidiaries generate adequate levels of taxable income in future periods to offset the tax loss carry forwards and reverse the temporary differences prior to expiration.

At December 31, 2008, the amount of future income required to recover ArcelorMittal's deferred tax assets was approximately $2,540 million at certain operating subsidiaries. For each of the years ended December 31, 2007 and 2008, these operating subsidiaries generated approximately 29% and 62%, respectively, of ArcelorMittal's consolidated income before tax of $14,888 million and $11,537 million, respectively.

ArcelorMittal's ability to generate taxable income is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond its control. If ArcelorMittal generates lower taxable income than the amount it has assumed in determining its deferred tax assets, then the value of deferred tax assets will be reduced.

Risks Relating to the Bonds

Since the Issuer conducts its operations through subsidiaries, investors' right to receive payments on the Bonds is subordinated to the other liabilities of the Issuer's subsidiaries

The Issuer is a holding company which is dependent on the earnings and cash flows of, and dividends and distributions from its operating subsidiaries to meet its debt servicing obligations. The Issuer's subsidiaries are not guarantors of the Bonds. Moreover, these subsidiaries are not required and may not be able to pay dividends to the Issuer. The Issuer's subsidiaries are not bound by obligations under the Bonds. Claims of the creditors of the Issuer's subsidiaries have priority as to the assets of such subsidiaries over the claims of the Issuer's creditors. Consequently, holders of the Bonds are in effect structurally subordinated, on insolvency to the prior claims of the creditors of the Issuer's subsidiaries.

The Issuer's ability to make debt service payments depends on its ability to transfer income and dividends from its subsidiaries

The Issuer is a holding company with no significant assets other than direct and indirect interests in the many subsidiaries through which it conducts operations. A number of the Issuer's subsidiaries are located in countries that may impose regulations restricting the payment of dividends outside of the country through exchange control regulations.

Furthermore, the continued transfer to the Issuer of dividends and other income from its subsidiaries is in some cases limited by various credit or other contractual arrangements and/or tax constraints, which could make such payments difficult or costly. If in the future these restrictions are increased or if the Issuer is otherwise unable to ensure the continued transfer of dividends and other income to it from these subsidiaries, its ability to pay dividends and/or make debt payments will be impaired.

The Issuer has a significant level of debt. As of 31 December 2008, its total consolidated debt was approximately U.S.$34.1 billion, including U.S.$1.0 billion issued by its operating subsidiaries and guaranteed by the Issuer. The Bonds do not restrict the Issuer or its subsidiaries from incurring additional debt or guaranteeing any debt of others in the future.

Since the Bonds are unsecured, investors' rights to receive payments may be adversely affected

The Bonds will be unsecured. If ArcelorMittal defaults on the Bonds, or after bankruptcy, liquidation or reorganisation, then, to the extent ArcelorMittal has granted security over its assets, the assets that secure that entity's debts will be used to satisfy the obligations under that secured debt before ArcelorMittal can make payment on the Bonds. There may only be limited assets available to make payments on the Bonds in the event of an acceleration of the Bonds. If there is not enough collateral to satisfy the obligations of the secured debt, then creditors of the remaining amount of secured debt would share equally with all unsubordinated unsecured indebtedness.

ArcelorMittal is not restricted in its ability to dispose of its assets by the terms of the Bonds

The terms and conditions of the Bonds contain a negative pledge that prohibits ArcelorMittal and its Material Subsidiaries (as defined therein) from creating security over assets to secure other bonds or similar debt instruments, unless ArcelorMittal creates similar security over the Bonds. However, ArcelorMittal is generally permitted to sell or otherwise dispose of substantially all of its assets to another corporation or other entity under the terms of the Bonds. ArcelorMittal is also permitted to create security over its assets to secure other bonds or similar debt instruments in certain circumstances (for example, in the case of "Permitted Security" as defined in Condition 3). If ArcelorMittal decides to dispose of a large amount of its assets, holders of the Bonds will not be entitled to declare an acceleration of the maturity of the Bonds, and those assets will no longer be available to support payments on the Bonds.

A downgrade in ArcelorMittal's credit rating could adversely affect the trading price of the Bonds

The trading price for the Bonds is directly affected by ArcelorMittal's credit rating. Credit rating agencies continually revise their ratings for companies that they follow, including ArcelorMittal. Any ratings downgrade could adversely affect the trading price of the Bonds or the trading market for the Bonds to the extent a trading market for the Bonds develops. The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Fluctuations in interest rates may give rise to arbitrage opportunities based upon changes in the relative value of the Bonds. Any trading by arbitrageurs could, in turn, affect the trading prices of the Bonds.

Luxembourg insolvency laws may adversely affect a recovery by the holders of the Bonds

The Issuer is a Luxembourg company. Luxembourg insolvency laws may make it more difficult for holders of the Bonds to effect a restructuring of the Issuer or to recover the amount they would have recovered in a liquidation or bankruptcy proceeding in other jurisdictions. There are a number of insolvency regimes under Luxembourg law.

Bankruptcy proceedings (*faillite*) are primarily designed to liquidate and distribute the assets of a debtor to its creditors. Three formal corporate rescue procedures exist: controlled management (*gestion contrôlée*), which involves one or several commissioners (*commissaires à la gestion contrôlée*) preparing a plan of reorganisation or a plan for the realisation and distribution of the assets; moratorium (*concordat préventif de faillite*), whereby a judge is appointed to oversee the negotiation of an agreement between the debtor and his creditors; and the suspension of payments (*sursis de paiement*), whereby one or more commissioners is/are appointed by the court to manage the company during the suspension of payments period. A judgment in bankruptcy proceedings has the effect of removing the power from a company to manage its assets and of stopping all attachment or garnishment proceedings brought by unsecured or non-privileged creditors. However, this type of judgment has no effect on creditors holding certain forms of security, such as pledges. A secured creditor holding a pledge can retain possession of the pledged assets or can enforce its security interest if an event of default has occurred under the security agreement. The ratification of the composition in composition proceedings will have no effect on creditors who, having secured claims, did not participate in the composition proceedings and did not, therefore, waive their rights or priority, their mortgages or pledges. These creditors may continue to act against the debtor in order to obtain payment of their claims and they may enforce their rights, obtain attachments and obtain the sale of the assets securing their claims. Equally, the procedure of suspension of payments once approved has no effect on secured creditors.

A recovery under Luxembourg law, therefore, could involve a sale of the assets of the debtor in a manner that does not reflect the going concern value of the debtor. Consequently, Luxembourg insolvency laws could preclude or inhibit the ability of the holders of the Bonds to effect a restructuring of the Issuer and could reduce their recovery in a Luxembourg insolvency proceeding.

In connection with Luxembourg bankruptcy proceedings, the assets of a debtor are generally liquidated and the proceeds distributed to the debtor's creditors on the basis of the relative claims of those creditors, and certain parties (such as secured creditors) will have special rights that may adversely affect the interests of holders of the Bonds. The claim of a creditor may be limited depending on the date the claim becomes due and payable in accordance with its terms. Each of these claims will have to be resubmitted to the Issuer's receiver to be verified by the receiver. Any dispute as to the valuation of claims will be subject to court proceedings. These verification procedures could cause holders of the Bonds to recover less than the principal amount of their Bonds or less than they could recover in a liquidation governed by the laws of another jurisdiction. Such verification procedures could also cause payments to the holders of the Bonds to be delayed compared with holders of undisputed claims.

Taxation of individual investors

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident or certain entities called "residual entities" established in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries including Switzerland and dependant or associated territories of the European Union have adopted similar measures (a withholding system in the case of Switzerland) with effect from the same date.

Pursuant to the Luxembourg law dated 23 December 2005 as amended by the Luxembourg law dated 17 July 2008, interest payments made by a Luxembourg paying agent to Luxembourg resident individuals or to certain residual entities that secure interest payments on behalf of such individuals (unless such entity has opted either to be treated as an undertaking for collective investment in transferable securities recognised in accordance with the Council Directive 85/611/EC or for the exchange of information regime) are subject to a 10 per cent. withholding tax.

If a payment were to be made or collected through a Member State, third country or dependent or associated territory which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Bond as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent, the Issuer will be required, save as provided in Condition 7 of the Bonds, to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the EC Council Directive 2003/48/EC.

Change of Law

The Terms and Conditions of the 2013 Bonds and 2016 Bonds are governed by English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in English law or the official application or interpretation of English law after the date of this Prospectus.

Market Value of the Bonds

The market value of the Bonds will be affected by the creditworthiness of the Issuer and the Group and a number of additional factors, including market interest and yield rates and the time remaining to the maturity date.

The value of the Bonds depends on a number of interrelated factors, including economic, financial and political events in the Grand Duchy of Luxembourg or elsewhere, including factors affecting capital markets generally and the stock exchange on which the Bonds are traded. The price at which a Bondholder will be able to sell the Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

The trading market for debt securities may be volatile and may be adversely impacted by many events

The market for debt securities issued by issuers is influenced by economic and market conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in the Grand Duchy of Luxembourg, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Bonds or that economic and market conditions will not have any other adverse effect.

An active trading market for the Bonds may not develop

There can be no assurance that an active trading market for the Bonds will develop, or, if one does develop, that it will be maintained. If an active trading market for the Bonds does not develop or is not maintained, the market or trading price and liquidity of the Bonds may be adversely affected. The Issuer is entitled to buy the Bonds, as described in Condition 6(f) (*Purchases*), and the Issuer may issue further bonds, as described in Condition 14 (*Further Issues*). Such transactions may favourably or adversely affect the price development of the Bonds. If additional and competing products are introduced in the markets, this may adversely affect the value of the Bonds.

Foreign currency Bonds expose investors to foreign-exchange risk as well as to issuer risk

As purchasers of foreign currency Bonds, investors are exposed to the risk of changing foreign exchange rates. This risk is in addition to any performance risk that relates to the issuer or the type of Bond being issued.

Global Bonds

The 2013 Bonds and 2016 Bonds will each be represented by a Global Bond. The Global Bonds will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in certain limited circumstances described in the Global Bonds, investors will not be entitled to receive definitive Bonds. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Bonds. While the Bonds are represented by Global Bonds, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg.

The Issuer will discharge its payment obligations under the Bonds by making payments to the common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Bond must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Bonds.

Holders of beneficial interests in the Bonds will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the

Bonds will not have a direct right under the Bonds to take enforcement action against the Issuer in the event of a default under the Bonds but will have to rely upon their rights under the Deed of Covenant.

The Bonds may be redeemed prior to maturity

In the event that the Issuer would be obliged to pay additional amounts in respect of any Bonds due to any withholding as provided in Condition 6(b) (*Redemption for taxation reasons*) of the relevant Terms and Conditions of the Bonds, the Issuer may and, in certain circumstances, shall redeem all of the Bonds then outstanding in accordance with such Condition. As a consequence, investors that choose to reinvest moneys they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Bonds. See “Terms and Conditions of the 2013 Bonds” and “Terms and Conditions of the 2016 Bonds” as appropriate.

Credit ratings may not reflect all risks

The ratings assigned by the credit rating agencies to the Bonds may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Exercise of Put Option in respect of certain Bonds may affect the liquidity of the Bonds in respect of which such Put Option is not exercised

Depending on the number of Bonds in respect of which the Redemption at the Option of Bondholders upon a Put Restructuring Event or Offer to Purchase upon a Change of Control provided in Condition 6 (*Redemption, Exchange and Purchase*) is exercised, any trading market in respect of those Bonds in respect of which such Put Option is not exercised may become illiquid. See “Terms and Conditions of the 2013 Bonds” and “Terms and Conditions of the 2016 Bonds”, as appropriate.

Minimum Denomination

The denomination of the Bonds is Euro 50,000 plus integral multiples of Euro 1,000 in excess thereof. Therefore, it is possible that the Bonds may be traded in amounts in excess of Euro 50,000 that are not integral multiples of Euro 50,000. In such a case a Bondholder who, as a result of trading such amounts, holds a principal amount of less than Euro 50,000 will not receive a definitive Bond in respect of such holding (should definitive Bonds be printed) and would need to purchase a principal amount of Bonds such that it holds an amount equal to one or more denominations.

Terms and Conditions of the 2013 Bonds

The following are the terms and conditions substantially in the form in which they will be endorsed on the 2013 Bonds:

The issue of the Euro 1,500,000,000 8.25 per cent. bonds due 2013 (the "**Bonds**") of ArcelorMittal (the "**Issuer**") was authorised pursuant to an authorisation of the Issuer on 22 May 2009. The Bonds are issued with the benefit of a fiscal and paying agency agreement (the "**Agency Agreement**") dated as of 3 June 2009 between the Issuer and BGL Société Anonyme, as fiscal agent and principal paying agent (the "**Fiscal Agent**", which expression shall, where the context so admits, include any successor for the time being as Fiscal Agent) (together with any additional paying agents appointed thereunder from time to time, the "**Paying Agents**", which expression shall, where the context so admits, include the Fiscal Agent and any successors for the time being of any Paying Agent). The Bonds have the benefit of a deed of covenant dated as of 3 June 2009, executed by the Issuer in relation to the Bonds (the "**Deed of Covenant**").

Holders of the Bonds (the "**Bondholders**") and holders (the "**Couponholders**") of interest coupons appertaining to the Bonds (the "**Coupons**") are deemed to have notice of the provisions of the Agency Agreement applicable to them. Certain statements in these Terms and Conditions are summaries of, and are subject to, the detailed provisions of the Agency Agreement, copies of which (together with copies of the Deed of Covenant) are available for inspection at the specified office of any Paying Agent. References below to "**Conditions**" are, unless the context otherwise requires, to the numbered paragraphs below.

1 Form, Denomination and Title

The Bonds are serially numbered and are issued in bearer form in the denomination of Euro 50,000 and integral multiples of Euro 1,000 in excess thereof, each with Coupons for interest attached.

Title to the Bonds and Coupons passes by delivery. The Issuer and any Paying Agent may, to the fullest extent then permitted by applicable law, treat the holder of any Bond or Coupon as the absolute owner thereof (whether or not such Bond or Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon or any notice or previous loss or theft or other interest therein) for the purpose of making payments and for all other purposes hereunder.

2 Status of the Bonds and Coupons

The Bonds and Coupons constitute direct, unconditional, unsecured (subject to the provisions of Condition 4 below) and unsubordinated obligations of the Issuer and rank and will rank at all times *pari passu* without any preference or priority among themselves and (subject to such exceptions as are from time to time mandatory under Luxembourg law) equally and rateably with all other present or future unsecured and unsubordinated obligations (including indebtedness and guarantees) of the Issuer.

3 Definitions for the Purposes of these Conditions

"**Applicable Accounting Standards**" means the International Financial Reporting Standards as adopted in the European Union ("**IFRS**") as amended from time to time.

"**ArcelorMittal**" or the "**Issuer**" means ArcelorMittal, a *société anonyme* incorporated under Luxembourg law, which has its registered office at 19, avenue de la Liberté, L-2930 Luxembourg, Grand Duchy of Luxembourg and registered with the *Registre de Commerce et des Sociétés*, Luxembourg under the number B 82.454.

"**Asset(s)**" of any Person means, all or any part of its business, undertaking, property, assets, revenues (including any right to receive revenues) and uncalled capital, wherever situated.

A "**Change of Control**" shall be deemed to have occurred at each time that a person (or a group of persons acting in concert) other than one or more members of the Mittal Family controls or acquires control of the Issuer; provided that a Change of Control shall not be deemed to have occurred unless, within the Change of

Control Period, (i) if the long-term, unsecured and unsubordinated indebtedness of the Issuer is rated by any one or more Rating Agencies, a Rating Downgrade in respect of that Change of Control occurs and, in the case only of such Rating Downgrade occurring within the Potential Change of Control Period, the relevant Rating Agency does not, within the Potential Change of Control Period, reverse such Rating Downgrade so that the long-term, unsecured and unsubordinated indebtedness of the Issuer has the same or a better credit rating attributed by such Rating Agency than before such Rating Downgrade occurred, or (ii) if the long-term, unsecured and unsubordinated indebtedness of the Issuer is not rated by any one or more Rating Agencies, a Negative Rating Event in respect of that Change of Control occurs; "**control**" means the power to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise.

"**Change of Control Redemption Date**" has the meaning given to it in Condition 6(d).

"**Change of Control Period**" means the period commencing on the earlier of (i) the date of the first public announcement of the relevant Change of Control having occurred and (ii) the first day of the Potential Change of Control Period, and ending 90 days after the date of the first public announcement of the relevant Change of Control having occurred (the "**Initial End Date**"), provided that if one or more Rating Agencies has on or prior to the Initial End Date publicly announced that it has placed the rating of the long-term, unsecured and unsubordinated indebtedness of the Issuer under consideration for rating downgrade (the "**Placing on Credit Watch**"), the Change of Control Period shall be extended to the earlier of (i) the later of (a) the date which falls 60 days after the date of the Placing on Credit Watch and (b) the Initial End Date or (ii) the date which falls 60 days after the Initial End Date.

"**Consolidated Financial Statements**" means the most recently published:

(a) audited annual consolidated financial statements of the Issuer, as approved by the annual general meeting of its shareholders and certified by an independent auditor; or, as the case may be,

(b) unaudited (but subject to a "review" from an independent auditor) condensed consolidated half-year financial statements of the Issuer, as approved by its Board of Directors,

in each case prepared in accordance with Applicable Accounting Standards.

"**Existing Security**" means any Security granted by any Person over its Assets in respect of any Relevant Indebtedness and which is existing at the Closing Date (as defined in Condition 5) or at the time any such Person becomes a Material Subsidiary or whose business and/or activities, in whole or in part, are assumed by or vested in the Issuer or a Material Subsidiary after the Closing Date (other than any Security created in contemplation thereof) or any substitute Security created over those Assets (or any part thereof) in connection with the refinancing of the Relevant Indebtedness secured on those Assets provided that the principal, nominal or capital amount secured on any such Security may not be increased.

"**Group**" means the Issuer and its Subsidiaries taken as a whole.

"**Interest Rate**" means the interest rate per annum applicable to the Bonds in respect of any Interest Period or any other period, as follows:

If, on the first day of any Interest Period or other period, each of the following conditions is satisfied:

(a) at least one Solicited Rating of BBB minus (by Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc. or Fitch Ratings Ltd.) or Baa3 (by Moody's Investors Service, Inc) (or equivalent) or better is assigned to the Issuer by any Rating Agency; and

(b) no Solicited Rating of lower than BBB minus (by Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc. or Fitch Ratings Ltd.) or Baa3 (by Moody's Investors Service, Inc) (or equivalent) is assigned to the Issuer by any Rating Agency

the Interest Rate with respect to such Interest Period or other period, shall be 8.25 per cent per annum.

If either of the conditions in (a) or (b) above is not satisfied on the first day of any Interest Period or other period, then the Interest Rate with respect to such Interest Period or other period shall be 9.50 per cent per annum.

"**Material Subsidiary**" means, at any time, a Subsidiary of the Issuer whose gross assets or pre-tax profits (excluding intra-Group items) then equal or exceed 5 per cent. of the gross assets or pre-tax profits of the Group.

For this purpose:

(a) the gross assets or pre-tax profits of a Subsidiary of the Issuer will be determined from its financial statements (unconsolidated if it has Subsidiaries) upon which the latest audited Consolidated Financial Statements of the Group have been based;

(b) if a company becomes a member of the Group after the date on which the latest audited Consolidated Financial Statements of the Group have been prepared, the gross assets or pre-tax profits of that Subsidiary will be determined from its latest financial statements;

(c) the gross assets or pre-tax profits of the Group will be determined from its latest audited Consolidated Financial Statements, adjusted (where appropriate) to reflect the gross assets or pre-tax profits of any company or business subsequently acquired or disposed of; and

(d) if a Material Subsidiary disposes of all or substantially all of its assets to another Subsidiary of the Issuer, it will immediately cease to be a Material Subsidiary and the other Subsidiary (if it is not already) will immediately become a Material Subsidiary; the subsequent financial statements of those Subsidiaries and the Group will be used to determine whether those Subsidiaries are Material Subsidiaries or not.

If there is a dispute as to whether or not a company is a Material Subsidiary, a certificate of the auditors of the Issuer will be, in the absence of manifest error, conclusive and binding on the Issuer and the Bondholders.

"**Mittal Family**" means Mr and/or Mrs L.N. Mittal and/or their family (acting directly or indirectly through trusts and/or other entities controlled by any of the foregoing).

"**Negative Rating Event**" means the Issuer does not within the Change of Control Period obtain an investment grade rating for its long-term, unsecured and unsubordinated indebtedness from at least one Rating Agency.

"**Optional Redemption Date**" means the fifth TARGET Business Day (as defined in Condition 7(d)) after the expiry of the Restructuring Put Period.

"**Permitted Security**" means:

(a) any Existing Security;

(b) any Security granted in respect of or in connection with any Securitisation Indebtedness; or

(c) any Security securing Project Finance Indebtedness, but only to the extent that the Security Interest is created on an asset of the project being financed by the relevant Project Finance Indebtedness (and/or the shares in, and/or shareholder loans to, the company conducting such project where such company has no assets other than those relating to such project).

"**Person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case, whether or not having separate legal personality).

"**Potential Change of Control Period**" means the period commencing on the date of the first public announcement of a potential Change of Control by the Issuer, or by any actual or potential bidder or any adviser thereto, and ending on the date of the first public announcement of the relevant Change of Control.

"**Project Finance Indebtedness**" means any indebtedness incurred by a debtor to finance the ownership, acquisition, construction, development and/or operation of an asset or connected group of assets in respect of which the person or persons to whom such indebtedness is, or may be, owed have no recourse for the repayment of or payment of any sum relating to such indebtedness other than:

(a) recourse to such debtor or its Subsidiaries for amounts limited to the cash flow from such asset; and/or

(b) recourse to such debtor generally, or to a member of the Group, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specific way) for breach of an obligation, representation or warranty (not being a payment obligation, representation or warranty or an obligation, representation or warranty to procure payment by another or an obligation, representation or warranty to comply or to procure compliance by another with any financial ratios or other test of financial condition) by the person against whom such recourse is available; and/or

(c) if:

(i) such debtor has been established specifically for the purpose of constructing, developing, owning and/or operating the relevant asset or connected group of assets; and

(ii) such debtor owns no assets and carries on no business which is not related to the relevant asset or connected group of assets,

recourse to all the material assets and undertaking of such debtor and the shares in the capital of such debtor and shareholder loans made to such debtor.

"**Put Restructuring Event**" means:

(a) the Issuer being wound up or dissolved or ceasing to carry on all or substantially all of its business prior to the repayment in full of the Bonds other than in connection with a merger, consolidation, amalgamation or other form of reorganisation pursuant to which the surviving entity shall be the transferee of or successor to all or substantially all of the business of the Issuer and assumes all of the obligations of the Issuer with respect to the Bonds (an "**Issuer Winding-up Event**") and provided that a Rating Downgrade shall not have occurred within the period of 60 days immediately following such merger, consolidation, amalgamation or reorganisation; or

(b) any Material Subsidiary being wound up or dissolved or ceasing to carry on all or substantially all of its business (each a "**Material Subsidiary Winding-up Event**") prior to the repayment in full of the Bonds AND a Rating Downgrade having occurred within the period of 60 days immediately following any such Material Subsidiary Winding-up Event, provided that no Put Restructuring Event will be deemed to have occurred under this paragraph (b) if the relevant Material Subsidiary Winding-up Event takes place in connection with a merger, consolidation, amalgamation or other form of reorganisation whereby the undertaking and assets of the relevant Material Subsidiary are transferred to or otherwise vested in one or more of the Issuer or another Material Subsidiary.

"**Rating Agency**" means any of Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc., Fitch Ratings Ltd. or Moody's Investors Service, Inc. (or, in each case, any successor rating agency thereto).

"**Rating Downgrade**" means the credit rating previously assigned to the long-term, unsecured and unsubordinated indebtedness of the Issuer by any Rating Agency is (a) withdrawn or (b) is changed from investment grade to non-investment grade (for example, from BBB- to BB+ by Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc., or worse) or (c) if the credit rating previously assigned by the relevant Rating Agency was below investment grade, is lowered one rating notch (for example, from BB+ to BB by Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc.), and such Rating Agency shall have publicly announced or confirmed in writing to the Issuer that such withdrawal or downgrade is principally the result of any event or circumstance comprised in or arising as a result of, or in respect of, the Change of Control or potential Change of Control, the Material Subsidiary Winding-up Event or the Material Subsidiary Insolvency Event, or Issuer Winding-up Event, as the case may be.

"**Relevant Indebtedness**" means any indebtedness for borrowed money represented by bonds, notes or other debt instruments which are for the time being quoted or listed on any stock exchange or other similar regulated securities market.

"**Securitisation Indebtedness**" means any Relevant Indebtedness which is incurred in connection with any securitisation, asset repackaging, factoring or like arrangement or any combination thereof of any assets, revenues or other receivables where the recourse of the Person making the Relevant Indebtedness available or entering into the relevant arrangement or agreement(s) is limited fully or substantially to such assets or revenues or other receivables.

"**Security**" means any mortgage, charge, pledge or other real security interest (*sûreté réelle*).

"**Solicited Rating**" means a credit rating solicited by or on behalf of the Issuer from any Rating Agency and assigned to the long-term, unsecured and unsubordinated indebtedness of the Issuer.

"**Subsidiary**" means:

(a) an entity of which a Person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership (and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise); and

(b) in relation to the Issuer, an entity which fulfils the definition in paragraph (a) above and which is included in the Consolidated Financial Statements on a fully integrated basis.

4 Negative Pledge

The Issuer covenants that so long as any of the Bonds remains outstanding (as defined in the Agency Agreement), it will not, and will procure that no Material Subsidiary will, create or permit to subsist, any Security upon any of its Assets, present or future, to secure any Relevant Indebtedness incurred or guaranteed by it or by any Material Subsidiary (whether before or after the issue of the Bonds) other than Permitted Security unless the obligations of the Issuer under the Bonds are (i) equally and rateably secured so as to rank *pari passu* with such Relevant Indebtedness or the guarantee thereof or (ii) benefit from any other Security or arrangement as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Bondholders in a general meeting.

5 Interest

(a) Each Bond bears interest on its outstanding principal amount from and including 3 June 2009 (the "**Closing Date**") to (but excluding) 3 June 2013 at the Interest Rate, such interest being payable annually in arrear on 3 June in each year (each an "**Interest Payment Date**") commencing on 3 June 2010.

(b) Interest will cease to accrue on each Bond on the due date for redemption thereof unless, upon such due date, payment of principal is improperly withheld or refused or if default is otherwise made in respect of payment thereof. In such event, interest will continue to accrue at the rate per annum as specified in the preceding paragraph (after as well as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder, and (ii) the day falling seven (7) days after the Fiscal Agent has notified Bondholders of receipt of all sums due in respect of all Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions following such notification).

(c) The period beginning on the Closing Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is called an "**Interest Period**".

Interest in respect of any Bond shall be calculated per Euro 1,000 in principal amount of the Bonds (the "**Calculation Amount**") on an Actual/Actual (ICMA) basis. The amount of interest payable per Calculation Amount for any period shall be equal to the product of the Interest Rate, the Calculation Amount and the day-count fraction for the relevant period, which will be the number of days elapsed in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last) rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

6 Redemption, Exchange and Purchase

The Bonds may not be redeemed otherwise than in accordance with this Condition 6.

(a) Final redemption

Unless previously redeemed, exchanged or purchased and cancelled as provided below, the Bonds will be redeemed at their principal amount on 3 June 2013 (the "**Maturity Date**").

(b) Redemption for taxation reasons

If, by reason of a change in Luxembourg law or any change in the official application or interpretation of such law, becoming effective after the Closing Date, the Issuer would, on the occasion of the next payment of principal or interest due in respect of the Bonds or Coupons, not be able to make such payment without having to pay additional amounts as specified under Condition 8, the Issuer may, at any time, subject to having given not more than sixty (60) nor less than thirty (30) days' prior notice to the Bondholders (which notice shall be irrevocable), in accordance with Condition 11, redeem all, but not some only, of the Bonds at their principal amount with accrued interest (if any) to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for Luxembourg taxes. The Issuer shall ensure that the Luxembourg Stock Exchange is promptly informed of any redemption under this Condition 6(b).

(c) Redemption at the option of Bondholders upon a Put Restructuring Event

If at any time while any of the Bonds remains outstanding a Put Restructuring Event has occurred, the holder of each Bond will have the option (unless, prior to the giving of the Put Restructuring Event Notice (as defined below), the Issuer gives notice under Condition 6(b) in respect of the Bonds or the Optional Redemption Date would fall on or after the Maturity Date) to require the Issuer to redeem that Bond on the Optional Redemption Date. Each such Bond shall be redeemed at its principal amount together with interest accrued to (but excluding) the Optional Redemption Date.

Promptly upon the Issuer becoming aware that a Put Restructuring Event has occurred, the Issuer shall give notice to the Fiscal Agent and, upon receipt of such notice, the Fiscal Agent shall give notice (a "**Put Restructuring Event Notice**") to the Bondholders in accordance with Condition 11 specifying the procedure for exercising the option contained in this Condition 6(c).

To exercise the option to require redemption of its Bonds under this Condition 6(c), a Bondholder must deliver such Bonds together with all Coupons relating to them which mature after the date fixed for redemption, on any TARGET Business Day (as defined in Condition 7(d) below) falling within the period (the "**Restructuring Put Period**") of 45 days after a Put Restructuring Event Notice is given, to any Paying Agent together with a duly completed redemption notice in the form obtainable from any Paying Agent (the "**Put Option Notice**") and in which the holder may specify a bank account to which payment is to be made under this Condition 6(c).

Payment in respect of such Bonds will be made on the Optional Redemption Date by transfer to the bank account specified in the Put Option Notice and otherwise subject to the provisions of Condition 7. A Put Option Notice once given shall be irrevocable. The Issuer shall redeem the relevant Bonds on the Optional Redemption Date unless previously redeemed or purchased.

The Fiscal Agent is under no obligation to ascertain whether a Put Restructuring Event or any event which could lead to the occurrence of or could constitute a Put Restructuring Event has occurred and until it shall have actual knowledge or express notice to the contrary, the Fiscal Agent may assume that no Put Restructuring Event or other such event has occurred. The Issuer shall ensure that the Luxembourg Stock Exchange is promptly informed of any redemption under this Condition 6(c).

(d) Offer to Purchase upon a Change of Control

If at any time while any of the Bonds remain outstanding a Change of Control has occurred, the Issuer (unless, prior to the giving of the Change of Control Notice (as defined below), the Issuer gives notice under Condition 6(b) in respect of the Bonds or the Change of Control Redemption Date (as defined below) would fall on or after the Maturity Date) will make an offer to purchase and redeem all or a portion of each Bondholder's Bonds (a "**Change of Control Offer**") on the Change of Control Redemption Date. Each such Bond shall be purchased and redeemed at 101 per cent. of its principal amount together with interest accrued to (but excluding) the Change of Control Redemption Date.

Within 30 days following the date upon which the Change of Control occurred, the Issuer shall give notice to the Fiscal Agent and, upon receipt of such notice, the Fiscal Agent shall give notice (a "**Change of Control Notice**") to the Bondholders in accordance with Condition 11 specifying the procedure and the terms of the Change of Control Offer contained in this Condition 6(d). Such Change of Control Notice will state, amongst other things, the date of purchase and redemption (the "**Change of Control Redemption Date**"), which must be no earlier than 30 days nor later than 60 days from the date such Change of Control Notice is given.

Bondholders electing to have Bonds purchased pursuant to a Change of Control Offer under this Condition 6(d) must deliver such Bonds together with all Coupons relating to them which mature after the date fixed for redemption, prior to the close of business in Luxembourg on the third Business Day prior to the Change of Control Redemption Date (the "**Change of Control Redemption Deadline**"), to any Paying Agent together with a duly completed redemption notice in the form obtainable from any Paying Agent (the "**Change of Control Redemption Notice**") and in which the holder may specify a bank account to which payment is to be made under this Condition 6(d).

For the avoidance of doubt, the Change of Control Offer will lapse as of the Change of Control Redemption Deadline and any Change of Control Redemption Notice received after such time shall be treated as null and void and the Issuer shall not, nor be required to, purchase any of the Bonds that are subject of such notice.

Payment in respect of such Bonds will be made on the Change of Control Redemption Date by transfer to the bank account specified in the Change of Control Redemption Notice and otherwise subject to the provisions of Condition 7. A Change of Control Redemption Notice once given shall be irrevocable. The Issuer shall redeem the relevant Bonds on the Change of Control Redemption Date unless previously redeemed or purchased.

The Fiscal Agent is under no obligation to ascertain whether a Change of Control or any event which could lead to the occurrence of or could constitute a Change of Control has occurred and until it shall have actual knowledge or express notice to the contrary, the Fiscal Agent may assume that no Change of Control or other such event has occurred. The Issuer shall ensure that the Luxembourg Stock Exchange is promptly informed of any purchase and redemption under this Condition 6(d).

(e) Exchange

Nothing in these Conditions shall prevent the Issuer from making any offers to the Bondholders to exchange their Bonds (together with all unmatured Coupons attached thereto or surrendered therewith) for other bonds or notes issued by the Issuer or any other Person.

(f) Purchases

The Issuer and any of its Subsidiaries or affiliates may at any time purchase Bonds (together with all unmatured Coupons attached thereto or surrendered therewith) in the open market or otherwise at any price.

(g) Cancellation

All Bonds which are redeemed, exchanged or purchased pursuant to paragraph (c), (d), (e) or (f) of this Condition 6 may either be held or retransferred or resold or be surrendered for cancellation by surrendering each such Bond (together with all unmatured Coupons attached thereto or surrendered therewith) to the Fiscal Agent and, if so surrendered shall, together with all Bonds redeemed by the Issuer be cancelled forthwith (together with all such unmatured Coupons attached thereto or surrendered therewith) and accordingly may not be reissued or resold. The Fiscal Agent shall make its record of any such cancellation available for inspection to Bondholders during its normal business hours.

7 Payments

(a) Method of payment

Payments of principal and interest in respect of any Bond or Coupon will be made in Euro to the bearer upon presentation and surrender (or, in the case of a partial payment, endorsement) of the relevant Bond or Coupon, as the case may be, at the specified office of any Paying Agent by credit or transfer to a Euro-denominated account maintained by the payee with a bank in a city which has access to the TARGET System (as defined below). Payments of interest due in respect of any Bond other than on presentation and surrender of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Bond.

(b) Payments subject to laws

Payments in respect of principal and interest on the Bonds will, in all cases, be made subject to any fiscal or other laws and regulations or orders of courts of competent jurisdiction applicable in respect of such payments in the place of payment, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged by the Issuer or any Paying Agent in such capacity to the Bondholders or Couponholders in respect of such payments.

(c) Surrender of unmatured Coupons

Each Bond should be presented for redemption together with all unmatured Coupons relating to it, failing which the amount of any such missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon not later than 10 years after the Relevant Date (as defined in Condition 8) for the relevant payment of principal.

(d) Payments on Business Days

A Bond or Coupon may only be presented for payment on a day which is a Business Day (as defined below) in the place of presentation (and, in the case of payment by transfer to a Euro account, a day on which the TARGET System is operating). No further interest or other payment will be made as a consequence of the day on which the relevant Bond or Coupon may be presented for payment under this paragraph falling after the due date.

For the purposes of these Conditions, "**Business Day**" means any day, not being a Saturday or a Sunday, (i) on which commercial banks and foreign exchange markets are open for general business in the relevant city and (ii) which is a TARGET Business Day; "**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor thereto; and "**TARGET Business Day**" means any day on which the TARGET System is open.

(e) Fiscal Agent

The name and specified office of the initial Fiscal Agent are as follows:

FISCAL AGENT
BGL Société Anonyme
50 Avenue John F.Kennedy
L-2951 Luxembourg

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent and/or appoint another Fiscal Agent or Paying Agent and additional or other Paying Agents or approve any change in the office through which the Fiscal Agent or any Paying Agent acts, provided that there will at all times be (i) a Fiscal Agent having a specified office in a European city, (ii) so long as the Bonds are listed on the Official List of the Luxembourg Stock Exchange and the rules of that Exchange so require, a Paying Agent having a specified office in Luxembourg (which may be the Fiscal Agent) and (iii) a Paying Agent having a specified office in a European Union member state (if there is any such state) that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC, or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000. Any notice of a change in Fiscal Agent or Paying Agent or their specified office shall be given to Bondholders as specified in Condition 11. In this Condition, "**Regulated Market**" means a market as defined by Article 4(1) of the Markets in Financial Instruments Directive (MiFID) 2004/39/EC.

8 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Grand Duchy of Luxembourg or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as may be necessary in order that the holder of each Bond or Coupon, as the case may be, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such deduction or withholding; provided, however, that no such additional amounts shall be payable in respect of any Bond or Coupon presented for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond or Coupon by reason of his having some connection with the Grand Duchy of Luxembourg other than the mere holding of such Bond or Coupon; or

(b) more than 30 days after the Relevant Date (as defined below), except to the extent that the holder thereof would have been entitled to such additional amounts on the last day of such period of 30 days; or

(c) where such deduction or withholding is imposed pursuant to (i) the European Council Directive 2003/48/EC (as such may be amended and/or replaced) or any other directive implementing the conclusion of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such directive, or (ii) the bilateral agreements concluded between the European Union member states and several third countries or dependent or associated territories of the European Union pursuant to article 17.2 of the European Council Directive 2003/48/EC (as such agreements may be amended and/or replaced); or

(d) by or on behalf of a Bondholder or a Couponholder who would have been able to avoid such withholding or deduction be presenting the relevant Bond or Coupon to another Paying Agent in a Member State of the European Union.

For this purpose, the "**Relevant Date**" in relation to any Bond or Coupon means whichever is the later of (A) the date on which the payment in respect of such Bond or Coupon first becomes due and payable, and (B) if the full amount of the moneys payable on such date in respect of such Bond or Coupon has not been received by the Fiscal Agent on or prior to such date, the date on which notice is given to Bondholders that such moneys have been so received.

References in these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition 8.

9 Events of Default

Any Bond may, by written notice given to the Fiscal Agent at its specified office by the relevant Bondholder, be declared immediately due and repayable in any of the events set forth below (each an "**Event of Default**"), whereupon such Bond shall without further formality become immediately due and payable at its principal amount, together with interest accrued to (but excluding) the date of repayment, unless prior to the receipt of such notice by the Fiscal Agent the relevant Event of Default shall have been cured:

(a) if any amount of principal or interest on any Bond shall not be paid on the due date thereof and such default shall not be remedied within a period of 20 days; or

(b) if default is made by the Issuer in the due performance or observance of any other of its obligations in these Conditions and such default continues for a period of 40 days following receipt of a written notice of such default by the Fiscal Agent from any Bondholder; or

(c) if any present or future financial indebtedness of any of the Issuer or any Material Subsidiary in respect of monies borrowed or raised, other than the Bonds and any moneys borrowed or raised by the Issuer or any Material Subsidiary from any other member of the Group (as defined in Condition 3 above), shall not be paid when it shall become due and payable on its stated maturity date (following the giving of such notice, if any, as is required under the document governing such indebtedness and as extended by any applicable grace period) or becomes due and payable prior to its stated maturity by reason of the occurrence of a default or event of default, or the Issuer or any Material Subsidiary fails to pay when due any amount payable by it under any present or future guarantees for, or indemnity in respect of, any such financial indebtedness (other than in respect of any such guarantee or indemnity granted in favour of any other member of the Group) (i) unless the aggregate amount of all such financial indebtedness or guarantees or indemnities is less than Euro 100,000,000 or its equivalent in any other currencies or (ii) unless the Issuer or any such Material Subsidiary, as the case may be, has disputed in good faith by appropriate proceedings that such financial indebtedness is due or such guarantees or indemnities are callable, in which event such default shall not constitute an event of default hereunder so long as the dispute shall not have been finally adjudicated against the Issuer or any such Material Subsidiary, as the case may be; or

(d)

(i) (A) if the Issuer is in cessation of payments (*cessation de paiements*) or is declared by a court of competent jurisdiction to be bankrupt (*en faillite*) or presents a request for controlled management (*gestion contrôlée*) or is granted a moratorium on payments (*sursis de paiement*) or a moratorium of any indebtedness or enters into a composition with its creditors (*concordat préventif de la faillite*), or is declared in liquidation under a compulsory liquidation procedure (*liquidation judiciaire)* or suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts within the meaning of any applicable law, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or any arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the foregoing events, or (B) if any corporate action, legal proceedings or other procedure or step is taken in relation to the appointment of a liquidator under a compulsory liquidation procedure (*liquidateur judiciaire*), receiver (*curateur*), administrative receiver, administrator (*commissaire à la gestion contrôlée*), compulsory manager or other similar officer in respect of the Issuer or all or a substantial part of its assets; or

(ii) if any Material Subsidiary is (or is deemed by law or a court to be) insolvent or bankrupt or presents a request for controlled management (*gestion contrôlée*) or is granted a moratorium on payments or is unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts within the meaning of any applicable law, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or any arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of any such Material Subsidiary or any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the foregoing events (in each case, a "**Material Subsidiary Insolvency Event**"), provided that no Event of Default under this paragraph (ii) will occur in relation to any such Material Subsidiary Insolvency Event unless a Rating Downgrade shall have occurred within the period of 60 days immediately following such Material Subsidiary Insolvency Event.

10 Meetings of Bondholders and Modification

(a) Meetings of Bondholders

The Agency Agreement contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened at any time by the Issuer or by Bondholders holding not less than 10 per cent. in principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds or the Coupons, or (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 100 per cent. of the Bonds for the time being outstanding. Any resolution (including Extraordinary Resolutions) duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

(b) Modification of Agency Agreement

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Bondholders.

11 Notices

Any notice to the Bondholders will be valid if published so long as the Bonds are listed on the Official List of the Luxembourg Stock Exchange and the rules of that stock exchange so require either on the website of the Luxembourg Stock Exchange (*www.bourse.lu*), or in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

12 Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Bonds and Coupons shall become void unless presentation for payment is made as required by Condition 7 within ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the appropriate Relevant Date.

13 Replacement of Bonds and Coupons

If any Bond or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require. Mutilated or defaced Bonds or Coupons must be surrendered before replacements will be issued.

14 Further Issues

The Issuer may from time to time without the consent of the Bondholders or Couponholders create and issue further securities (either having the same terms and conditions as the Bonds in all respects or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Bonds.

15 Governing Law, Jurisdiction and Service of Process

(a) Governing law

The Bonds, the Coupons and the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

For the avoidance of doubt, the provisions of Articles 86 to 94-8 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, do not apply to the provisions of Condition 10.

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Bonds or the Coupons and accordingly any legal action or proceedings arising out of or in connection with the Bonds or the Coupons (the "**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts.

(c) Agent for service of process

The Issuer has agreed to appoint ArcelorMittal Limited, 7th Floor, Berkeley House, Berkeley Square, London, W1J 6DA as its agent in England to receive service of process in any Proceedings in England based on any of the Bonds or the Coupons. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Bondholders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

(d) Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of this Bond under the Contracts (Rights of Third Parties) Act 1999.

Terms and Conditions of the 2016 Bonds

The following are the terms and conditions substantially in the form in which they will be endorsed on the 2016 Bonds:

The issue of the Euro 1,000,000,000 9.375 per cent. bonds due 2016 (the "**Bonds**") of ArcelorMittal (the "**Issuer**") was authorised pursuant to an authorisation of the Issuer on 22 May 2009. The Bonds are issued with the benefit of a fiscal and paying agency agreement (the "**Agency Agreement**") dated as of 3 June 2009 between the Issuer and BGL Société Anonyme, as fiscal agent and principal paying agent (the "**Fiscal Agent**", which expression shall, where the context so admits, include any successor for the time being as Fiscal Agent) (together with any additional paying agents appointed thereunder from time to time, the "**Paying Agents**", which expression shall, where the context so admits, include the Fiscal Agent and any successors for the time being of any Paying Agent). The Bonds have the benefit of a deed of covenant dated as of 3 June 2009, executed by the Issuer in relation to the Bonds (the "**Deed of Covenant**").

Holders of the Bonds (the "**Bondholders**") and holders (the "**Couponholders**") of interest coupons appertaining to the Bonds (the "**Coupons**") are deemed to have notice of the provisions of the Agency Agreement applicable to them. Certain statements in these Terms and Conditions are summaries of, and are subject to, the detailed provisions of the Agency Agreement, copies of which (together with copies of the Deed of Covenant) are available for inspection at the specified office of any Paying Agent. References below to "**Conditions**" are, unless the context otherwise requires, to the numbered paragraphs below.

1 Form, Denomination and Title

The Bonds are serially numbered and are issued in bearer form in the denomination of Euro 50,000 and integral multiples of Euro 1,000 in excess thereof, each with Coupons for interest attached.

Title to the Bonds and Coupons passes by delivery. The Issuer and any Paying Agent may, to the fullest extent then permitted by applicable law, treat the holder of any Bond or Coupon as the absolute owner thereof (whether or not such Bond or Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon or any notice or previous loss or theft or other interest therein) for the purpose of making payments and for all other purposes hereunder.

2 Status of the Bonds and Coupons

The Bonds and Coupons constitute direct, unconditional, unsecured (subject to the provisions of Condition 4 below) and unsubordinated obligations of the Issuer and rank and will rank at all times *pari passu* without any preference or priority among themselves and (subject to such exceptions as are from time to time mandatory under Luxembourg law) equally and rateably with all other present or future unsecured and unsubordinated obligations (including indebtedness and guarantees) of the Issuer.

3 Definitions for the Purposes of these Conditions

"**Applicable Accounting Standards**" means the International Financial Reporting Standards as adopted in the European Union ("**IFRS**") as amended from time to time.

"**ArcelorMittal**" or the "**Issuer**" means ArcelorMittal, a *société anonyme* incorporated under Luxembourg law, which has its registered office at 19, avenue de la Liberté, L-2930 Luxembourg, Grand Duchy of Luxembourg and registered with the *Registre de Commerce et des Sociétés*, Luxembourg under the number B 82.454.

"**Asset(s)**" of any Person means, all or any part of its business, undertaking, property, assets, revenues (including any right to receive revenues) and uncalled capital, wherever situated.

A "**Change of Control**" shall be deemed to have occurred at each time that a person (or a group of persons acting in concert) other than one or more members of the Mittal Family controls or acquires control of the Issuer; provided that a Change of Control shall not be deemed to have occurred unless, within the Change of

Control Period, (i) if the long-term, unsecured and unsubordinated indebtedness of the Issuer is rated by any one or more Rating Agencies, a Rating Downgrade in respect of that Change of Control occurs and, in the case only of such Rating Downgrade occurring within the Potential Change of Control Period, the relevant Rating Agency does not, within the Potential Change of Control Period, reverse such Rating Downgrade so that the long-term, unsecured and unsubordinated indebtedness of the Issuer has the same or a better credit rating attributed by such Rating Agency than before such Rating Downgrade occurred, or (ii) if the long-term, unsecured and unsubordinated indebtedness of the Issuer is not rated by any one or more Rating Agencies, a Negative Rating Event in respect of that Change of Control occurs; "**control**" means the power to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise.

"**Change of Control Redemption Date**" has the meaning given to it in Condition 6(d).

"**Change of Control Period**" means the period commencing on the earlier of (i) the date of the first public announcement of the relevant Change of Control having occurred and (ii) the first day of the Potential Change of Control Period, and ending 90 days after the date of the first public announcement of the relevant Change of Control having occurred (the "**Initial End Date**"), provided that if one or more Rating Agencies has on or prior to the Initial End Date publicly announced that it has placed the rating of the long-term, unsecured and unsubordinated indebtedness of the Issuer under consideration for rating downgrade (the "**Placing on Credit Watch**"), the Change of Control Period shall be extended to the earlier of (i) the later of (a) the date which falls 60 days after the date of the Placing on Credit Watch and (b) the Initial End Date or (ii) the date which falls 60 days after the Initial End Date.

"**Consolidated Financial Statements**" means the most recently published:

(a) audited annual consolidated financial statements of the Issuer, as approved by the annual general meeting of its shareholders and certified by an independent auditor; or, as the case may be,

(b) unaudited (but subject to a "review" from an independent auditor) condensed consolidated half-year financial statements of the Issuer, as approved by its Board of Directors,

in each case prepared in accordance with Applicable Accounting Standards.

"**Existing Security**" means any Security granted by any Person over its Assets in respect of any Relevant Indebtedness and which is existing at the Closing Date (as defined in Condition 5) or at the time any such Person becomes a Material Subsidiary or whose business and/or activities, in whole or in part, are assumed by or vested in the Issuer or a Material Subsidiary after the Closing Date (other than any Security created in contemplation thereof) or any substitute Security created over those Assets (or any part thereof) in connection with the refinancing of the Relevant Indebtedness secured on those Assets provided that the principal, nominal or capital amount secured on any such Security may not be increased.

"**Group**" means the Issuer and its Subsidiaries taken as a whole.

"**Interest Rate**" means the interest rate per annum applicable to the Bonds in respect of any Interest Period or any other period, as follows:

If, on the first day of any Interest Period or other period, each of the following conditions is satisfied:

(a) at least one Solicited Rating of BBB minus (by Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc. or Fitch Ratings Ltd.) or Baa3 (by Moody's Investors Service, Inc) (or equivalent) or better is assigned to the Issuer by any Rating Agency; and

(b) no Solicited Rating of lower than BBB minus (by Standard & Poor's Rating Services, a division of The McGraw Hill Companies, Inc. or Fitch Ratings Ltd.) or Baa3 (by Moody's Investors Service, Inc) (or equivalent) is assigned to the Issuer by any Rating Agency

the Interest Rate with respect to such Interest Period or other period, shall be 9.375 per cent per annum.

If either of the conditions in (a) or (b) above is not satisfied on the first day of any Interest Period or other period, then the Interest Rate with respect to such Interest Period or other period shall be 10.625 per cent per annum.

"**Material Subsidiary**" means, at any time, a Subsidiary of the Issuer whose gross assets or pre-tax profits (excluding intra-Group items) then equal or exceed 5 per cent. of the gross assets or pre-tax profits of the Group.

For this purpose:

(a) the gross assets or pre-tax profits of a Subsidiary of the Issuer will be determined from its financial statements (unconsolidated if it has Subsidiaries) upon which the latest audited Consolidated Financial Statements of the Group have been based;

(b) if a company becomes a member of the Group after the date on which the latest audited Consolidated Financial Statements of the Group have been prepared, the gross assets or pre-tax profits of that Subsidiary will be determined from its latest financial statements;

(c) the gross assets or pre-tax profits of the Group will be determined from its latest audited Consolidated Financial Statements, adjusted (where appropriate) to reflect the gross assets or pre-tax profits of any company or business subsequently acquired or disposed of; and

(d) if a Material Subsidiary disposes of all or substantially all of its assets to another Subsidiary of the Issuer, it will immediately cease to be a Material Subsidiary and the other Subsidiary (if it is not already) will immediately become a Material Subsidiary; the subsequent financial statements of those Subsidiaries and the Group will be used to determine whether those Subsidiaries are Material Subsidiaries or not.

If there is a dispute as to whether or not a company is a Material Subsidiary, a certificate of the auditors of the Issuer will be, in the absence of manifest error, conclusive and binding on the Issuer and the Bondholders.

"**Mittal Family**" means Mr and/or Mrs L.N. Mittal and/or their family (acting directly or indirectly through trusts and/or other entities controlled by any of the foregoing).

"**Negative Rating Event**" means the Issuer does not within the Change of Control Period obtain an investment grade rating for its long-term, unsecured and unsubordinated indebtedness from at least one Rating Agency.

"**Optional Redemption Date**" means the fifth TARGET Business Day (as defined in Condition 7(d)) after the expiry of the Restructuring Put Period.

"**Permitted Security**" means:

(a) any Existing Security;

(b) any Security granted in respect of or in connection with any Securitisation Indebtedness; or

(c) any Security securing Project Finance Indebtedness, but only to the extent that the Security Interest is created on an asset of the project being financed by the relevant Project Finance Indebtedness (and/or the shares in, and/or shareholder loans to, the company conducting such project where such company has no assets other than those relating to such project).

"**Person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case, whether or not having separate legal personality).

"**Potential Change of Control Period**" means the period commencing on the date of the first public announcement of a potential Change of Control by the Issuer, or by any actual or potential bidder or any adviser thereto, and ending on the date of the first public announcement of the relevant Change of Control.

“**Project Finance Indebtedness**” means any indebtedness incurred by a debtor to finance the ownership, acquisition, construction, development and/or operation of an asset or connected group of assets in respect of which the person or persons to whom such indebtedness is, or may be, owed have no recourse for the repayment of or payment of any sum relating to such indebtedness other than:

(a) recourse to such debtor or its Subsidiaries for amounts limited to the cash flow from such asset; and/or

(b) recourse to such debtor generally, or to a member of the Group, which recourse is limited to a claim for damages (other than liquidated damages and damages required to be calculated in a specific way) for breach of an obligation, representation or warranty (not being a payment obligation, representation or warranty or an obligation, representation or warranty to procure payment by another or an obligation, representation or warranty to comply or to procure compliance by another with any financial ratios or other test of financial condition) by the person against whom such recourse is available; and/or

(c) if:

(iii) such debtor has been established specifically for the purpose of constructing, developing, owning and/or operating the relevant asset or connected group of assets; and

(iv) such debtor owns no assets and carries on no business which is not related to the relevant asset or connected group of assets,

recourse to all the material assets and undertaking of such debtor and the shares in the capital of such debtor and shareholder loans made to such debtor.

“**Put Restructuring Event**” means:

(a) the Issuer being wound up or dissolved or ceasing to carry on all or substantially all of its business prior to the repayment in full of the Bonds other than in connection with a merger, consolidation, amalgamation or other form of reorganisation pursuant to which the surviving entity shall be the transferee of or successor to all or substantially all of the business of the Issuer and assumes all of the obligations of the Issuer with respect to the Bonds (an “**Issuer Winding-up Event**”) and provided that a Rating Downgrade shall not have occurred within the period of 60 days immediately following such merger, consolidation, amalgamation or reorganisation; or

(b) any Material Subsidiary being wound up or dissolved or ceasing to carry on all or substantially all of its business (each a “**Material Subsidiary Winding-up Event**”) prior to the repayment in full of the Bonds AND a Rating Downgrade having occurred within the period of 60 days immediately following any such Material Subsidiary Winding-up Event, provided that no Put Restructuring Event will be deemed to have occurred under this paragraph (b) if the relevant Material Subsidiary Winding-up Event takes place in connection with a merger, consolidation, amalgamation or other form of reorganisation whereby the undertaking and assets of the relevant Material Subsidiary are transferred to or otherwise vested in one or more of the Issuer or another Material Subsidiary.

“**Rating Agency**” means any of Standard & Poor’s Rating Services, a division of The McGraw Hill Companies, Inc., Fitch Ratings Ltd. or Moody’s Investors Service, Inc. (or, in each case, any successor rating agency thereto).

“**Rating Downgrade**” means the credit rating previously assigned to the long-term, unsecured and unsubordinated indebtedness of the Issuer by any Rating Agency is (a) withdrawn or (b) is changed from investment grade to non-investment grade (for example, from BBB- to BB+ by Standard & Poor’s Rating Services, a division of The McGraw Hill Companies, Inc., or worse) or (c) if the credit rating previously assigned by the relevant Rating Agency was below investment grade, is lowered one rating notch (for example, from BB+ to BB by Standard & Poor’s Rating Services, a division of The McGraw Hill Companies, Inc.), and such Rating Agency shall have publicly announced or confirmed in writing to the Issuer that such withdrawal or downgrade is principally the result of any event or circumstance comprised in or arising as a result of, or in respect of, the Change of Control or potential Change of Control, the Material Subsidiary Winding-up Event or the Material Subsidiary Insolvency Event, or Issuer Winding-up Event, as the case may be.

"**Relevant Indebtedness**" means any indebtedness for borrowed money represented by bonds, notes or other debt instruments which are for the time being quoted or listed on any stock exchange or other similar regulated securities market.

"**Securitisation Indebtedness**" means any Relevant Indebtedness which is incurred in connection with any securitisation, asset repackaging, factoring or like arrangement or any combination thereof of any assets, revenues or other receivables where the recourse of the Person making the Relevant Indebtedness available or entering into the relevant arrangement or agreement(s) is limited fully or substantially to such assets or revenues or other receivables.

"**Security**" means any mortgage, charge, pledge or other real security interest (*sûreté réelle*).

"**Solicited Rating**" means a credit rating solicited by or on behalf of the Issuer from any Rating Agency and assigned to the long-term, unsecured and unsubordinated indebtedness of the Issuer.

"**Subsidiary**" means:

(a) an entity of which a Person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership (and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise); and

(b) in relation to the Issuer, an entity which fulfils the definition in paragraph (a) above and which is included in the Consolidated Financial Statements on a fully integrated basis.

4 Negative Pledge

The Issuer covenants that so long as any of the Bonds remains outstanding (as defined in the Agency Agreement), it will not, and will procure that no Material Subsidiary will, create or permit to subsist, any Security upon any of its Assets, present or future, to secure any Relevant Indebtedness incurred or guaranteed by it or by any Material Subsidiary (whether before or after the issue of the Bonds) other than Permitted Security unless the obligations of the Issuer under the Bonds are (i) equally and rateably secured so as to rank *pari passu* with such Relevant Indebtedness or the guarantee thereof or (ii) benefit from any other Security or arrangement as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Bondholders in a general meeting.

5 Interest

(a) Each Bond bears interest on its outstanding principal amount from and including 3 June 2009 (the "**Closing Date**") to (but excluding) 3 June 2016 at the Interest Rate, such interest being payable annually in arrear on 3 June in each year (each an "**Interest Payment Date**") commencing on 3 June 2010.

(b) Interest will cease to accrue on each Bond on the due date for redemption thereof unless, upon such due date, payment of principal is improperly withheld or refused or if default is otherwise made in respect of payment thereof. In such event, interest will continue to accrue at the rate per annum as specified in the preceding paragraph (after as well as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder, and (ii) the day falling seven (7) days after the Fiscal Agent has notified Bondholders of receipt of all sums due in respect of all Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions following such notification).

(c) The period beginning on the Closing Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is called an "**Interest Period**".

Interest in respect of any Bond shall be calculated per Euro 1,000 in principal amount of the Bonds (the "**Calculation Amount**") on an Actual/Actual (ICMA) basis. The amount of interest payable per Calculation Amount for any period shall be equal to the product of the Interest Rate, the Calculation Amount and the day-count fraction for the relevant period, which will be the number of days elapsed in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last) rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

6 Redemption, Exchange and Purchase

The Bonds may not be redeemed otherwise than in accordance with this Condition 6.

(a) Final redemption

Unless previously redeemed, exchanged or purchased and cancelled as provided below, the Bonds will be redeemed at their principal amount on 3 June 2016 (the "**Maturity Date**").

(b) Redemption for taxation reasons

If, by reason of a change in Luxembourg law or any change in the official application or interpretation of such law, becoming effective after the Closing Date, the Issuer would, on the occasion of the next payment of principal or interest due in respect of the Bonds or Coupons, not be able to make such payment without having to pay additional amounts as specified under Condition 8, the Issuer may, at any time, subject to having given not more than sixty (60) nor less than thirty (30) days' prior notice to the Bondholders (which notice shall be irrevocable), in accordance with Condition 11, redeem all, but not some only, of the Bonds at their principal amount with accrued interest (if any) to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for Luxembourg taxes. The Issuer shall ensure that the Luxembourg Stock Exchange is promptly informed of any redemption under this Condition 6(b).

(c) Redemption at the option of Bondholders upon a Put Restructuring Event

If at any time while any of the Bonds remains outstanding a Put Restructuring Event has occurred, the holder of each Bond will have the option (unless, prior to the giving of the Put Restructuring Event Notice (as defined below), the Issuer gives notice under Condition 6(b) in respect of the Bonds or the Optional Redemption Date would fall on or after the Maturity Date) to require the Issuer to redeem that Bond on the Optional Redemption Date. Each such Bond shall be redeemed at its principal amount together with interest accrued to (but excluding) the Optional Redemption Date.

Promptly upon the Issuer becoming aware that a Put Restructuring Event has occurred, the Issuer shall give notice to the Fiscal Agent and, upon receipt of such notice, the Fiscal Agent shall give notice (a "**Put Restructuring Event Notice**") to the Bondholders in accordance with Condition 11 specifying the procedure for exercising the option contained in this Condition 6(c).

To exercise the option to require redemption of its Bonds under this Condition 6(c), a Bondholder must deliver such Bonds together with all Coupons relating to them which mature after the date fixed for redemption, on any TARGET Business Day (as defined in Condition 7(d) below) falling within the period (the "**Restructuring Put Period**") of 45 days after a Put Restructuring Event Notice is given, to any Paying Agent together with a duly completed redemption notice in the form obtainable from any Paying Agent (the "**Put Option Notice**") and in which the holder may specify a bank account to which payment is to be made under this Condition 6(c).

Payment in respect of such Bonds will be made on the Optional Redemption Date by transfer to the bank account specified in the Put Option Notice and otherwise subject to the provisions of Condition 7. A Put Option Notice once given shall be irrevocable. The Issuer shall redeem the relevant Bonds on the Optional Redemption Date unless previously redeemed or purchased.

The Fiscal Agent is under no obligation to ascertain whether a Put Restructuring Event or any event which could lead to the occurrence of or could constitute a Put Restructuring Event has occurred and until it shall have actual knowledge or express notice to the contrary, the Fiscal Agent may assume that no Put Restructuring Event or other such event has occurred. The Issuer shall ensure that the Luxembourg Stock Exchange is promptly informed of any redemption under this Condition 6(c).

(d) Offer to Purchase upon a Change of Control

If at any time while any of the Bonds remain outstanding a Change of Control has occurred, the Issuer (unless, prior to the giving of the Change of Control Notice (as defined below), the Issuer gives notice under Condition 6(b) in respect of the Bonds or the Change of Control Redemption Date (as defined below) would fall on or after the Maturity Date) will make an offer to purchase and redeem all or a portion of each Bondholder's Bonds (a "**Change of Control Offer**") on the Change of Control Redemption Date. Each such Bond shall be purchased and redeemed at 101 per cent. of its principal amount together with interest accrued to (but excluding) the Change of Control Redemption Date.

Within 30 days following the date upon which the Change of Control occurred, the Issuer shall give notice to the Fiscal Agent and, upon receipt of such notice, the Fiscal Agent shall give notice (a "**Change of Control Notice**") to the Bondholders in accordance with Condition 11 specifying the procedure and the terms of the Change of Control Offer contained in this Condition 6(d). Such Change of Control Notice will state, amongst other things, the date of purchase and redemption (the "**Change of Control Redemption Date**"), which must be no earlier than 30 days nor later than 60 days from the date such Change of Control Notice is given.

Bondholders electing to have Bonds purchased pursuant to a Change of Control Offer under this Condition 6(d) must deliver such Bonds together with all Coupons relating to them which mature after the date fixed for redemption, prior to the close of business in Luxembourg on the third Business Day prior to the Change of Control Redemption Date (the "**Change of Control Redemption Deadline**"), to any Paying Agent together with a duly completed redemption notice in the form obtainable from any Paying Agent (the "**Change of Control Redemption Notice**") and in which the holder may specify a bank account to which payment is to be made under this Condition 6(d).

For the avoidance of doubt, the Change of Control Offer will lapse as of the Change of Control Redemption Deadline and any Change of Control Redemption Notice received after such time shall be treated as null and void and the Issuer shall not, nor be required to, purchase any of the Bonds that are subject of such notice.

Payment in respect of such Bonds will be made on the Change of Control Redemption Date by transfer to the bank account specified in the Change of Control Redemption Notice and otherwise subject to the provisions of Condition 7. A Change of Control Redemption Notice once given shall be irrevocable. The Issuer shall redeem the relevant Bonds on the Change of Control Redemption Date unless previously redeemed or purchased.

The Fiscal Agent is under no obligation to ascertain whether a Change of Control or any event which could lead to the occurrence of or could constitute a Change of Control has occurred and until it shall have actual knowledge or express notice to the contrary, the Fiscal Agent may assume that no Change of Control or other such event has occurred. The Issuer shall ensure that the Luxembourg Stock Exchange is promptly informed of any purchase and redemption under this Condition 6(d).

(e) Exchange

Nothing in these Conditions shall prevent the Issuer from making any offers to the Bondholders to exchange their Bonds (together with all unmatured Coupons attached thereto or surrendered therewith) for other bonds or notes issued by the Issuer or any other Person.

(f) Purchases

The Issuer and any of its Subsidiaries or affiliates may at any time purchase Bonds (together with all unmatured Coupons attached thereto or surrendered therewith) in the open market or otherwise at any price.

(g) Cancellation

All Bonds which are redeemed, exchanged or purchased pursuant to paragraph (c), (d), (e) or (f) of this Condition 6 may either be held or retransferred or resold or be surrendered for cancellation by surrendering each such Bond (together with all unmatured Coupons attached thereto or surrendered therewith) to the Fiscal Agent and, if so surrendered shall, together with all Bonds redeemed by the Issuer be cancelled forthwith (together with all such unmatured Coupons attached thereto or surrendered therewith) and accordingly may not be reissued or resold. The Fiscal Agent shall make its record of any such cancellation available for inspection to Bondholders during its normal business hours.

7 Payments

(a) Method of payment

Payments of principal and interest in respect of any Bond or Coupon will be made in Euro to the bearer upon presentation and surrender (or, in the case of a partial payment, endorsement) of the relevant Bond or Coupon, as the case may be, at the specified office of any Paying Agent by credit or transfer to a Euro-denominated account maintained by the payee with a bank in a city which has access to the TARGET System (as defined below). Payments of interest due in respect of any Bond other than on presentation and surrender of matured Coupons shall be made only against presentation and either surrender or endorsement (as appropriate) of the relevant Bond.

(b) Payments subject to laws

Payments in respect of principal and interest on the Bonds will, in all cases, be made subject to any fiscal or other laws and regulations or orders of courts of competent jurisdiction applicable in respect of such payments in the place of payment, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged by the Issuer or any Paying Agent in such capacity to the Bondholders or Couponholders in respect of such payments.

(c) Surrender of unmatured Coupons

Each Bond should be presented for redemption together with all unmatured Coupons relating to it, failing which the amount of any such missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon not later than 10 years after the Relevant Date (as defined in Condition 8) for the relevant payment of principal.

(d) Payments on Business Days

A Bond or Coupon may only be presented for payment on a day which is a Business Day (as defined below) in the place of presentation (and, in the case of payment by transfer to a Euro account, a day on which the TARGET System is operating). No further interest or other payment will be made as a consequence of the day on which the relevant Bond or Coupon may be presented for payment under this paragraph falling after the due date.

For the purposes of these Conditions, "**Business Day**" means any day, not being a Saturday or a Sunday, (i) on which commercial banks and foreign exchange markets are open for general business in the relevant city and (ii) which is a TARGET Business Day; "**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor thereto; and "**TARGET Business Day**" means any day on which the TARGET System is open.

(e) Fiscal Agent

The name and specified office of the initial Fiscal Agent are as follows:

FISCAL AGENT
BGL Société Anonyme
50 Avenue John F.Kennedy
L-2951 Luxembourg

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent and/or appoint another Fiscal Agent or Paying Agent and additional or other Paying Agents or approve any change in the office through which the Fiscal Agent or any Paying Agent acts, provided that there will at all times be (i) a Fiscal Agent having a specified office in a European city, (ii) so long as the Bonds are listed on the Official List of the Luxembourg Stock Exchange and the rules of that Exchange so require, a Paying Agent having a specified office in Luxembourg (which may be the Fiscal Agent) and (iii) a Paying Agent having a specified office in a European Union member state (if there is any such state) that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC, or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000. Any notice of a change in Fiscal Agent or Paying Agent or their specified office shall be given to Bondholders as specified in Condition 11. In this Condition, "**Regulated Market**" means a market as defined by Article 4(1) of the Markets in Financial Instruments Directive (MiFID) 2004/39/EC.

8 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Grand Duchy of Luxembourg or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as may be necessary in order that the holder of each Bond or Coupon, as the case may be, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such deduction or withholding; provided, however, that no such additional amounts shall be payable in respect of any Bond or Coupon presented for payment:

(a) by or on behalf of a holder who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond or Coupon by reason of his having some connection with the Grand Duchy of Luxembourg other than the mere holding of such Bond or Coupon; or

(b) more than 30 days after the Relevant Date (as defined below), except to the extent that the holder thereof would have been entitled to such additional amounts on the last day of such period of 30 days; or

(c) where such deduction or withholding is imposed pursuant to (i) the European Council Directive 2003/48/EC (as such may be amended and/or replaced) or any other directive implementing the conclusion of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such directive, or (ii) the bilateral agreements concluded between the European Union member states and several third countries or dependent or associated territories of the European Union pursuant to article 17.2 of the European Council Directive 2003/48/EC (as such agreements may be amended and/or replaced); or

(d) by or on behalf of a Bondholder or a Couponholder who would have been able to avoid such withholding or deduction be presenting the relevant Bond or Coupon to another Paying Agent in a Member State of the European Union.

For this purpose, the "**Relevant Date**" in relation to any Bond or Coupon means whichever is the later of (A) the date on which the payment in respect of such Bond or Coupon first becomes due and payable, and (B) if the full amount of the moneys payable on such date in respect of such Bond or Coupon has not been received by the Fiscal Agent on or prior to such date, the date on which notice is given to Bondholders that such moneys have been so received.

References in these Conditions to principal and interest shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition 8.

9 Events of Default

Any Bond may, by written notice given to the Fiscal Agent at its specified office by the relevant Bondholder, be declared immediately due and repayable in any of the events set forth below (each an "**Event of Default**"), whereupon such Bond shall without further formality become immediately due and payable at its principal amount, together with interest accrued to (but excluding) the date of repayment, unless prior to the receipt of such notice by the Fiscal Agent the relevant Event of Default shall have been cured:

(a) if any amount of principal or interest on any Bond shall not be paid on the due date thereof and such default shall not be remedied within a period of 20 days; or

(b) if default is made by the Issuer in the due performance or observance of any other of its obligations in these Conditions and such default continues for a period of 40 days following receipt of a written notice of such default by the Fiscal Agent from any Bondholder; or

(c) if any present or future financial indebtedness of any of the Issuer or any Material Subsidiary in respect of monies borrowed or raised, other than the Bonds and any moneys borrowed or raised by the Issuer or any Material Subsidiary from any other member of the Group (as defined in Condition 3 above), shall not be paid when it shall become due and payable on its stated maturity date (following the giving of such notice, if any, as is required under the document governing such indebtedness and as extended by any applicable grace period) or becomes due and payable prior to its stated maturity by reason of the occurrence of a default or event of default, or the Issuer or any Material Subsidiary fails to pay when due any amount payable by it under any present or future guarantees for, or indemnity in respect of, any such financial indebtedness (other than in respect of any such guarantee or indemnity granted in favour of any other member of the Group) (i) unless the aggregate amount of all such financial indebtedness or guarantees or indemnities is less than Euro 100,000,000 or its equivalent in any other currencies or (ii) unless the Issuer or any such Material Subsidiary, as the case may be, has disputed in good faith by appropriate proceedings that such financial indebtedness is due or such guarantees or indemnities are callable, in which event such default shall not constitute an event of default hereunder so long as the dispute shall not have been finally adjudicated against the Issuer or any such Material Subsidiary, as the case may be; or

(d)

(i) (A) if the Issuer is in cessation of payments (*cessation de paiements*) or is declared by a court of competent jurisdiction to be bankrupt (*en faillite*) or presents a request for controlled management (*gestion contrôlée*) or is granted a moratorium on payments (*sursis de paiement*) or a moratorium of any indebtedness or enters into a composition with its creditors (*concordat préventif de la faillite*), or is declared in liquidation under a compulsory liquidation procedure (*liquidation judiciaire)* or suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts within the meaning of any applicable law, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or any arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer or any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the foregoing events, or (B) if any corporate action, legal proceedings or other procedure or step is taken in relation to the appointment of a liquidator under a compulsory liquidation procedure (*liquidateur judiciaire*), receiver (*curateur*), administrative receiver, administrator (*commissaire à la gestion contrôlée*), compulsory manager or other similar officer in respect of the Issuer or all or a substantial part of its assets; or

(ii) if any Material Subsidiary is (or is deemed by law or a court to be) insolvent or bankrupt or presents a request for controlled management (*gestion contrôlée*) or is granted a moratorium on payments or is unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts within the meaning of any applicable law, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or any arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of any such Material Subsidiary or any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the foregoing events (in each case, a "**Material Subsidiary Insolvency Event**"), provided that no Event of Default under this paragraph (ii) will occur in relation to any such Material Subsidiary Insolvency Event unless a Rating Downgrade shall have occurred within the period of 60 days immediately following such Material Subsidiary Insolvency Event.

10 Meetings of Bondholders and Modification

(a) Meetings of Bondholders

The Agency Agreement contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened at any time by the Issuer or by Bondholders holding not less than 10 per cent. in principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, or interest on, the Bonds, (iii) to change the currency of payment of the Bonds or the Coupons, or (iv) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 100 per cent. of the Bonds for the time being outstanding. Any resolution (including Extraordinary Resolutions) duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

(b) Modification of Agency Agreement

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Bondholders.

11 Notices

Any notice to the Bondholders will be valid if published so long as the Bonds are listed on the Official List of the Luxembourg Stock Exchange and the rules of that stock exchange so require either on the website of the Luxembourg Stock Exchange (*www.bourse.lu*), or in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

12 Prescription

Claims against the Issuer for the payment of principal and interest in respect of the Bonds and Coupons shall become void unless presentation for payment is made as required by Condition 7 within ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the appropriate Relevant Date.

13 Replacement of Bonds and Coupons

If any Bond or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require. Mutilated or defaced Bonds or Coupons must be surrendered before replacements will be issued.

14 Further Issues

The Issuer may from time to time without the consent of the Bondholders or Couponholders create and issue further securities (either having the same terms and conditions as the Bonds in all respects or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding Bonds or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Bonds.

15 Governing Law, Jurisdiction and Service of Process

(a) Governing law

The Bonds, the Coupons and the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

For the avoidance of doubt, the provisions of Articles 86 to 94-8 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, do not apply to the provisions of Condition 10.

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Bonds or the Coupons and accordingly any legal action or proceedings arising out of or in connection with the Bonds or the Coupons (the "**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts.

(c) Agent for service of process

The Issuer has agreed to appoint ArcelorMittal Limited, 7th Floor, Berkeley House, Berkeley Square, London, W1J 6DA as its agent in England to receive service of process in any Proceedings in England based on any of the Bonds or the Coupons. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Bondholders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

(d) Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of this Bond under the Contracts (Rights of Third Parties) Act 1999.

Use of Proceeds

The net proceeds of the issue of the Bonds, expected to amount to approximately Euro 2,479,020,000, will be used for refinancing the Group's existing indebtedness.

The expenses in connection with the admission to trading of the Bonds are approximately Euro 7,470.

Summary of Provisions Relating to the Bonds while in Global Form

*The Temporary Global Bonds and the Permanent Global Bonds (together, the "****Global Bonds****") contain provisions which apply to the Bonds while they are in global form, some of which modify the effect of the terms and conditions of the Bonds (the "****Conditions****") set out in this document. The following is a summary of certain of those provisions.*

Exchange: Each Temporary Global Bond will be exchangeable in whole or in part for interests in the Permanent Global Bond on or after 14 July 2009, being a date falling not earlier than 40 days after the Closing Date (provided that, if further securities are issued prior to such date, pursuant to Condition 14 such date may be extended until the exchange of the Temporary Global Bond for interests in the Permanent Global Bond representing such further securities) upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Bond.

Each Permanent Global Bond will be exchangeable in whole but not in part (free of charge to the holder) for definitive bonds ("**Definitive Bonds**") only if (in each case, an "**Exchange Event**"):

(a) an event of default (as set out in Condition 9 (*Events of Default*)) has occurred and is continuing and a notice referred to in such Condition has been given by any Bondholder; or

(b) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or

(c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Bonds in definitive form.

The Issuer will promptly give notice to Bondholders if an Exchange Event occurs. In the case of (a) or (b) above, the holder of the Permanent Global Bond, acting on the instructions of one or more of the Accountholders (as defined below), may give notice to the Issuer and the Fiscal Agent and, in the case of (c) above, the Issuer may give notice to the Fiscal Agent of its intention to exchange the Permanent Global Bond for Definitive Bonds on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the Permanent Global Bond may or, in the case of (c) above, shall, surrender the Permanent Global Bond to or to the order of the Fiscal Agent. In exchange for the Permanent Global Bond the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of Definitive Bonds (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Bond), security printed in accordance with any applicable legal requirements and the requirements of any applicable stock exchange rules and in, or substantially in, the form set out in the Agency Agreement. On exchange of the Permanent Global Bond, the Issuer will procure that it is cancelled.

"**Exchange Date**" means a day specified in the notice requiring exchange falling not less than 90 days after that on which such notice is given, being a day on which banks are open for business in the place in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

If:

(a) Definitive Bonds have not been delivered by 5.00 p.m. (London time) on the Exchange Date; or

(b) the Permanent Global Bond (or any part of it) has become due and payable in accordance with the Conditions or the date for final redemption of the Bonds has occurred and, in either case, payment in full of the amount falling due with all accrued interest thereon has not been made to the bearer thereof in accordance with the terms of the Permanent Global Bond on the due date for payment, then the Permanent Global Bond (including the obligation to deliver Definitive Bonds) will become void at 5.00 p.m. (London time) on such ninetieth (90th) day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Bond will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Bond or others may have under the Deed of Covenant (as defined in the Terms and Conditions of the 2013 Bonds and Terms and Conditions of the 2016 Bonds executed by the Issuer). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg as being entitled to an interest in the Permanent Global Bond will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Bond became void, they had been the holders of Definitive Bonds in an aggregate principal amount equal to the principal amount of the Bonds they were shown as holding in the records of Euroclear and/or (as the case may be) Clearstream, Luxembourg.

Payments: On or after 14 July 2009, no payments will be made under the Temporary Global Bond unless exchange for interests in the Permanent Global Bond is improperly withheld or refused. In addition, interest payments in respect of the Bonds cannot be collected without such certification of non-U.S. beneficial ownership. All payments in respect of a Global Bond will be made to its holder. The Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of Euroclear and/or Clearstream, Luxembourg and, in the case of payments of principal, the nominal amount of the 2013 Bonds or the 2016 Bonds will be reduced accordingly. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of Euroclear and/or Clearstream, Luxembourg shall not affect such discharge.

Exercise of Put Options: In order to exercise the options contained in Conditions 6(c) (*Redemption at the option of Bondholders upon a Put Restructuring Event*) and 6(d) (*Offer to Purchase upon a Change of Control*), the bearer of the Permanent Global Bond must, within the period specified in the Conditions for the deposit of the relevant Bond and Put Option Notice (as defined in Condition 6(c)) or as the case may be, the Change of Control Redemption Notice (as defined in Condition 6(d)), give written notice of such exercise to the Fiscal Agent or such other Paying Agent as shall have been notified to the Bondholders for such purposes, specifying the principal amount of Bonds in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Notices: Notwithstanding Condition 11 (*Notices*), while all the Bonds are represented by a Global Bond and such Global Bond is deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg, notices to Bondholders may be given by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and, in any case, such notices shall be deemed to have been given to the Bondholders in accordance with Condition 11 (*Notices*) on the date of delivery to Euroclear and Clearstream, Luxembourg; provided, however, that, so long as the Bonds are listed on the Official List of the Luxembourg Stock Exchange and its rules so require, notices will also be published either on the website of the Luxembourg Stock Exchange (*www.bourse.lu*), or in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

Accountholders: The nominal amount of the 2013 Bonds and the 2016 Bonds shall be the aggregate amount from time to time entered in the records of Euroclear Bank S.A/N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**"). The records of Euroclear and/or Clearstream, Luxembourg shall be conclusive evidence of the nominal amount of Bonds represented by the Temporary Global Bond and the Global Bond and a statement issued by Euroclear and/or Clearstream, Luxembourg at any time shall be conclusive evidence of the records of Euroclear and/or Clearstream, Luxembourg at that time. For so long as all of the Bonds are represented by a Global Bond, held on behalf of Euroclear and/or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of such Bonds (each an "**Accountholder**") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Bonds standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Bonds for all purposes (including for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Bondholders) other than with respect to the payment of principal and interest on such Bonds, the right to which shall be vested, as against the Issuer solely in the bearer of the Global Bond in accordance with and subject to its terms. Each Accountholder must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the Global Bond.

Cancellation: On cancellation of any Bond required by the Conditions to be cancelled following its purchase, the Issuer shall procure that details of such cancellation shall be entered *pro rata* in the records of Euroclear and/or Clearstream, Luxembourg and, upon any such entry being made, the nominal amount of the Bonds recorded in the records of Euroclear and/or Clearstream, Luxembourg and represented by this Global Bond shall be reduced by the aggregate nominal amount of the Bonds so cancelled.

Euroclear and Clearstream, *Luxembourg*: References herein to Euroclear and/or Clearstream, Luxembourg shall be deemed to include reference to any other clearing system through which interests in the Bonds are held.

Each of the Bonds will be in the form of a New Global Note ("NGN"). The notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the notes are intended upon issue to be deposited with one of the Clearing Systems as common safekeeper and does not necessarily mean that the Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem, either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria as specified by the European Central Bank.

Selected Historical Financial Information

Summary Statements of Income Data

The following tables present selected consolidated audited financial information of ArcelorMittal as of and for the years ended December 31, 2007 and 2008, prepared in accordance with IFRS.

	For the year ended December 31,	
	2007	2008
	(Amounts in $ millions except per share data and percentages)	
Sales[1]	$105,216	$124,936
Cost of sales (including depreciation and impairment)(2)(3)	84,953	106,110
Selling, general and administrative	5,433	6,590
Operating income	14,830	12,236
Operating income as percentage of sales	14.10 %	9.79%
Other income-net	—	—
Income from investments in associates and joint ventures	985	1,653
Financing costs-net	(927)	(2,352)
Income before taxes	14,888	11,537
Net income (including minority interest)	11,850	10,439
Net income attributable to equity holders of the parent	10,368	9,399
Basic earnings per common share[4]	$7.41	$6.80
Diluted earnings per common share[4]	$7.40	$6.78
Dividends declared per share	$1.30	$1.50
Basic weighted average common shares outstanding (millions)	1,399	1,383
Diluted weighted average common shares outstanding (millions)	1,401	1,386

Summary Balance Sheets Data

	As of December 31,	
	2007	2008
	(Amounts in $ millions except share data)	
Cash and cash equivalents, including short-term investments and restricted cash	$8,105	$7,587
Property, plant and equipment	61,994	60,755
Total assets	133,625	133,088
Short-term debt and current portion of long-term debt	8,542	8,409
Long-term debt, net of current portion	22,085	25,667
Net assets	61,535	59,230

Summary Other Data

	For the year ended December 31,	
	2007	2008
	(Amounts in $ millions except volume data)	
Net cash provided by operating activities	$16,532	$14,652
Net cash (used in) investing activities	(11,909)	(12,428)
Net cash (used in) financing activities	(3,417)	(2,132)
Total production of crude steel (thousands of tonnes)	116,415	103,326
Total shipments of steel products (thousands of tonnes)(5)	109,724	101,691

Notes:

(1) Including $4,767 million and $6,411 million of sales to related parties for the years ended December 31, 2007 and 2008, respectively.

(2) $2,408 million and $2,391 million of purchases from related parties for the years ended December 31, 2007 and 2008, respectively.

(3) Including depreciation and impairment of $4,570 million and $6,100 million for the years ended December 31, 2007 and 2008, respectively.

(4) Earnings per common share are computed by dividing net income attributable to equity holders of ArcelorMittal by the weighted average number of common shares outstanding during the periods presented

(5) Shipment volumes of steel products for the operations of the Issuer include certain inter-company shipments

Summary Condensed Consolidated Balance Sheet data as at March 31, 2009, December 31, 2008 and March 31, 2008

The following table presents Summary Condensed Consolidated Balance Sheet data as at the dates indicated, prepared in accordance with IFRS.

Balance sheets	**March 31,**	**December 31,**	**March 31,**
In millions of US dollars	**2009**	**2008**[1]	**2008**
ASSETS			
Current Assets			
Cash and cash equivalents and restricted cash	$3,979	$7,587	$7,244
Trade accounts receivable – net	6,335	6,737	11,694
Inventories	19,917	24,741	23,213
Prepaid expenses and other current assets	4,014	5,349	6,252
Total Current Assets	34,245	44,414	48,403
Goodwill and intangible assets			
Property, plant and equipment	15,754	16,119	15,984
Investments in affiliates and joint ventures and	58,470	60,755	63,948
other assets	12,029	11,800	13,066
Total Assets	$120,498	$133,088	$141,401
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Payable to banks and current portion of long-term debt	$7,614	$8,409	$9,537
Trade accounts payable and others	8,371	10,501	15,879
Accrued expenses and other current liabilities	9,908	11,850	10,352
Total Current Liabilities	25,893	30,760	35,768
Long-term debt, net of current portion	23,076	25,667	25,119
Deferred tax liabilities	5,527	6,395	8,387
Other long-term liabilities	10,542	11,036	9,684
Total Liabilities	65,038	73,858	78,958
Total Shareholders' Equity	51,762	55,198	57,889
Minority Interest	3,698	4,032	4,554
Total Equity	55,460	59,230	62,443
Total Liabilities and Shareholders' Equity	$120,498	$133,088	$141,401

[1] Amounts are derived from the Company's audited consolidated financial statements for the year ended December 31, 2008.

Summary Condensed Consolidated statements of operations data for the three months ended March 31, 2009, December 31, 2008 and March 31, 2008

The following table presents Summary Condensed Consolidated statements of operations data for the periods indicated, prepared in accordance with IFRS.

	Three Months Ended		
In millions of U.S. dollars, except shares, per share, employee, iron ore production and shipment data	**March 31, 2009**	**December 31, 2008**	**March 31, 2008**
STATEMENTS OF OPERATIONS DATA			
Sales	$15,122	$22,089	$29,809
Depreciation	(1,118)	(1,243)	(1,129)
Impairment	-	(588)	(301)
Exceptional items[2]	(1,248)	(4,443)	-
Operating (loss) income	(1,483)	(3,466)	3,614
Operating margin %	(9.8)%	(15.7)%	12.1%
(Loss) income from equity method investments and other income	(153)	386	329
Net interest expense	(304)	(468)	(303)
Foreign exchange and other net financing (losses) gains	(265)	64	(191)
Revaluation of derivative instruments	(16)	(240)	(242)
(Loss) income before taxes and minority interest	(2,221)	(3,724)	3,207
Income tax benefit (expense)	1,088	1,126	(596)
(Loss) income before minority interest	(1,133)	(2,598)	2,611
Minority interest	70	(34)	(240)
Net (loss) income	(1,063)	$(2,632)	$2,371
Basic (loss) earnings per common share	$(0.78)	$(1.93)	$1.69
Diluted (loss) earnings per common share	(0.78)	(1.93)	1.68
Weighted average common shares outstanding (in millions)	1,366	1,365	1,407
Diluted weighted average common shares outstanding (in millions)	1,367	1,365	1,410
EBITDA[3]	$883	$2,808	$5,044
EBITDA Margin %	*5.8%*	*12.7%*	*16.9%*
OTHER INFORMATION			
Total shipments of steel products[4] (million metric tonnes)	16.0	17.1	29.2
Total iron ore production[5] (million metric tonnes)	11.9	15.5	15.2

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2 During the first quarter of 2009, the Company recorded exceptional charges amounting to $1.2 billion primarily related to writedowns of inventory. During the fourth quarter of 2008, the Company recorded exceptional charges amounting to $4.4 billion related to write-downs of inventory and raw material supply contracts, and provisions for workforce reduction and litigation.

3 EBITDA is defined as operating income plus depreciation, impairment expenses and exceptional items.

4 Steel Solutions and Services shipments are eliminated in consolidation as they represent shipments originating from other ArcelorMittal operating subsidiaries.

5 Total of all finished production of fines, concentrate, pellets and lumps (includes share of production and strategic long-term contracts).

In millions of U.S. dollars, except shares, per share, employee, iron ore production and shipment data	Three Months Ended March 31, 2009	December 31, 2008	March 31, 2008
STATEMENTS OF OPERATIONS DATA			
Employees (in thousands)	305	316	312

Summary Condensed Consolidated statements of cash flows data for the three months ended March 31, 2009, December 31, 2008 and March 31, 2008

The following table presents Summary Condensed Consolidated statements of cash flows data for the periods indicated, prepared in accordance with IFRS.

In millions of U.S. dollars	Three Months Ended		
	March 31, 2009	**December 31, 2008**	**March 31, 2008**
Operating activities:			
Net (loss) income	$(1,063)	$(2,632)	$2,371
Adjustments to reconcile net (loss) income to net cash provided by operations:			
Minority interests	(70)	34	240
Depreciation and impairment	1,118	1,831	1,430
Exceptional items[6]	1,248	4,443	-
Deferred Income Tax	(938)	(912)	(12)
Change in operating working capital[7]	1,500	1,642	(1,231)
Other operating activities (net)	(1,466)	1,471	(816)
Net cash provided by operating activities	329	5,877	1,982
Investing activities:			
Purchase of property, plant and equipment	(850)	(1,445)	(975)
Other investing activities (net)	57	1,222	(1,408)
Net cash used in investing activities	(793)	(223)	(2,383)
Financing activities:			
Proceeds (payments) relating to payable to banks and long-term debt	(2,535)	(3,315)	(2,312
Dividends paid	(345)	(594)	(661)
Share buy-back	-	-	(2,107)
Other financing activities (net)	(7)	-	17)
Net cash (used in) provided by financing activities	(2,887)	(3,909)	(439)
Net (decrease) increase in cash and cash equivalents	(3,351)	1,745	(840)
Effect of exchange rate changes on cash	(263)	(184)	168
Change in cash and cash equivalents	$(3,614)	$1,561	$(672)

6 During the first quarter of 2009, the Company recorded exceptional charges amounting to $1.2 billion primarily related to writedowns of inventory. During the fourth quarter of 2008, the Company recorded exceptional charges amounting to $4.4 billion related to write-downs of inventory and raw material supply contracts, and provisions for workforce reduction and litigation.

7 Changes in operating working capital are defined as trade accounts receivable plus inventories less trade accounts payable.

Information on the Issuer

History and Development of the Issuer

ArcelorMittal Overview

ArcelorMittal is the world's largest and most global steel producer. It results from the combination in 2006 of Mittal Steel and Arcelor, at the time respectively the world's largest and second largest steel companies by production volume.

ArcelorMittal had sales of approximately $124.9 billion, steel shipments of approximately 101.7 million tonnes and crude steel production of approximately 103.3 million tonnes for the year ended December 31, 2008, as compared to sales of approximately $105.2 billion, steel shipments of approximately 109.7 million tonnes and crude steel production of approximately 116.4 million tonnes for the year ended December 31, 2007.

ArcelorMittal's net income attributable to equity holders of the parent for the twelve months ended December 31, 2008, was $9.4 billion, or $6.80 per share, as compared with net income attributable to equity holders of the parent, of $10.4 billion, or $7.41 per share for the twelve months ended December 31, 2007.

As of December 31, 2008, ArcelorMittal had equity of $59.2 billion, total debt of $34.1 billion and cash and cash equivalents, including restricted cash, of $7.6 billion as compared to equity of $61.5 billion, total debt of $30.6 billion and cash and cash equivalents, including restricted cash, of $8.1 billion as of December 31, 2007.

ArcelorMittal has been built on a management strategy that emphasizes size and scale, vertical integration, product diversity and quality, continuous growth in higher value products, a strong employee well-being and customer service focus. ArcelorMittal intends to continue to play a leading role in the consolidation of the global steel industry and to remain the global leader in the steel industry. The Issuer's three-dimensional strategy, as described below, is its key to sustainability and growth. ArcelorMittal has unique geographical and product diversification coupled with upstream and downstream integration designed to minimize risk caused by cyclicalities.

Geography: ArcelorMittal is the largest steel producer in the Americas, Africa and Europe, and the second largest producer in the Commonwealth of Independent States ("CIS") region, with a growing presence in Asia, particularly China. ArcelorMittal has steel-making operations in 20 countries on four continents, including 66 integrated, mini-mill and integrated mini-mill steel-making facilities. As of March 31, 2009, ArcelorMittal had approximately 305,000 employees.

ArcelorMittal operates its business in six reportable operating segments: Flat Carbon Americas; Flat Carbon Europe; Long Carbon Americas and Europe; Asia, Africa and CIS ("AACIS"); Stainless Steel; and Steel Solutions and Services. ArcelorMittal's steel-making operations have a high degree of geographic diversification. Approximately 36% of its steel is produced in the Americas, approximately 49% is produced in Europe and approximately 15% is produced in other countries, such as Kazakhstan, South Africa and Ukraine. In addition, ArcelorMittal's sales are spread over both developed and developing markets, which have different consumption characteristics.

Products: ArcelorMittal produces a broad range of high-quality finished, semi-finished carbon steel products and stainless steel products. Specifically, ArcelorMittal produces flat products, including sheet and plate, long products, including bars, rods and structural shapes, and stainless steel products. ArcelorMittal sells its products primarily in local markets and through its centralized marketing organization to a diverse range of customers in approximately 180 countries, including the automotive, appliance, engineering, construction and machinery industries.

As a global steel producer, the Issuer is able to meet the needs of different markets. Steel consumption and product requirements clearly differ between mature economy markets and developing economy markets. Steel consumption in mature economies is weighted towards flat products and a higher value-added mix, while developing markets utilize a higher proportion of long products and commodity grades. To meet these diverse needs, the Issuer maintains a high degree of product diversification and seeks opportunities to increase the proportion of its product mix consisting of higher value-added products.

Value Chain: ArcelorMittal has significant raw material and mining assets, as well as certain strategic cost-plus based long-term contracts with external suppliers. Through its captive sources ArcelorMittal believes that it is the fifth largest producer of iron ore in the world. In 2008 (assuming full production of iron ore at Dofasco for captive use), approximately 47% of ArcelorMittal's iron-ore requirements and approximately 13% of its coal requirements were supplied from its own mines or from long-term contracts at many of its operating units. The Issuer currently has iron ore mining activities in Algeria, Brazil, Bosnia, Canada, Kazakhstan, Mexico, South Africa, Ukraine and the United States and has projects under development or prospective development in Liberia, Senegal, Mauritania and India. The Issuer currently has coal mining activities in Kazakhstan, Russia, South Africa and the United States. It has projects under prospective development in India and Mozambique, and has a strategic investment in an Australian pulverized coal producer. ArcelorMittal also has made strategic investments in order to secure access to other raw materials including manganese, molybdenum and ferro alloys.

In addition, ArcelorMittal is the world's largest producer of direct reduced iron, or DRI, which is a scrap substitute used in the mini-mill steel-making process, with total production of approximately 8.1 million tonnes in 2008. ArcelorMittal's DRI production is primarily used in its mini-mill facilities to supplement external metallics purchases. ArcelorMittal is one of the world's largest producers of coke, a critical raw material for steel-making produced from metallurgical coal, and it satisfies over 90% of its coke needs through its own production facilities. ArcelorMittal's facilities have good access to shipping facilities, including through ArcelorMittal's own 12 deep-water port facilities and linked railway sidings.

ArcelorMittal has its own downstream steel distribution business, primarily run through its division Steel Solutions and Services. It also provides value-added and customized steel solutions through further processing to meet specific customer requirements.

History

ArcelorMittal is a successor to Mittal Steel, a business founded in 1989 by Mr. Lakshmi N. Mittal, the Chairman of the Board of Directors and Chief Executive Officer of ArcelorMittal. It has experienced rapid and steady growth since then largely through the consistent and disciplined execution of a successful consolidation-based strategy. Mittal Steel made its first acquisition in 1989, leasing the Iron & Steel Company of Trinidad & Tobago. Some of its principal acquisitions since then include Thyssen Duisburg (Germany) in 1997, Inland Steel (USA) in 1998, Unimetal (France) in 1999, Sidex (Romania) and Annaba (Algeria) in 2001, Nova Hut (Czech Republic) in 2003, BH Steel (Bosnia), Balkan Steel (Macedonia), PHS (Poland) and Iscor (South Africa) in 2004, ISG (USA), Hunan Valin (China) and Kryvorizhstal (Ukraine) in 2005, three Stelco Inc. subsidiaries (Canada) and Arcelor in 2006.

Arcelor was created in February 2002 by the combination of three steel-making companies: Aceralia Corporación Siderúrgica ("Aceralia"), Arbed and Usinor, to create a global presence in the steel industry. At the time of its acquisition by Mittal Steel in 2006, Arcelor was the second largest steel producer in the world in terms of production, with 2005 production of 46.7 million tonnes of steel and 2005 revenues of €32.6 billion. It operated in all key end markets: the automotive industry, construction, household appliances, packaging and general industry. Arcelor enjoyed leading positions in Western Europe and South America, in particular due to its Brazilian operations.

In 2007, ArcelorMittal continued to pursue a disciplined growth strategy, with a total of 35 transactions announced in Argentina, Austria, Canada, China, Estonia, France, Germany, Italy, Mexico, Poland, Russia, Slovakia, South Africa, Turkey, the United Kingdom, Uruguay, the United States and Venezuela, a number of which were completed in 2007. During 2007, ArcelorMittal also announced or completed buy-out offers for minority interests in certain of its subsidiaries in Argentina, Brazil and Poland. ArcelorMittal also initiated development plans for its greenfield projects in India, Liberia and Senegal and announced new prospective development projects in Mauritania, Mozambique, Nigeria, Russia, Saudi Arabia and Turkey.

During the first eight months of 2008, ArcelorMittal continued making investments, with significant transactions announced in Australia, Brazil, Canada, Costa Rica, France, Russia, South Africa, Sweden, Turkey, United Arab Emirates, the United States, and Venezuela, the majority of which have been completed. During the last four months of 2008, ArcelorMittal largely suspended mergers and acquisitions and other investment activities in light of the deteriorating economic and market environment.

ArcelorMittal has proven expertise in acquiring companies and turning around under-performing assets and believes that it has successfully integrated its previous key acquisitions by implementing a "best practices" approach in operations and management to enhance profitability.

Since the acquisition by Mittal Steel of Arcelor, a company of approximately equivalent size, the combined company has reached significant milestones in its operational integration process ahead of schedule, having consolidated support functions, optimized its supply chain and procurement structure and leveraged research and development services across a larger base, thereby achieving cost savings and revenue synergies, as well as other synergistic benefits. As of December 31, 2008, ArcelorMittal had fully realized its targeted \$1.6 billion in synergies from the merger.

ArcelorMittal has grown through the acquisition of numerous steel-making and other assets, which currently constitute its major operating subsidiaries. More recently, ArcelorMittal's acquisitions have been concentrated on vertical integration (i.e., acquisitions of raw material producers or production sites). ArcelorMittal's principal investments and acquisitions during the years ended December 31, 2008, 2007 and 2006 (as well as disposals and other key events for 2008) are summarized below. The bulk of these acquisitions and investments were made prior to the sharp downturn in the steel market starting in September 2008. Since then the Issuer has sharply curtailed its M&A and investment activities and placed under review as a general matter its investment projects involving significant capital expenditure, including those summarized below and those announced in prior years. Several of these projects, particularly "greenfield" projects, (i.e., new-build construction projects) and large "brownfield" projects (i.e., expansion or improvement of existing sites) are in any case subject to the receipt of various regulatory approvals without which implementation cannot begin. The Issuer has sharply reduced its anticipated capital expenditures for 2009 to \$3 billion, of which \$2.5 billion is for maintenance.

2008 Investments and Acquisitions

Upstream Activities

On September 3, 2008, ArcelorMittal and Kalagadi Manganese announced that all conditions precedent to implementation of their joint venture to develop Kalagadi's manganese deposits in South Africa had been satisfied. The project contemplates the construction of a smelter complex, the establishment of a manganese ore mine and sinter plant expected to ultimately produce 2.4 million tonnes of sinter product per year, and the building of a 320,000 tonnes per annum ferromanganese alloy production facility. Accordingly, ArcelorMittal paid \$432.5 million to acquire 50% of the joint venture company, along with Kalahari Resources (40%) and Industrial Development Corporation Limited (10%). The parties had originally envisaged completion of the project by 2010. Project implementation has not yet begun and its scope and timing are under review.

On August 20, 2008, ArcelorMittal announced that it had agreed to acquire 100% of the issued share capital of London Mining South America Limited, an iron ore miner in the state of Minas Gerais, Brazil, from London Mining plc, for total consideration of \$818 million including debt assumed of \$46 million. ArcelorMittal has also reached an agreement with Canadian based Adriana Resources Inc. for the prospective development of an iron ore port facility in the State of Rio de Janeiro, Brazil. The port agreement is subject to regulatory and corporate approvals and negotiation and execution of definitive documentation. ArcelorMittal and Adriana Resources have signed on May 29, 2009 an extension to the port agreement to November 30, 2009 to be extended automatically by further 6 months if required.

On August 11, 2008, ArcelorMittal announced that it had signed an agreement with several individuals to acquire a 49% stake in the share capital of MPP - Mineração Pirâmide Participações Ltda ("MPP"), a pre-operating company engaged in the exploitation of iron ore and manganese ore in Brazil. Upon signature of the agreement, ArcelorMittal paid a total of $35.5 million in advance payments, in part for iron ore purchases and in part as partial payment for an equity interest in MPP. The transaction has not closed and may not close, since certain conditions precedent have not been completed by the sellers and are currently under discussion.

On August 4, 2008, ArcelorMittal, announced that it had signed an agreement to acquire the Koppers' Monessen Coke Plant from Koppers Inc. The total consideration was $170 million. Koppers' Monessen Coke Plant, located in Monessen, Pennsylvania produced 320,000 metric tons of metallurgical coke in 2007.

On July 21, 2008, ArcelorMittal announced that it had signed an agreement to acquire the Concept Group ("Concept"). The total consideration was $166 million. Concept, located in southern West Virginia and adjacent to the recently acquired Mid Vol Coal Group in the Central Appalachian Coal Basin (discussed below), produced 0.8 million tonnes of metallurgical coking coal in 2007.

On July 16, 2008, ArcelorMittal announced that it had acquired the remaining 60% of the shares that it did not previously own in Rolanfer Recyclage S.A., which operates a port shredder in Yutz, France, (near the border of Luxembourg).

On June 29, 2008, ArcelorMittal announced that it had increased its stake in Macarthur Coal Limited from 14.9% to 19.9% following the acquisition of an additional 5% stake from Talbot Group Holdings. The shares were purchased at AUD$20 dollars per share, bringing ArcelorMittal's total investment (including transaction costs) in Macarthur Coal to AUD$843 million (US$812 million). On May 21, 2008, ArcelorMittal had acquired an initial 14.9% stake primarily from Tinkler Investments (10.4%) and Talbot Group Holdings (4.3%).

On June 23, 2008, ArcelorMittal announced that it had signed an agreement to acquire the Mid Vol Coal Group. Mid Vol, located in southern West Virginia and southwestern Virginia in the Central Appalachian Coal Basin, produced 1.5 million tonnes of metallurgical coking coal in 2007. The transaction has been completed for total consideration of $491 million.

On June 11, 2008, ArcelorMittal announced that the governments of India and the Indian State of Jharkhand had allocated a mining lease of the Karampada iron ore deposit to ArcelorMittal. The Karampada deposit would meet part of the iron ore needs of a new integrated steel plant that the Issuer would build in Jharkhand. ArcelorMittal had previously announced that it would develop a greenfield integrated steel plant with a capacity of 12 million tonnes of liquid steel production per year in Jharkhand, that if constructed, would have an expected total aggregate investment in excess of $10 billion and would require an iron ore allocation of 600 million tonnes over 30 years. On November 18, 2008, ArcelorMittal announced that the implementation of the Jharkhand project, along with its project to build an integrated steel plant in the State of Orissa, which was initially expected to start by the first half of 2009 and be completed by 2012, may be delayed due to delays in securing mining rights, land and land permits and necessary regulatory approvals, as well as in light of the current global financial crisis. Project implementation to date has consisted primarily of detailed project reviews and securing access to a small portion of necessary raw materials. As noted above, the timing and scope of the implementation of the project is currently under review.

On June 10, 2008, ArcelorMittal announced plans to expand the steelmaking capacity of its Kazakhstan plant in Temirtau from five to ten million tonnes and that the project was expected to take five to nine years to complete. The announced plan includes modernizing the steel plant and upgrading the existing iron ore mine. The announced plan also includes a $1.2 billion investment in continuous improvements in health and safety and the modernization of existing coal mines over a ten-year period. Project implementation has not yet begun and its scope and timing are under review.

On June 9, 2008, ArcelorMittal announced that it had signed an agreement to acquire Bakermet, a market leader in the scrap metal recycling industry in Eastern Ontario, Canada. Bakermet, which specializes in all types of ferrous and non-ferrous metal, processed approximately 130,000 short tons of ferrous and 40 million pounds of non-ferrous metals in 2007. The plant, located near Ottawa, will secure upstream self-sufficiency in shredded metal for ArcelorMittal's Contrecoeur mill (ArcelorMittal Montreal). The transaction closed in August 2008.

On April 23, 2008, ArcelorMittal announced that it had reached an agreement in principle with Coal of Africa Limited ("CoAL"), the coal development company operating in South Africa, to enter into an off-take agreement with CoAL relating to two coal mines. Terms and conditions of the off-take agreement are subject to final negotiations, completion of formal documentation and securing all relevant regulatory approvals. The agreement would take effect from commencement of mining operations at both mines.

On April 10, 2008, ArcelorMittal announced the acquisition of a portfolio of coal mines and associated assets in the Kuzbass region of Siberia, Russia. The total consideration paid for the assets, including payments made in the course of a mandatory offer to minority shareholders and all transaction costs, was approximately $720 million. The Issuer acquired a 98.29% stake in the Berezovskaya Mine together with a 99.5% stake in the Pervomayskaya Mine from Severstal. Both mines produce coking coal and are located in the Kemerovo region. As part of the agreement, ArcelorMittal has acquired the exploration and mining rights to the Zhernovskaya-3 coal deposit, which is a subsidiary of the Pervomayskaya Mine. The Issuer also acquired the Severnaya coal preparation plant, which is part of the Berezovskaya Mine, and three companies that provide the mines with associated services. Additionally, the Issuer completed its acquisition of 100% of the Anzherskoye mine in the Kemerovo Region.

On January 8, 2008, ArcelorMittal announced the signing of a memorandum of understanding with Société Nationale Industrielle et Minière, Mauritania, regarding the future joint development of an iron ore mining project. The first phase of the project consists of exploratory works and a feasibility study. ArcelorMittal's initial share of the project is 30%, with an option to increase the stake to 70% upon commencement of project execution.

Steel Production Initiatives

On December 19, 2008, Hunan Valin Iron & Steel Group Co., Ltd announced plans to raise up to CNY3 billion ($439 million) through a sale of new shares to existing shareholders to finance five steel projects that are expected to require a total of investment of CNY3.5 billion. ArcelorMittal has a 33.2% stake in Hunan Valin.

On November 20, 2008, the Issuer completed a delisting tender offer to acquire all of the outstanding shares of Acindar Industria Argentina de Aceros S.A. ("Acindar") that it did not previously own. Following a squeeze out of remaining minority shareholders, the Issuer's stake in Acindar is 100%. Total consideration paid was $564 million.

On August 13, 2008, ArcelorMittal announced that it had entered into a second joint venture agreement with Hunan Valin Iron & Steel Group Co., Ltd. for the production and sales of electrical (silicon) steel. (Another joint venture between ArcelorMittal and Hunan Valin Iron & Steel Group Co., Ltd regarding auto sheet production was entered into in June and is described below). The electrical steel joint venture, Valin ArcelorMittal Electrical Steel Co., Ltd., plans to build cold rolling and processing facilities for the production of non-grain oriented (NGO) and grain oriented (GO) electrical steels. The total investment of the parties in the joint venture is estimated at $6.5 billion RMB ($900 million). The joint venture is aiming at an annual production of 400,000 tonnes NGO steel and 200,000 tonnes GO steel. ArcelorMittal would transfer its latest NGO and GO technologies. Implementation of the joint venture has not yet begun.

On August 7, 2008, ArcelorMittal announced projected new investments of $1.6 billion in its carbon steel operations in Brazil. The investments would be in addition to the previously announced $1.2 billion of investments slated for the expansion of the Monlevade plant in Minas Gerais, and would expand ArcelorMittal's crude steel production capacity in the long carbon sector in Brazil from 3.9 million tonnes per year to 6.5 million tonnes per year. The timing and scope of this investment are currently under review.

On August 4, 2008, ArcelorMittal announced a prospective $600 million investment to construct a new steel mill in Mexico. The mill would produce carbon steel and bars including rebar, merchant bar quality and special bar quality products primarily for the construction and automotive sectors. The facility would introduce energy-efficient and environmentally responsible technology, and utilize electrical steel-making equipment with a production capacity of one million metric tonnes of billets per year and a new bar rolling mill with a production capacity of 500,000 metric tonnes. The timing and scope of the investment are currently under review, and commencement is subject in any event to the receipt of appropriate regulatory approvals from local authorities.

On July 22, 2008, ArcelorMittal announced a prospective €76 million ($118 million) investment to expand electrical steel production capacity at its Saint Chély d'Apcher plant in southern France, in line with its strategy to strengthen its position in high-added value steel products and solutions that contribute to lower carbon dioxide emissions. The new line was originally scheduled to become operational during the second quarter of 2010, but the scope and timing of the investment is currently under review.

On July 3, 2008, ArcelorMittal and AREVA signed an agreement for a €70 million ($110 million) investment aimed at increasing production of certain products for the nuclear industry at the steel plant of Industeel, a subsidiary of ArcelorMittal. The investment, which was announced as being staggered between 2008 and 2010, would target an increase of ingot production capacity from 35,000 tonnes to 50,000 tonnes per year. In addition, the two companies announced plans to implement a joint three-year metallurgy research and development program at the Creusot Materials Research Centre in France. The timing and scope of the investment are currently under review.

On June 27, 2008, ArcelorMittal, Hunan Valin Iron & Steel Group Co, Ltd and Hunan Valin Steel Tube & Wire announced the launch of Valin ArcelorMittal Automotive Steel, an industrial and commercial automotive steel joint venture in which ArcelorMittal would have a 33% equity stake. The joint venture would have an annual production capacity of 1.2 million tonnes of products including cold rolled steel, galvanized steel and pure zinc galvanized steel. Its operations would be located in Hunan Province next to Hunan Valin Steel Co.'s subsidiary Lianyuan Steel, which would supply hot rolled coil to the joint venture. The establishment of the joint venture remains subject to regulatory approval, and its timing and scope of implementation are under review in light of current market conditions.

On June 16, 2008, ArcelorMittal announced that it had signed an agreement to acquire Bayou Steel, a producer of structural steel products with facilities in LaPlace, Louisiana, and Harriman, Tennessee. Through its Mississippi River Recycling division, Bayou Steel operates an automobile shredder at the LaPlace facility, as well as barge-wrecking and full-service scrap yards at LaPlace and its facility in Harvey, Louisiana. Bayou also has a deepwater dock and distribution network, including four stocking locations in the United States. The transaction has been completed for total consideration of $509 million.

On June 16, 2008, ArcelorMittal announced that it had purchased an additional 11.31% of the shares of Turkish steel company Erdemir on June 13, 2008, bringing its stake to 24.99% The value of the 11.31% stake at the time of the acquisition was $869 million.

On April 16, 2008, ArcelorMittal announced plans to expand its joint venture partnership with Nippon Steel Corporation by building a new continuous galvanising line at the I/N Kote facility in New Carlisle, Indiana. The new line would have an annual capacity of 480,000 tonnes and, upon completion, would double I/N Kote's galvanized production capacity. In addition, the new line would have the capacity to offer high-grade, high-quality coated sheets that promote improved safety and fuel efficiency in automobiles. On December 4, 2008, Nippon Steel Corporation announced that the project would be delayed until demand in the U.S. automobile industry market strengthens.

In April 2008, ArcelorMittal raised its stake in ArcelorMittal Inox Brasil S.A. through a tender offer and subsequent share repurchase for total consideration of $1.7 billion. On April 26, 2008, ArcelorMittal Inox Brasil S.A. was delisted from the Brazilian stock market. The Issuer's stake in ArcelorMittal Inox Brasil S.A. is now 100%.

On February 6, 2008, ArcelorMittal announced that it had been awarded a license from the Industrial Development Authority of the Egyptian Ministry of Trade and Industry to construct a steel plant in Egypt. The license was auctioned in a competitive bidding process and ArcelorMittal's winning bid was approximately $60 million. Under the terms of the license, the plant would produce 1.6 million tonnes of steel using DRI technology, and 1.4 million tonnes of billets through an electric arc furnace. As noted above, implementation of the project is currently under review.

On February 4, 2008, ArcelorMittal announced that it had acquired from Clarion Del Norte (Pujol Group) the 50% interest in Laminadora Costarricense S/A and Trefileria Colima S/A that it did not own. Laminadora Costarricense S/A has a rolled products capacity of 400,000 tonnes per year of rebar and merchant bar quality, and Trefileria Colima S/A has a wire products capacity of 60,000 tonnes per year.

On January 24, 2008, ArcelorMittal inaugurated Arceo, its industrial prototype vacuum plasma steel coating line, in Liège, Belgium. The technology behind this prototype was developed by the Issuer's research and development team, in partnership with the Walloon region of Belgium, in order to provide new uses for flat steel products and expand the Issuer's product range. In addition to being environmentally-friendly, the vacuum steel process enhances the quality of the steel, particularly with respect to its anti-bacterial, self-cleaning and anti-corrosive properties.

On January 9, 2008, ArcelorMittal announced that it had agreed to acquire Unicon, the leading manufacturer of welded steel pipes in Venezuela. Unicon supplies the oil, gas and industrial and construction sectors, both domestically and overseas. The transaction has been completed. The consideration was $350 million.

Downstream Activities

On July 25, 2008, ArcelorMittal acquired a 70% stake in Manchester Tubos e Perfilados S.A, a Brazilian steel processor and distributor located in Contagem, Minas Gerais, Brazil. The consideration is being paid in eight annual installments.

On July 14, 2008, ArcelorMittal acquired from Primex (Germany) a 35% stake in Uginox Sanayi ve Ticaret Limited Sirketi of Turkey.

On July 1, 2008, ArcelorMittal acquired Astralloy Steel Products Inc. ("Astralloy"), a subsidiary of IMS International Metal Service. Astralloy operates three warehouses and employs 60 people in North America and its 2007 revenues were $34 million.

On June 30, 2008, ArcelorMittal announced its intention to acquire 60% of the share capital of DSTC FZCO, an entity that will acquire the principal business of Dubai Steel Trading Company LLC ("DSTC LLC"). DSTC LLC distributes approximately 120,000 tonnes of steel products per year and is based in Dubai, United Arab Emirates. The transaction was completed on January 31, 2009 for total consideration of $64.5 million.

On April 3, 2008, ArcelorMittal announced the acquisition of a 50% stake in steel service centre company Gonvarri Brasil. Gonvarri is one of the leaders of the flat steel processing in Brazil and its activities include pickling, slitting, blanking and cutting to length, with a total processing capacity of around 1.3 million tonnes of steel.

On January 28, 2008, ArcelorMittal (through its steel service centre subsidiary SSC Sverige) and BE Group announced a 50/50 processed flat carbon steel joint venture in Sweden. The joint venture is the third largest producer in the Swedish market, with a market share of 20%, annual shipments of 120,000 tonnes and a turnover of more than €80 million.

Disposals

On December 15, 2008, ArcelorMittal announced it had entered into binding agreements to reduce its voting interest in DHS Dillinger Hütte Saarstahl AG ("DHS") from 51.25% to 33.40% (corresponding to an economic interest of 30.08% since DHS holds 10% of its shares in treasury) through the sale of shares to SHS Struktur-Holding-Stahl GmbH ("SHS") and DHS. The proceeds of the sale, consisting of a cash payment upon closing (€695 million) and the dividend proposed in respect of 2008 to be paid in 2009 (€82 million), amount to €777 million ($1 billion). The transaction closed in December 2008.

On May 7, 2008, ArcelorMittal announced that the court-appointed trustee had completed the previously announced sale of ArcelorMittal's Sparrows Point steel mill near Baltimore, Maryland to OAO Severstal for $810 million, net of debt.

Other Key 2008 Events

On December 16, 2008, the French Competition Authority (*Conseil de la Concurrence*) imposed a €301.78 million ($407 million) fine on French subsidiaries of ArcelorMittal active in steel distribution. The fine is the result of an investigation started in 2004 into historical anticompetitive practices in the steel distribution sector in France that allegedly date back to 1999. The Issuer has made appropriate provisions with respect to the fine. On January 19, 2009, the Issuer filed an appeal regarding the amount of the fine. Following the announcement of the investigation, the Issuer reviewed its internal assurance and compliance policies, expanded its training programs in this respect and stressed in such programs the absolute necessity to act in full compliance with applicable competition law.

On November 27, 2008, ArcelorMittal announced that it had presented to its European Works Council voluntary separation programs to be launched across the ArcelorMittal group designed to achieve the Issuer's stated aim of reducing SG&A expenditures by $1 billion in response to the current economic situation. The announced focus of the programs is primarily on non-production employees-in particular, those in SG&A functions across the globe-involving up to 9,000 employees. It was announced that the programs would be implemented in close collaboration with stakeholders and in accordance with labor laws and practices in the respective countries involved. On December 15, 2008, Mr. Lakshmi N. Mittal and the Group Management Board of ArcelorMittal met with the Secretariat of the European Works Council to discuss the effects of the financial and economic crisis on the economy and the steel industry. ArcelorMittal and the European Works Council agreed to strengthen social dialogue at the national and local levels in relation to ArcelorMittal's voluntary separation programs and other local productivity plans, including the extension of such voluntary separation plans to production employees at various sites worldwide on a site-by-site basis pursuant to consultations undertaken with local employee representatives.

On November 5, 2008, ArcelorMittal announced a variety of measures in response to the downturn in the global steel industry. These include: postponing target completion dates for the realization of previously announced shipment growth objectives entailing substantial capital expenditure; increasing targeted cost savings under the "management gains" program over the next five years to $5 billion (from a previously announced $4 billion) through additional savings in SG&A costs; increasing temporary cuts in steel production globally in order to accelerate steel inventory reduction; and targeting a $10 billion reduction in net debt by the end of 2009.

On September 17, 2008, the Issuer announced a new "management gains" plan targeting a total cost savings of $4 billion over the next five years. The plan targets increasing employee productivity, reducing energy consumption and decreasing input costs to achieve a higher yield and improved product quality.

On September 16, 2008, Fitch Ratings upgraded the Issuer's Long-term Issuer Default ("LT IDR") and senior unsecured ratings to BBB+ from BBB and affirmed the Issuer's Short-term Issuer Default rating at F2, with the outlook on the LT IDR at Stable.

On June 3, 2008, ArcelorMittal and trade unions representing its employees across the globe (represented by the European Metalworkers' Federation, the United Steelworkers and the International Metalworkers' Federation) signed a new agreement to further improve health and safety standards throughout the Issuer. The agreement, the first of its kind in the steel industry, recognizes the vital role played by trade unions in improving health and safety. It sets out minimum standards in every site the Issuer operates in order to achieve world-class performance. These standards include the commitment to form joint management/union health and safety committees as well as training and education programs in order to make a meaningful impact on overall health and safety across the Issuer. Also included in the agreement is the creation of a joint management/union global health and safety committee that will target ArcelorMittal plants in order to help them further improve their health and safety performance.

On June 2, 2008, ArcelorMittal announced that an accident occurred at its Tentekskaya Mine in Kazakhstan. 100 people were working in the mine when the accident occurred early in the morning. Although 95 people were safely evacuated, an underground coal and gas explosion caused five fatalities. An independent government commission in its investigation report cited unpredictable geological failure in a roadway as the main cause of the accident. ArcelorMittal has implemented all the recommendations of the government commission and much of the research work is still in progress. The Issuer will continue to work to identify and mitigate the risk of these incidents in its coal mines.

On May 13, 2008, ArcelorMittal signed a $4.0 billion revolving credit facility with a group of banks.

On May 2, 2008, ArcelorMittal announced a series of measures to restore a 25% free float in China Oriental Group Company ("China Oriental") in compliance with the listing rules of the Hong Kong Stock Exchange ("HKSE"). At the time of the close of its tender offer on February 4, 2008, ArcelorMittal had reached a 47% shareholding in China Oriental. Given the 45.4% shareholding by the founding shareholders, this left a free float of only 7.6% against a minimum HKSE listing requirement of 25% The restoration of the minimum free float was achieved by means of sale of 17.4% stake to ING Bank and Deutsche Bank, together with put option agreements entered into with both banks. As a result of these measures, ArcelorMittal's shareholding has been reduced to 29.6% for the purposes of determining the minimum free float requirement.

On April 29, 2008, ArcelorMittal announced that it had signed new long-term contracts with Vale to supply iron ore and pellets to its plants in Europe, Africa and the Americas over a ten-year period.

On April 21, 2008, ArcelorMittal announced the appointments of Mr. Sudhir Maheshwari, Mr. Christophe Cornier and Mr. Davinder Chugh to its Group Management Board effective as of May 14, 2008. These appointments follow the announcement on April 7, 2008 of the retirement of Mr. Malay Mukherjee from the Group Management Board (he currently serves on the Board of Directors).

On April 14, 2008, ArcelorMittal announced that its Board of Directors had unanimously approved resolutions amending certain aspects of the Memorandum of Understanding (as defined below) that was entered into in June 2006 in the context of the offer of Mittal Steel for Arcelor.

On March 6, 2008, ArcelorMittal announced that Mr. Romain Zaleski had resigned from its Board of Directors. Mr. Zaleski had joined the Board of Directors of ArcelorMittal in October 2006.

On February 1, 2008, ArcelorMittal announced that it would restart the Seraing (Liège, Belgium) blast furnace number 6 following agreement with the federal and regional governments of Belgium on a solution regarding carbon dioxide emission allowances.

On January 16, 2008, ArcelorMittal initiated informational sessions and consultations with employee representatives regarding a reorganization plan for its wire rod operations in Gandrange (Lorraine, France) and in other European locations. At a meeting with the Select Committee of the European Works Council in Luxembourg, the Issuer analyzed its wire rod activities in northern Europe and presented a plan to improve the Gandrange plant and optimize this business segment, which is part of the ArcelorMittal group's European long carbon steel activities.

On January 11, 2008, ArcelorMittal announced that a methane gas explosion had occurred at its Abaiskaya mine in Kazakhstan, resulting in a loss of 30 lives. Emergency planning procedures in place at the mine were immediately implemented. A full investigation of the accident has been carried out and the Issuer is working with the government of Kazakhstan on additional investments to improve and further modernize the mines. ArcelorMittal reviewed and implemented further investments in connection with its program to improve health and safety and modernize the coal mines. A recent review of the program was carried out by the government of Kazakhstan and was in line with what ArcelorMittal had proposed. Agreement was also reached on the program for 2009.

2007 Investments and Acquisitions

On December 24, 2007, ArcelorMittal announced the acquisition of Cínter S.A., a stainless steel tube producer in Uruguay.

On December 24, 2007, ArcelorMittal announced that it had signed a share purchase agreement to acquire 100% of the shares of the Austrian steel distribution company Eisen Wagner GmbH from its current owners. The transaction was designed to further enhance ArcelorMittal's presence in Central Europe and is subject to the approval of the competition authorities. Eisen Wagner is one of the leading steel distribution companies in Austria.

On December 18, 2007, ArcelorMittal announced that it had signed an agreement with the administration of the Tver region in Russia that would eventually lead to the construction of a greenfield long carbon steel production unit.

On December 11, 2007, ArcelorMittal announced its acquisition of M.T. Majdalani y Cia. S.A., a leading stainless steel service centre and distributor in Argentina.

On December 6, 2007, ArcelorMittal announced that it had signed an agreement to acquire the assets of OFZ, a.s., a Slovakian manufacturer of ferro-alloys. OFZ is involved in the manufacture of a wide range of ferro-alloys on the basis of manganese and silicon, namely ferromanganese, ferromanganese silicon and ferro-silicon.

On December 4, 2007, ArcelorMittal acquired NSD Limited, a leading steel distribution company specializing in sales of heavy sections and tubes based in Scunthorpe, North Lincolnshire, United Kingdom, in order to increase its commercial presence in the UK market.

On November 20, 2007, ArcelorMittal announced it had signed a memorandum of cooperation with the Republic of Mozambique. The memorandum of cooperation aims to strengthen cooperation between ArcelorMittal and the Republic of Mozambique through further investment in primary and downstream steel industries, as well as the development of mining of raw materials in the form of iron ore and coal, with specific focus on metallurgical coal.

On November 20, 2007, ArcelorMittal announced it had signed an agreement to acquire a 12.6% equity stake (10% of fully-diluted shares) in General Moly, Inc. for a total consideration of $70 million. General Moly is a U.S. based molybdenum mineral development, exploration and mining company listed on the American Stock Exchange.

On November 14, 2007, ArcelorMittal announced the acquisition of a 100% stake in Galvex OÜ, a privately-owned steel galvanizing line based in Tallinn, Estonia on the Baltic Sea.

On October 22, 2007, ArcelorMittal and Borusan, one of Turkey's leading steel producers, announced a 50/50 joint venture partnership for the construction of a new hot strip mill in Gemlik, Turkey to be located next to ArcelorMittal and Borusan's jointly operated Borçelik plant.

On October 15, 2007, ArcelorMittal announced the acquisition of a 90% stake in Rongcheng Chengshan Steelcord, a privately-owned steelcord wire drawing company based in Shandong province, China.

On September 10, 2007, ArcelorMittal announced that it would acquire 51% of the shares of Rozak A.S., a Turkish steel company. Rozak specializes in H-profiles, sheets and plates.

On September 5, 2007, ArcelorMittal announced its intention to acquire all of the outstanding interests of Wabush Mines, an iron ore and pellet producer in northeastern Canada. The Company would acquire the remaining interests it did not own in the joint venture through the exercise of a right of first refusal over such interests held by its Dofasco subsidiary. Dofasco owns 28.6% of the mining venture.

On August 31, 2007, Mittal Steel announced that it had signed a definitive agreement with RAG Beteiligungs-AG, Essen for the acquisition of the 76.88% stake held by RAG in Saar Ferngas AG, Saarbrücken for a purchase price of approximately €367 million. Saar Ferngas is the largest gas distribution company in

Saarland and Rhineland-Palatinate and supplies natural gas to municipal power utilities, industrial plans and power stations.

On July 26, 2007, Mittal Steel announced that it had reached an agreement with the Polish government to acquire the 25.2% of shares in ArcelorMittal Poland held by the Polish state and treasury ministry. Mittal Steel agreed to acquire the shares for additional consideration of $181 million. Mittal Steel initially acquired approximately 69% of the Polish company in March 2004 and as part of that agreement received an option to purchase a further 25% from the Polish state, which was exercised in this transaction.

On July 20, 2007, Mittal Steel announced an agreement to acquire two steel tube businesses from Vallourec. Vallourec Précision Soudage produces welded steel tubes for applications in the automotive industry from two sites in France. Also based in France, Vallourec Composants Automobiles Vitry specializes in the design and manufacturing of tubular components for the automotive industry.

On April 23, 2007, Mittal Steel announced that it had finalized the acquisition of Sicartsa, a Mexican integrated steel producer, from Grupo Villacero for an enterprise value of approximately $1.4 billion. Sicartsa, with production facilities in Mexico and Texas, is a fully integrated producer of long steel. Sicartsa's wholly-owned mine is linked directly to the plant through a slurry pipeline. In addition to a fully-integrated steel-making facility at Lázaro Cárdenas, next to Mittal Steel's Lázaro Cárdenas site, the acquisition included Metaver, a mini-mill, Sibasa and Camsa, two rolling mills in Celaya, Guanajuato (Sibasa) and Tultitlán in the state of Mexico, as well as Border Steel, a mini-mill in the state of Texas in the United States.

On March 16, 2007, Mittal Steel announced that it had signed a definitive agreement with Noble International, Ltd. ("Noble") for the combination of their laser-welded tailored blanks businesses. Upon the completion of this transaction in August 2007, ArcelorMittal became the largest shareholder of Noble, with the ability to appoint four of the nine members of its Board of Directors.

On March 16, 2007, Mittal Steel announced that it was investing in a new steel service centre in Krakow, Poland incorporating two de-coiling lines and a slitting line.

On February 23, 2007, Mittal Steel announced that it had signed agreements with the state of Senegal in West Africa to develop iron ore mines in the Faleme region of southeast Senegal. The project is an integrated mining project that includes the development of the mine, the building of a new port near Dakar and the development of approximately 750 kilometers of rail infrastructure to link the mine with the port. The government of Senegal officially handed the concessions to the Company on July 18, 2007.

On February 14, 2007, Mittal Steel signed a joint venture agreement with the Bin Jarallah Group of companies for the design and construction of a seamless tube mill in Saudi Arabia. This facility is located in Jubail Industrial City, north of Al Jubail on the Persian Gulf. ArcelorMittal holds a 51% interest in the company established for this project, with the Bin Jarallah Group holding the remaining 49%.

Recent Developments

ArcelorMittal announced results for the three months ended March 31, 2009, which included:

Highlights for the three months ended March 31, 2009

- Shipments of 16.0 million tonnes, down 6% as compared to the three months ended December 31, 2008
- Sales of $15.1 billion, down 32% as compared to three months ended December 31, 2008
- Operating loss of $1.5 billion
- Net loss of $1.1 billion due in part to $1.2 billion pre-tax charges related primarily to write-downs of inventories
- Long-term debt, net of current portion plus payable to banks and current portion of long-term debt, less cash and cash equivalents and restricted cash of $26.7 billion at the end of March 31, 2009 and cash

and cash equivalents (including restricted cash) plus amounts available to be drawn under existing bank lines at March 31, 2009 of $11.6 billion (amount does not include proceeds of $1.6 billion (€1.25 billion) from the convertible bond issued on April 1, 2009).

Second Quarter 2009 Outlook

- The Company expects second quarter 2009 operating results to be slightly positive.

Forward Start facilities

On February 11, 2009, ArcelorMittal announced that it had secured commitments from banks for two Forward Start facilities totaling $4.8 billion, subject to certain conditions. A Forward Start facility provides a borrower with a committed facility to refinance an existing facility, and therefore certainty as to the availability of funds for that refinancing. A Forward Start facility is typically entered into at a time well before a refinancing facility would ordinarily be put in place. The existing facility is not amended and continues in force. ArcelorMittal decided to enter into these facilities in order to secure significant liquidity in advance in the event that difficult credit market conditions persist for longer than expected.

Of the $4.8 billion in Forward Start commitments secured, $3.2 billion in commitments secured may be used to refinance the $4 billion revolving credit facility entered into on May 13, 2008, which was amended on October 23, 2008 and which is scheduled to mature in 2009 or (if extended) 2010 (as to approximately one-third) and 2011 (as to approximately two-thirds). A $3.2 billion revolving credit facility in respect of these Forward Start commitments was entered into on February 13, 2009 (the "$3.2 Billion Refinancing Facility").

On March 30, 2009, ArcelorMittal announced that it had secured an additional $1.2 billion of commitments from banks, which, together with the remaining $1.6 billion in Forward Start commitments announced on February 11, 2009, may be used to refinance at maturity the $3.2 billion term and revolving credit facility, which was amended on February 6, 2007 and on March 14, 2008 and which is scheduled to mature in 2010. A $2.8 billion revolving credit facility in respect of these Forward Start commitments (the "2005 Refinancing Facility") was entered into on March 26, 2009.

On April 29, 2009, ArcelorMittal announced that it had obtained commitments in principle for a further $0.3 billion from additional banks during a further phase of its Forward Start facilities, subject to certain conditions.

Each of the $3.2 Billion Refinancing Facility and the 2005 Refinancing Facility contains a provision having the effect of automatically cancelling on a pro rata basis the aggregate commitments under those facilities by an aggregate amount equal to 75% of the net proceeds of certain offerings of debt securities (including the OCEANE offering closed April 1, 2009, the convertible senior notes offering closed May 6, 2009 and the notes to which this prospectus supplement relates) and equity securities (including the ArcelorMittal common shares sold on May 6, 2009) until the commitments under the facilities are reduced to 50% of the original commitments, and by an aggregate amount equal to 33.33% of the net proceeds thereafter.

Recent Developments in Legal Proceedings

On May 7, 2009, ArcelorMittal and the Czech Government agreed to resolve all pending arbitration and litigation regarding the privatization of Nova Hut and Vitkovice Steel. The parties agreed to the following:

- ArcelorMittal agreed to an amicable settlement of all pending litigation and arbitration cases against the Czech Government and its related entities;

- ArcelorMittal will increase its stake in ArcelorMittal Ostrava to approximately 83% by acquiring a 10.9% stake held by the Czech Government for approximately $339 million at the current exchange rate. The consideration will be payable over a period of time as agreed between the parties; and

- As a part of the overall settlement agreement, ArcelorMittal Ostrava concluded a long-term supply agreement for hot metal to Evraz Vitkovice Steel.

Other Recent Developments

On May 20, 2009, Moody's downgraded ArcelorMittal's Baa2 rating to Baa3 and assigned a stable outlook, citing the continued weakness in steel markets and the effets this is expected to have on ArcelorMittal's leverage ratios in the intermediate term. Moody's stated that it recognised the significant initiatives taken by ArcelorMittal in the last few months to lengthen its debt maturity profile and reduce its debt including through a capital increase in a particularly difficult economic environment and that the Baa3 rating assumes that ArcelorMittal will be able to achieve its debt reduction target by year-end of an additional $2.2 billion.

On May 20, 2009, Fitch downgraded ArcelorMittal's Long-term Issuer Default (IDR) and senior unsecured retaings to BBB from BBB+ and assigned a stable outlook on the Company's Long-term IDR, citing the significant negative impact that Fitch expects the current global recession to have on the Company's operating performance and credit metrics. Fitch noted that is believes that ArcelorMittal's management has reacted swiftly and appropriately to the current downturn, having announced large production cutbacks, significant temporary and permanent cost reductions, and capital expenditure and dividend reductions, with Fitch's 2009 rating base case incorporating approximately a 30% reduction in steel shipments and a 50% reduction in revenues.

On May 20, 2009, ArcelorMittal issued two series of U.S. dollar denominated notes for an aggregate principal amount of $2,250,000,000, consisting of $750,000,000 principal amount of its 9.0% Notes due 2015 and $1,500,000,000 principal amount of its 9.85% Notes due 2019. The proceeds of the issuance will be used to refinance existing indebtedness.

On May 15, 2009, ArcelorMittal announced the date of its reconvened Extraordinary General Meeting (EGM) of sharesholders, which will be held on June 17, 2009 at the Company's headquarters in Luxembourg.

On May 12, 2009, ArcelorMittal's Annual General Meeting of shareholders held in Luxembourg approved all resolutions on the agenda. In particular, the shareholders acknowledged the expirations of the mandates of Michel Marti, Sergio Silva de Freitas, Wilbur L. Ross, Narayanan Vaghul, François Pinault and Jean-Pierre Hansen, and they elected Wilbur L. Ross, Narayanan Vaghul and François Pinault as members of the Board of Directors. Ignacio Fernández Toxo stepped down from the Board of Directors effective May 12. ArcelorMittal had also convened its shareholders to an Extraordinary General Meeting (which was scheduled to vote on a capital increase of the Company that would permit, among other things, delivery to Ispat International Investments, SL of 98 million Company common shares borrowed by the Company in connection with its share offering that closed on May 6, 2009). However, the quorum required for that meeting was not reached, and the Extraordinary General Meeting will therefore be reconvened on June 17, 2009.

On May 6, 2009, ArcelorMittal closed its offerings of 140,882,634 common shares and 5.00% convertible senior notes due 2014, the total aggregate proceeds from which totaled $4 billion before deduction of underwriting discounts and commissions and expenses (following full exercise by the underwriters' of their over-allotment options).

On April 29, 2009, Standard & Poor's placed on Credit Watch with negative implications its BBB+ long-term corporate credit and debt ratings on ArcelorMittal, citing a broad and severe weakening of ArcelorMittal's operating performance, caused by very difficult market conditions in the steel sector.

After having already suspended its previously announced policy to return 30% of net income to shareholders through an annual base dividend supplemented by share buy-backs, on April 28, 2009, the Company formally announced the termination effective immediately of the share buyback programs authorized by the shareholders on May 13, 2008 and under which shares were repurchased until September 5, 2008.

On April 8, 2009, ArcelorMittal announced that it would be necessary to continue to suspend and optimize production to ensure the Company is well adapted to the market reality. All production suspensions are expected to be temporary and will be reviewed on a regular basis, and the Company expects to maintain all equipment during the suspension period to ensure that production can be re-started as swiftly as possible when market conditions improve. The European Works Council and ArcelorMittal agreed that there would now be strong and transparent social dialogue about the production suspensions at local site level with the relevant Works Councils and employees.

On April 7, 2009, Moody's placed ArcelorMittal's Baa2 long-term and P2 short-term ratings on review for possible downgrade in light of continued weakness in the steel markets.

On April 1, 2009, ArcelorMittal closed a €1.25 billion convertible bond offering (OCEANE).

On March 20, 2009, Fitch placed ArcelorMittal's rating of BBB+ on Rating Watch Negative, citing evidence of a further weakening of the global economy and steel market conditions beyond the agency's previous expectations, and uncertain volume and pricing trends for 2009 and 2010. Fitch said its action was triggered in part by a profit warning issued the day before by another major steel producer, which had cited an increase in the speed and severity of the deterioration of steel market conditions in recent weeks. Fitch noted ArcelorMittal's initiatives in response to the economic downturn, including its significant steel production, cost, capital expenditure and dividend reductions, but stated its concern that these initiatives may not be sufficient to offset weakening demand from customers, particularly the automotive and construction sectors.

On March 19, 2009, ArcelorMittal announced that the shares of its Canadian subsidiary Dofasco, which had been held by Strategic Steel Stichting, a Dutch foundation created in 2006 for the sole purpose of holding custody of Dofasco's shares, will be transferred back to the ArcelorMittal group. In response to market speculation, ArcelorMittal stated that it has no plans to sell Dofasco.

On February 12, 2009, Standard & Poor's revised its outlook on ArcelorMittal to negative from stable, while affirming the Company's BBB+ long-term corporate credit rating.

On January 23, 2009, ArcelorMittal contributed its 76.9% of stake in Saar Ferngas AG to Luxembourg-based utility Soteg, in which it holds a minority ownership stake. Upon completion of all of the steps related to this transaction, ArcelorMittal's stake in Soteg will ultimately increase from 20% to 25.3%.

Employees

As of March 31, 2009, ArcelorMittal had approximately 305,000 employees.

On February 11, 2009, in connection with its 2008 results announcement, ArcelorMittal provided an update on its initiatives in response to the difficult market environment. It announced that it would:

- continue temporary production cuts in the first quarter of 2009 until the inventory reduction process is complete,
- reduce its base dividend for 2009 to $0.75 per share,
- refocus its $5 billion "Management Gains" plan and target $2 billion of the cost savings in 2009,
- reduce its planned capital expenditures to $3 billion in 2009, and
- target a reduction of working capital rotation days by 15-25 days during 2009.

On February 11, 2009 ArcelorMittal announced that it had secured commitments from banks for two Forward Start facilities totaling $4.8 billion, subject to certain conditions. A Forward Start facility provides a borrower in advance with a committed facility to refinance an existing facility (which is not amended and continues in force), and therefore certainty as to the availability of funds for that refinancing. If drawn, the Forward Start facilities would effectively extend the maturities of $4.8 billion principal amount of indebtedness to 2012 (from original maturity dates in 2009-2011).

Other Information

ArcelorMittal is a public limited liability company (société anonyme) that was incorporated under the laws of Luxembourg on June 8, 2001. ArcelorMittal is registered at the R.C.S. Luxembourg under number B 82.454.

The mailing address and telephone number of ArcelorMittal's registered office are:

ArcelorMittal
19, Avenue de la Liberté
L-2930 Luxembourg
Grand Duchy of Luxembourg
+352 4792-2652

ArcelorMittal shares are listed and traded on the NYSE (symbol "MT"), ArcelorMittal's principal United States trading market, and outside the United States are admitted to trading on the Luxembourg Stock Exchange's regulated market and listed on the Official List of the Luxembourg Stock Exchange ("MT") and are listed and traded (on a single order book as from January 14, 2009) on the NYSE Euronext European markets (Paris, Amsterdam and Brussels) ("MT") and the stock exchanges of Madrid, Barcelona, Bilbao and Valencia (the "Spanish Stock Exchanges") ("MTS").

Arcelor

Arcelor became a subsidiary of Mittal Steel in August 2006 and its results of operations have been included in Mittal Steel's (the predecessor entity to ArcelorMittal) consolidated results of operations from that date. Arcelor was created in February 2002 by the combination of three steel-making companies, Aceralia Corporación Siderúrgica, Arbed and Usinor. Prior to its acquisition by Mittal Steel (the predecessor entity to ArcelorMittal), Arcelor operated in four market sectors: flat carbon steel, long carbon steel, stainless steel and Arcelor Steel Solutions and Services. In 2005, the last full year prior to Arcelor's acquisition by Mittal Steel, it produced 46.7 million tonnes of steel and had revenues of €32.6 billion and net income of €3.8 billion.

Summary of the Mittal Steel-Arcelor Combination and Merger

On August 1, 2006, Mittal Steel acquired 91.9% of the share capital of Arcelor (on a fully diluted basis). Through subsequent transactions Mittal Steel increased its ownership to 94.2%, which included the issued and outstanding shares of Arcelor and all of Arcelor's convertible bonds, which were acquired in exchange for approximately 680 million Mittal Steel class A common shares and approximately €8.0 billion ($10.4 billion) in cash. On August 1, 2006, Arcelor became a subsidiary of Mittal Steel and its results of operations were included in Mittal Steel's consolidated results of operations from that date. The acquisition was accounted for using the purchase method of accounting, which requires that the assets acquired and liabilities assumed be recorded at their estimated fair values at the date of acquisition.

In a Memorandum of Understanding entered into among Mittal Steel, Arcelor and the Significant shareholder on June 25, 2006, (the "Memorandum of Understanding" or "MoU"), Mittal Steel agreed that it would merge into Arcelor as soon as practicable following completion of its revised offer for Arcelor, and that the combined entity would be incorporated, domiciled and headquartered in Luxembourg. Following discussions at a meeting held on April 27, 2007, the Mittal Steel Board of Directors decided to organize a two-step process pursuant to which Mittal Steel would first be merged into ArcelorMittal, which would subsequently be merged into Arcelor as the ultimate surviving entity.

ArcelorMittal was incorporated on June 8, 2001 under the name Verger Investments S.A. It was a wholly-owned subsidiary of Mittal Steel from April 24, 2007 and was renamed "ArcelorMittal" on April 26, 2007. It did not conduct any operations prior to the merger summarized below. Effective September 3, 2007, Mittal Steel merged into ArcelorMittal, by way of absorption by ArcelorMittal of Mittal Steel and without liquidation of Mittal Steel, and the combined company was renamed "ArcelorMittal".

On September 25, 2007, ArcelorMittal and Arcelor entered into a merger agreement providing for the merger of ArcelorMittal into Arcelor by way of absorption by Arcelor of ArcelorMittal and without liquidation of ArcelorMittal. On November 13, 2007, the merger became effective and shareholders of ArcelorMittal became shareholders of Arcelor, which was subsequently renamed "ArcelorMittal". No additional consideration in cash or in kind was paid by Arcelor to the shareholders of ArcelorMittal in connection with the merger.

Business Overview

Competitive Strengths

We believe that the following factors contribute to our success in the global steel industry:

Market leader. ArcelorMittal is the world's largest steel producer, with an annual production capacity of over 130 million tonnes of crude steel for the year ended December 31, 2008. Steel shipments for the year ended December 31, 2008 totaled approximately 101.7 million tonnes.

ArcelorMittal is the largest producer of steel in North and South America and Africa, the second largest steel producer in the CIS region, and has a growing presence in Asia, including interests in China. It is also the largest steel producer in the European Union, with significant operations in France, Germany, Belgium, Spain, Luxembourg, Poland, the Czech Republic and Romania. In addition, many of ArcelorMittal's operating units have access to developing markets that are expected to experience, over time, above-average growth in steel consumption (such as Central and Eastern Europe, South America, Africa and CIS).

ArcelorMittal has a diversified portfolio of products to meet a wide range of customer needs across all steel-consuming industries, including the automotive, appliance, engineering, construction, energy and machinery industries. The Issuer sells its products in local markets and through a centralized marketing organization to customers in approximately 180 countries. ArcelorMittal's diversified product offering, together with its distribution network and research and development ("R&D") programs, enable it to build strong relationships with customers, which include many of the world's major automobile and appliance manufacturers. With approximately 21% of the worldwide market share of flat steel sheets for the automotive industry, ArcelorMittal is a strategic partner for the major original equipment manufacturers ("OEMs"), and has the capability to build long-term contractual relationships with them based on early vendor involvement, contributions to global OEM platforms and common value-creation programs.

By operating a portfolio of assets that is diversified across product segments and geographical regions, ArcelorMittal benefits from a number of natural hedges designed to foster relatively stable cash flows in normal economic circumstances and protect it over time from weaknesses in any one particular country or region, as well as volatility in commodity and currency markets.

Research and Development. R&D supports ArcelorMittal's business units in process and product improvement to produce the best quality steel at low cost and environmental impact. With 14 major research centers, ArcelorMittal possesses an R&D capability unique in the steel industry. Their locations worldwide enable quick transfers of achievements to ArcelorMittal plants across the world. In addition, ArcelorMittal's close relationship with its customers enables it to foster innovation and work with them to meet their evolving needs and develop new steel products and solutions. To improve its research efficiency and to achieve a high level of scientific knowledge, ArcelorMittal maintains strong academic partnerships with world-class scientific and technical universities.

The main focuses of ArcelorMittal's R&D are:

- In process research, ArcelorMittal places significant emphasis on cost-effective processes (related to energy savings and raw materials selection), quality, environmental improvements and efficient deployments of resulting process improvements throughout our plants worldwide.
- In the automotive sector, ArcelorMittal's engineering teams resident at customers' plants work with OEMs from the design stage of new product launches, helping to create vehicles that are lighter, stronger, safer and more attractive to end-purchasers. ArcelorMittal continues to lead the way with advanced high-strength steels ("AHSS") and high deformability steels in conjunction with a quick deployment at all worldwide customers' locations.
- In construction and civil engineering markets, ArcelorMittal works to develop new products and solutions addressing safety, health, cost-efficiency, affordability, durability, energy-efficiency, environmental impact, comfort and transportability.

- In the appliances industry, ArcelorMittal develops cost-effective products and solutions, while anticipating new legal and regulatory environmental requirements.
- In the stainless market, ArcelorMittal develops new grades to provide cost-efficient and high value-added products.
- ArcelorMittal takes part in the development of new energy-saving technologies with the production of new, fully processed grades of electrical steel-a growing presence in the wind energy sector.

For the year ended December 31, 2008, ArcelorMittal's R&D expense was approximately $295 million.

Diversified and efficient producer. As a vertically-integrated global steel manufacturer with a leading position in many markets, ArcelorMittal benefits from scale and production cost efficiencies in various markets and a measure of protection against the cyclicality of the steel industry and raw materials prices.

Diversified production process. Approximately 73 million tonnes of crude steel are produced through the basic oxygen furnace route, approximately 26 million tonnes through the electric arc furnace route and approximately 4 million tonnes of crude steel through the open hearth furnace route. This provides ArcelorMittal with greater flexibility in raw material and energy use, and increased ability to meet varying customer requirements in the markets it serves.

Product and geographic diversification. By operating a portfolio of assets that are diversified across product segments and geographical areas, ArcelorMittal benefits from a number of natural hedges.

Upstream integration. ArcelorMittal believes that its relatively high level of self-sufficiency in key raw materials (including 47% iron-ore self-sufficiency, and substantial quantities of metallurgical coal) is a competitive advantage over time. Additionally, ArcelorMittal benefits from the ability to optimize the efficient use of raw materials in its steel-making facilities, a global procurement strategy and the implementation of overall company-wide knowledge management practices with respect to raw materials. Certain of our operating units also have access to infrastructure, such as deep-water port facilities, railway sidings and engineering workshops that lower our transportation and logistics costs.

Downstream integration. ArcelorMittal's downstream integration through the Steel Solutions and Service division enables it to provide customized steel solutions to its customers more directly. The Issuer's downstream assets have cut-to-length, slitting and other processing facilities, which provide value additions and help it to maximize operational efficiencies.

Business improvement through company-wide Knowledge Management Program. Knowledge sharing and implementation of best practices are an integral part of ArcelorMittal's management philosophy. Through its global Knowledge Management Program ("KMP"), ArcelorMittal shares, develops and utilizes its knowledge and experience across its facilities to accelerate improvement in business performance. The KMP covers all key functional areas, such as procurement, marketing, logistics and health and safety, as well as the main steps in steel production and processing. The KMP includes ongoing detailed benchmarking, regular technical meetings and information-sharing at the corporate, regional and operating levels and inter-plant expert and operational support to drive performance improvement. The KMP enables each business unit to benefit from the scale and reach of our global presence and to have access to the best practices and experience within our company. ArcelorMittal believes that the KMP provides a differentiating advantage to our business performance by continuously contributing to reduced procurement and conversion costs and enhanced safety, quality, productivity and profitability.

Dynamic responses to steel market challenges and opportunities. ArcelorMittal's management team has a strong track record and extensive experience in the steel industry. Management had the vision to recognize and take full advantage of the strong steel market trend from 2004 to mid-2008. By responding quickly and decisively to opportunities, management succeeded in building the world's largest steel company. Even as ArcelorMittal grew in recent years (in large part due to its expertise in acquisitions and turnarounds as described below), it put itself and the steel industry as a whole on stronger footing to weather the current market downturn. The consolidation in the sector led by ArcelorMittal has created an industry with fewer, stronger and more disciplined companies and the industry therefore has adjusted more rapidly to the recent sudden collapse in demand than in past downturns. Management has shown similar dynamism in response to the current market downturn. Following the sudden collapse of the market in September 2008, ArcelorMittal was the leader in the steel sector in taking an aggressive response to the crisis, swiftly implementing production cuts, cost cuts and debt reduction to help it weather the downturn and maintain its leading position. Production cuts have ranged up to 45% across all units since September 2008, and have helped the Issuer to begin reducing inventories. Planned cost savings of $5 billion over five years have been announced, and debt reduction (with net debt targeted for a $10 billion reduction in 2009 from third-quarter 2008 levels) is on track. Management's flexibility and agility have allowed ArcelorMittal to shift quickly from the growth-oriented approach that prevailed in early 2008 to a crisis response that is focused on prudent deployment of cash and reduction of costs, while continuing to provide customers with superior value-added steel products and solutions.

Proven expertise in steel acquisitions and turnarounds. ArcelorMittal's management team has proven expertise in successfully acquiring and subsequently integrating operations, and turning around underperforming assets within tight timeframes. The Issuer utilizes a disciplined approach to investing and uses teams with diverse expertise from different business units across the Issuer for evaluating any new asset, conducting due diligence and monitoring integration and post-acquisition performance. Since the inception of ArcelorMittal's predecessor company Mittal Steel in 1989, the Issuer has grown through a series of acquisitions and by improving the operating performance and financial management at the facilities that it has acquired. In particular, ArcelorMittal seeks to improve acquired businesses by eliminating operational bottlenecks, addressing any historical under-investments and increasing acquired facilities' capability to produce higher quality steel. The Issuer introduces focused capital expenditure programs, implements company-wide best practices, balances working capital, ensures adequate management resources and introduces safety and environmental improvements at acquired facilities. ArcelorMittal believes that these operating and financial measures have reduced costs of production, increased productivity and improved the quality of steel produced at these facilities.

Employees. Knowing them to be the Issuer's most valuable assets, ArcelorMittal's management devotes considerable effort towards securing the right people and enhancing their productivity in four key ways: (1) organizational effectiveness, which aligns the organizational structure with the Issuer's goals and operations; (2) resourcing, which ensures that the right people are in the right roles; (3) succession planning and development; and (4) performance management through measures such as management review and incentive programs.

Corporate responsibility. In recognition of the significance that ArcelorMittal places on corporate responsibility ("CR") as an element of its core business strategy, a revised CR strategy has been developed and communicated to employees, investors and other stakeholders. Based on ArcelorMittal's values and vision, the CR strategy is based on the principles of investing in individuals by focusing on safety, employee development and social dialogue; channeling the Issuer's expertise to develop cleaner processes and create more environmentally sound products; and enriching and engaging local communities by measuring the direct economic impacts of ArcelorMittal's operations. These three principles are underscored by a commitment to transparent governance practices.

Business Strategy

ArcelorMittal's success has been built on a consistent strategy that emphasizes size and scale, vertical integration, product diversity, continuous growth in higher value products and a strong customer focus. We intend to continue to be the global leader in the steel industry, in particular through the following:

Three-dimensional strategy for sustainability and growth. ArcelorMittal has unique geographical and product diversification, coupled with upstream and downstream integration that reduces exposure to risk and cyclicality. This strategy can be broken down into its three major elements:

Geography: ArcelorMittal is the largest producer of steel in Europe, North and South America, Africa, the second largest steel producer in the CIS region, and has a growing presence in Asia, particularly in China. ArcelorMittal has steel-making operations in 20 countries on four continents, including 66 integrated, mini-mill and integrated mini-mill steel-making facilities which provide a high degree of geographic diversification. Approximately 36% of its steel is produced in the Americas, approximately 49% is produced in Europe and approximately 15% is produced in other countries, such as Kazakhstan, South Africa and Ukraine. ArcelorMittal is able to improve management and spread its risk by operating in six segments (Flat Carbon Americas, Flat Carbon Europe, Long Carbon Americas and Europe, AACIS, Stainless Steel, and Steel Solutions and Services) reflecting its geographical and product diversity.

Worldwide steel demand in recent years has been driven by growth in developing economies, in particular in Brazil, Russia, India, China, Eastern Europe and Turkey (the "**BRICET Countries**"). The Issuer's expansion strategy over recent years has given it a leading position in Africa, Central and Eastern Europe, South America and Central Asia. The Issuer is also building its presence in China and India. As these economies develop, local customers will require increasingly advanced steel products as market needs change.

Products: As a global steel producer, ArcelorMittal is able to meet the needs of diverse markets. Steel consumption and product requirements are different in mature economy markets and developing economy markets. Steel consumption in mature economies is weighted towards flat products and a higher value-added mix, while developing markets utilize a higher proportion of long products and commodity grades. To meet these diverse needs, ArcelorMittal maintains a high degree of product diversification and seeks opportunities to increase the proportion of its product mix consisting of higher value-added products. The Issuer produces a broad range of high-quality finished, semi-finished carbon steel products and stainless steel products.

Value chain: ArcelorMittal has access to high-quality and low-cost raw materials through its captive sources and long-term contracts. ArcelorMittal plans to continue to develop its upstream and downstream integration in the medium-term, following a return to a more favorable market environment. Accordingly, the Issuer intends in the medium-term to increase selectively its access to and ownership of low-cost raw material supplies, particularly in locations adjacent to, or accessible from, its steel plant operations.

Downstream integration is a key element of ArcelorMittal's strategy to build a global customer franchise. In high-value products, downstream integration allows steel companies to be closer to the customer and capture a greater share of value-added activities. As its key customers globalize, ArcelorMittal intends to invest in value-added downstream operations, such as steel service centers and building and construction support unit services for the construction industry. In addition, the Issuer intends to continue to develop its distribution network in selected geographic regions. ArcelorMittal believes that these downstream and distribution activities should allow it to benefit from better market intelligence and better manage inventories in the supply chain to reduce volatility and improve working capital management. Furthermore ArcelorMittal will continue to expand its production of value-added products in developing markets, leveraging off our experience in developed markets.

Organic Growth. Notwithstanding the current downturn, ArcelorMittal's management believes there will be strong global steel demand growth in the medium and long term. Accordingly, the Issuer is maintaining its previously announced strategic growth plan to increase shipments in the medium-term to 130 million tonnes, which represents a 20% increase over 2006 levels, primarily through production improvements at existing facilities. Realization of this plan will nonetheless be delayed due to the postponement of capital expenditure in light of current market conditions and uncertainties.

Mergers and acquisitions/Greenfield growth. Mergers and acquisitions have historically been a key pillar of ArcelorMittal's strategy to which it brings unique experience, particularly in terms of integration. Instead of creating new capacity, mergers and acquisitions increase industry consolidation and create synergies. ArcelorMittal has also placed strong emphasis on growth in emerging economies through greenfield developments. In light of the current economic and market conditions, ArcelorMittal has temporarily curtailed merger and acquisition and greenfield investment activity until a return to a more favorable market environment.

Segments

ArcelorMittal reports its operations in six operating segments: Flat Carbon Americas, Flat Carbon Europe, Long Carbon Americas and Europe, Asia, Africa and CIS ("AACIS"), Stainless Steel and Steel Solutions and Services. On April 21, 2008, ArcelorMittal announced a redefinition of the operating responsibilities of all members of the Management Board, resulting in a change in the composition of the reportable segments.

The following table sets forth selected financial data by operating segment; the data for 2007 has been retrospectively adjusted to reflect the new segment composition.

	Flat Carbon Americas	Flat Carbon Europe	Long Carbon Americas & Europe	Asia & Africa CIS	Stainless Steel	Steel Solutions and Services	Others/ Elimina-tion[1]	Total
Year ended December 31, 2007								
Sales	21,839	34,924	27,035	14,971	9,349	16,988	(19,890)	105,216
Operating income	3,163	4,148	4,083	2,843	876	559	(842)	14,830
Depreciation and impairment	940	1,415	993	489	275	154	304	4,570
Capital expenditures[2]	1,272	1,752	1,077	764	263	243	77	5,448
Total assets	19,192	32,932	24,992	10,275	5,564	6,188	34,482	133,625
Total liabilities	6,248	12,392	9,192	4,104	2,278	4,278	33,598	72,090
Year ended December 31, 2008								
Sales	27,031	38,300	32,268	13,133	8,341	23,126	(17,263)	124,936
Operating income	2,524	2,773	4,154	3,145	383	206	(949)	12,236
Depreciation and impairment	1,228	1,924	1,725	549	343	201	130	6,100
Capital expenditures[3]	1,082	1,443	1,195	891	262	280	378	5,531
Total assets	22,507	35,083	19,830	8,512	7,447	6,524	33,185	133,088
Total liabilities	7,438	11,853	6,571	2,195	1,738	3,825	40,238	73,858

Notes:

(1) Others/Elimination includes all operations other than those mentioned above, together with inter-segment elimination, and/or non-operational items which are not segmented.

(2) Capital expenditures amounts include intangible assets

(3) Capital expenditures amounts exclude intangible assets

See also note 25 to the 2008 ArcelorMittal consolidated financial statements incorporated herein by reference.

Products

ArcelorMittal has a high degree of product diversification relative to other steel companies. Its plants manufacture a broad range of finished and semi-finished steel products of different specifications, including many difficult and technically sophisticated products that it sells to demanding customers for use in high-end applications.

ArcelorMittal's principal products include:

- semi-finished flat products such as slabs;
- finished flat products such as plates, hot- and cold-rolled sheets, hot-dipped and electro-galvanized sheets, tinplate and color coated sheets;
- semi-finished long products such as blooms and billets;
- finished long products such as bars, wire-rods, structural sections, rails and wire-products;
- seamless and welded pipes and tubes; and
- stainless steel products.

Steel-Making Process

Historically, primary steel producers have been divided into "integrated" and "mini-mill" producers. Over the past few decades, a third type of steel producer has emerged that combines the strengths of both the integrated and the mini-mill processes. These producers are referred to as "integrated mini-mill producers".

Integrated Steel-Making

In integrated steel production, coal is converted to coke in a coke oven, and then combined in a blast furnace with iron ore and limestone to produce pig iron, which is subsequently combined with scrap in a converter, which is generally a basic oxygen or tandem furnace, to produce raw or liquid steel. Once produced, the liquid steel is metallurgically refined and then transported to a continuous caster for casting into a slab, bloom or billet, which is then further shaped or rolled into its final form. Various finishing or coating processes may follow this casting and rolling. Recent modernization efforts by integrated steel producers have focused on cutting costs through eliminating unnecessary production steps, reducing manning levels through automation, and decreasing waste generated by the process. In recent years, integrated steel production has declined as a proportion of total steel production due to the high costs of building, operating and maintaining integrated steel operations, including lost production time associated with periodic blast furnace relinings. This reduction in integrated production capacity has increased the market share of the remaining producers of the highest value-added products that require the cleanest steel.

Mini-Mills

A mini-mill employs an electric arc furnace to directly melt scrap and/or scrap substitutes such as direct reduced iron, thus entirely replacing all of the steps up to and including the energy-intensive blast furnace. A mini-mill incorporates the melt shop, ladle metallurgical station, casting, and rolling into a unified continuous flow. Mini-mills are generally characterized by lower costs of production and higher productivity than integrated steel-makers. These attributes are due in part to the lower capital costs and lower operating costs resulting from the streamlined melting process and more efficient plant layouts of mini-mills. The quality of steel produced by mini-mills is primarily limited by the quality of the metallic raw materials used in liquid steel-making, which in turn is affected by the limited availability of high-quality scrap or virgin ore-based metallics for use in the electric arc furnaces. Mini-mills are substantially dependent on scrap, which in recent years has been characterized by price volatility, generally rising prices and limited availability.

Integrated Mini-Mills

Integrated mini-mills are mini-mills that produce their own metallic raw materials consisting of high-quality scrap substitutes, such as direct reduced iron. Unlike most mini-mills, integrated mini-mills are able to produce steel with the quality of an integrated producer, since scrap substitutes, such as direct reduced iron, are derived from virgin iron ore, which has fewer impurities. The internal production of scrap substitutes as the primary metallic feedstock provides integrated mini-mills with a competitive advantage over traditional scrap-based mini-mills by insulating the integrated mini-mills from their dependence on scrap, which is generally more expensive and has been subject to price volatility, generally rising prices and limited availability. The internal production of metallic feedstock also enables integrated mini-mills to reduce handling and transportation costs. The high percentage use of scrap substitutes such as direct reduced iron also allows the integrated mini-mills to take advantage of periods of low scrap prices by procuring a wide variety of lower-cost scrap grades, which can be blended with the higher-purity direct reduced iron charge. Because the production of direct reduced iron involves the use of significant amounts of natural gas, integrated mini-mills are more sensitive to the price of natural gas than are mini-mills using scrap.

Key Products

Steel-makers primarily produce three types of steel products; flat products, long products and stainless steel. Flat products, such as sheet or plate, are produced from slabs. Long products, such as bars, rods and structural shapes, are rolled from blooms and/or billets. Stainless steel products include austenitic stainless, ferritic stainless and martensitic stainless.

Flat Products

Slab. A slab is a semi-finished steel product obtained by the continuous casting of steel or rolling ingots on a rolling mill and cutting them into various lengths. A slab has a rectangular cross-section and is used as a starting material in the production process of other flat products (e.g., hot-rolled sheet).

Hot-Rolled Sheet. Hot-rolled sheet is minimally processed steel that is used in the manufacture of various non-surface critical applications, such as automobile suspension arms, frames, wheels, and other unexposed parts in auto and truck bodies, agricultural equipment, construction products, machinery, tubing, pipe and guard rails. All flat-rolled steel sheet is initially hot-rolled, a process that consists of passing a cast slab through a multi-stand rolling mill to reduce its thickness to less than 12 millimeters. Flat-rolled steel sheet that has been wound is referred to as "coiled".

Cold-Rolled Sheet. Cold-rolled sheet is hot-rolled sheet that has been further processed through a pickle line, which is an acid bath that removes scaling from steel's surface, and then successively passed through a rolling mill without reheating until the desired gauge, or thickness, and other physical properties have been achieved. Cold-rolling reduces gauge and hardens the steel and, when further processed through an annealing furnace and a temper mill, improves uniformity, ductility and formability. Cold-rolling can also impart various surface finishes and textures. Cold-rolled steel is used in applications that demand higher surface quality or finish, such as exposed automobile and appliance panels. As a result, the prices of cold-rolled sheet are higher than the prices of hot-rolled sheet. Typically, cold-rolled sheet is coated or painted prior to sale to an end-user.

Coated Sheet. Coated sheet is generally cold-rolled steel that has been coated with zinc, aluminum or a combination thereof to render it corrosion-resistant and to improve its paintability. Hot-dipped galvanized, electro-galvanized and aluminized products are types of coated sheet. These are also the highest value-added sheet products because they require the greatest degree of processing and tend to have the strictest quality requirements. Coated sheet is used for many applications, often where exposed to the elements, such as automobile exteriors, major household appliances, roofing and siding, heating and air conditioning equipment, air ducts and switch boxes, as well as in certain packaging applications, such as food containers.

Plates. Plates are produced by hot-rolling either reheated slabs or ingots. The principal end uses for plates include various structural products such as for bridge construction, storage vessels, tanks, shipbuilding, line pipe, industrial machinery and equipment.

Tinplate. Tinplate is a light-gauge, cold-rolled, low-carbon steel usually coated with a micro-thin layer of tin. Tinplate is usually between 0.14 millimeters and 0.84 millimeters thick and offers particular advantages for packaging, such as strength, workability, corrosion resistance, weldability and ease in decoration. Food and general line steel containers are made from tinplate.

Long Products

Billets/Blooms. Billets and blooms are semi-finished steel products. Billets generally have square cross-sections up to 155 millimeters by 155 millimeters, and blooms generally have square cross-sections greater than 155 millimeters by 155 millimeters. These products are either continuously cast or rolled from ingots and are used for further processing by rolling to produce finished products like bars and wire rod sections.

Bars. Bars are long steel products that are rolled from billets. Merchant bar and reinforcing bar (rebar) are two common categories of bars. Merchant bars include rounds, flats, angles, squares, and channels that are used by fabricators to manufacture a wide variety of products such as furniture, stair railings, and farm equipment. Rebar is used to strengthen concrete in highways, bridges and buildings.

Special Bar Quality (SBQ) Steel. SBQ steel is the highest quality steel long product and is typically used in safety-critical applications by manufacturers of engineered products. SBQ steel must meet specific applications' needs for strength, toughness, fatigue life and other engineering parameters. SBQ steel is the only bar product that typically requires customer qualification and is generally sold under contract to long-term customers. End-markets are principally the automotive, heavy truck and agricultural sectors, and products made with SBQ steel include axles, crankshafts, transmission gears, bearings and seamless tubes.

Wire Rods. Wire rod is ring-shaped coiled steel with diameters ranging from 5.5 to 42 millimeters. Wire rod is used in the automotive, construction, welding and engineering sectors.

Wire Products. Wire products include a broad range of products produced by cold reducing wire rod through a series of dies to improve surface finish, dimensional accuracy and physical properties. Wire products are used in a variety of applications such as fasteners, springs, concrete wire, electrical conductors and structural cables.

Seamless Tube. Seamless tubes have outer dimensions of approximately 25 to 508 millimeters. They are produced by piercing solid steel cylinders in a forging operation in which the metal is worked from both the inside and the outside. The final product is a tube with uniform properties from the surface through the wall and from one end to the other.

Welded Pipes and Tubes. Welded pipes and tubes are manufactured from steel sheet that is bent into a cylinder and welded either longitudinally or helically.

Structural Sections. Structural sections or shapes is the general term for rolled flanged shapes with at least one dimension of their cross-section of 80 millimeters or greater. They are produced in a rolling mill from reheated blooms or billets. Structural sections include wide-flange beams, bearing piles, channels, angles and tees. They are used mainly in the construction industry and in many other structural applications.

Rails. Rails are hot-rolled from a reheated bloom. They are used mainly for railway rails but they also have many industrial applications, including rails for construction cranes.

Stainless Steel

Stainless steel is steel with a carbon content less than or equal to 1.2%, together with a chromium content of at least 10.5%, possibly with additional alloying elements. The alloying elements most commonly used in stainless steels are chromium, nickel, molybdenum, titanium, niobium, manganese, nitrogen, copper, silicon, aluminum and vanadium. The addition of other elements provides further advantages, such as resistance to corrosion in highly aggressive media; resistance to oxidation at high temperatures; toughness and ductility at very low temperatures; high mechanical strength; and fabricability (including drawing, bending, hydroforming, welding and brazing). The following are main classifications of stainless steel:

- Austenitic stainless steel is the most widely used grade and is characterized as non-magnetic and typically contains 19% chromium, as well as nickel, which increases its corrosion resistance;
- Ferritic stainless steel is a grade characterized as being magnetic with low carbon content and chromium content of 13-17%;
- Martensitic stainless steel is a grade characterized as being magnetic and has a 12% chromium content and a moderate carbon content; and
- Duplex 318 series stainless steel is a grade characterized as having greater strength and corrosion resistance properties than other grades.

Electrical Steels

There are three principal types of electrical steel: grain-oriented steels, non-oriented fully processed steels and non-oriented semi-processed steels:

- Grain-oriented steels are 3% silicon-iron alloys developed with a grain orientation to provide very low power loss and high permeability in the rolling direction, for high efficiency transformers. These materials are sold under the Unisil trade mark. Unisil H is a high permeability grade that offers extremely low power loss.

- Non-oriented fully processed steels are iron-silicon alloys with varying silicon contents and have similar magnetic properties in all directions in the plane of the sheet. They are principally used for motors, generators, alternators, ballasts, small transformers and a variety of other electromagnetic applications. A wide range of products, including a newly developed thin gauge material for high frequency applications, are available.

- Non-oriented semi-processed steels are largely non-silicon alloys sold in the not finally annealed condition to enhance punchability. Low power loss and good permeability properties are developed after final annealing of the laminations. These materials are sold under the Newcor and Polycor trade marks.

Direct Reduced Iron

Direct reduced iron, also known as DRI, is produced by removing the oxygen from iron ore without melting it. DRI is used as feedstock for electric arc furnaces and is a high-quality substitute for scrap.

In 2008, ArcelorMittal was one of the world's largest producers of direct reduced iron, with total production of 8.1 million tonnes. Direct reduced iron enables ArcelorMittal to control the quality and consistency of its metallic input, which is essential to ensure uniform high quality of the finished products. Direct reduced iron has historically given ArcelorMittal a cost advantage compared to scrap.

Raw Materials and Energy

ArcelorMittal's principal raw material input items are iron ore, solid fuels (coke and coking coal), metallics, alloys, metals, energy and industrial gases.

ArcelorMittal's raw materials supply strategy consists of:

- Acquiring and expanding captive sources of certain raw materials, in particular iron ore, coal, bulk alloys and manufacturing refractory products;

- With respect to purchasing, pursuing the lowest unit price available based on the principles of total cost of ownership and value-in-use through aggregated purchasing, supply chain and consumption optimization;

- Exploiting its global purchasing reach; and

- Leveraging local cost advantages on a global scale.

Faced with rising and more volatile raw materials prices in recent years and in light of the concentrated nature of the mining industry (in particular iron ore), ArcelorMittal has pursued a strategy of selectively acquiring mining assets that are complementary to its steel producing activities and making substantial investments in the development of its captive raw material base in order to raise its self-sufficiency level. These acquisitions and investments have focused mainly on iron ore and coking coal, which are the two most important inputs in the steel-making process, but have also included investments to secure access to other raw materials such as molybdenum and ferroalloys. The main mining assets acquired in 2008 were the Mid Vol and Concept coal mines in the United States, the Kuzbass area coal mines in Russia and the Serra Azul iron ore mines (acquired in the London Mining South America Limited transaction) in Brazil. In 2008, ArcelorMittal sourced approximately 47% of its iron ore requirements and about 13% of its metallurgical coal requirements from its own mines and other captive sources, including cost-plus contracts.

In addition, ArcelorMittal has announced several exploration and evaluation mining projects in Liberia, Senegal, Mauritania, India and other countries that have not reached the development and production stages. The scope and timing of the implementation of these projects is currently uncertain, and there is no guarantee of actual development and production. ArcelorMittal also holds stakes in a few joint ventures and other entities with substantial mining assets, the most significant being MacArthur Coal in Australia, and Kalagadi Manganese and Coal of Africa Limited in South Africa.

ArcelorMittal also has in place strategic contracts with mining companies that provide long-term, stable sources of raw materials. The largest of these is a set of ten-year iron ore supply contracts (described below) with Vale. ArcelorMittal believes these contracts play an important role in insulating the Issuer's steel-making facilities from input price volatility and help to prevent disruptions in the production process, thereby enhancing long-term operational efficiency. In 2008, ArcelorMittal sourced approximately 53% of its iron ore requirements and approximately 86% of its coking coal under these long-term strategic contracts. There were no significant purchases of iron ore and coking coal on the spot market in 2008.

Although the recent plunge in spot market prices for raw materials has substantially reduced, at least in the short term, the cost advantages of proprietary mining assets and long-term supply contracts, ArcelorMittal believes that securing access to raw materials self-sufficiency will continue to be a strategic goal for the Issuer over the medium and long term. That said, the timing and scope of most of the Issuer's raw materials acquisition and investment projects are currently under review in light of the global economic outlook and the Issuer's announced debt-reduction initiatives.

The chart below sets forth information regarding ArcelorMittal's raw material production and consumption in 2008.

Millions of metric tonnes	**Consumption**	**Consumption from own production/ generation**	**External purchase**	**Self-sufficiency %**
Iron Ore[(1)]	123	57	65	47
PCI & Coal[(2)]	49	7	42	13
Coke	33	31	2	93
Scrap & DRI	40	16	23	41

Notes:

(1) Assuming full production of iron ore at ArcelorMittal Mines Canada and Serra Azul for captive use.

(2) Coal denoted only for steelmaking process and excludes steam coal for power generation.

Iron Ore

ArcelorMittal sources significant portions of its iron ore needs from its own mines in Kazakhstan, Ukraine, Bosnia, Algeria, Canada, the United States, Mexico and Brazil. ArcelorMittal is also expanding capacity of existing mines in Mexico and Ukraine. In addition, the Issuer has announced prospective mining developments in Liberia (where it is conducting preliminary work), Senegal (where it has started exploratory work) and Mauritania. Several of ArcelorMittal's steel plants also have in place off-take arrangements with mineral suppliers located near its production facilities, some of which supply the relevant plant's iron ore requirements on a cost-plus basis. Taking into account these arrangements, ArcelorMittal's captive sources of iron ore accounted for approximately 47% of ArcelorMittal's 2008 requirements.

The following chart sets forth information on ArcelorMittal's principal iron ore mining operations and production in 2008:

Mine	Type	Product	Control[(1)]	2008 Production[(2)]
				(in millions of metric tonnes)
Kazakhstan				
Lisakovski	Open Pit	Concentrate	100.00%	0.9
Kentube	Open Pit	Concentrate	100.00%	0.8
Atasu	Underground	Lump and Fines	100.00%	0.7
Atansore	Open Pit	Lump and Fines	100.00%	0.9
Ukraine				
Kryviy Rih	Open Pit	Concentrate	95.02%	7.8
Kryviy Rih	Underground	Lump and Fines	95.02%	1.6
Algeria				
Ouenza	Open Pit	Lump and Fines	70.00%	1.2
Boukhadra	OpenPit/Underground	Lump and Fines	70.00%	0.5
Bosnia				
Omarska	Open Pit	Lump and Fines	51.00%	1.2
Buvac	Open Pit	Lump and Fines	51.00%	-
Mexico				
Peña Colorada[(3)]	Open Pit	Concentrate and Pellets	50.00%	2.3
Las Truchas	Open Pit	Concentrate	100.00%	2.3
Volcan	Open Pit	Concentrate	100.00%	0.1
Canada				
QCM (Mount Wright)	Open Pit	Concentrate and Pellets	100.00%	13.8
Wabush[(3)]	Open Pit	Pellets	28.57%	1.2
USA				
Hibbing[(3)]	Open Pit	Pellets	62.30%	5.2
Minorca	Open Pit	Pellets	100.00%	2.8
Brazil				
Andrade[(4)]	Open Pit	Lump and	100.00%	1.2

Mine	Type	Product	Control[1]	2008 Production[2]
				(in millions of metric tonnes)
		Fines		
Serra Azul	Open Pit	Lump and Sinter feed	100.00%	0.4
South Africa[5]				
Sishen	Open Pit	Lump and Fines	Third Party	5.4
Thabazambi	Open Pit	Lump and Fines	Third Party	2.6
USA				
Cleveland Cliffs[6]	Open Pit	Pellets	Cleveland Cliffs	11.7

Notes:

(1) Control indicates shareholding stake owned by the Group and/or long-term agreements whereby iron ore is available to the Group at cost plus basis (unrelated to the market).

(2) Finished product: concentrate, lumps, fines and pellets.

(3) Includes own share of production.

(4) Operated by Vale; prices on a cost plus basis.

(5) Strategic agreement; prices on a cost plus basis.

(6) Long-term supply contract with Cleveland Cliffs; prices are formula based.

ArcelorMittal has also entered into strategic iron ore supply contracts with global mining companies. The largest of these is a group of ten-year supply contracts entered into in 2008 with Vale, the world's largest iron ore producer, under which supply prices and deliveries are set annually. ArcelorMittal's other principal international suppliers include Cleveland-Cliffs Inc. in the United States, Metalloinvest in Russia, Société Nationale Industrielle et Minière (S.N.I.M.) in Mauritania, Luossavaara-Kiirunavaara AB (LKAB) in Sweden and Rio Tinto Ltd. in Australia.

Solid Fuels

Coking Coal. As with iron ore, ArcelorMittal sources a percentage of its coking coal from captive coal mines in Kazakhstan, Russia, the United States and South Africa. The Issuer's mines in Kazakhstan supply substantially all the requirements for its steel making operations at ArcelorMittal Temirtau, while the mines in Russia and the United States that supply other steel plants within the ArcelorMittal group. ArcelorMittal expanded its coal mining assets in 2008 by acquiring the Mid Vol and Concept mines in the United States as well as the Kuzbass mines in Russia.

The following chart sets forth information on ArcelorMittal's principal coking coal mining operations and production in 2008:

Mine	Type	Product	Control	2008 Production[3] (in millions of metric tonnes)
USA – Midvol	Surface	Concentrate	100%	0.2
USA – Concept	Surface/Underground	Concentrate	100%	0.6
Russia – Kuzbass	Underground	Concentrate	98.29-100%	1.0
Kazakhstan	Underground	Concentrate	100%	4.1
South Africa – Tshikondeni[1]	Underground	Concentrate	Third party	0.3
USA – Madison[2]	Underground	Concentrate	Third party	0.3

Notes:

(1) Strategic agreement - prices on a cost plus basis.

(2) Long-term lease - prices on a cost plus basis.

(3) Production figures include only volumes since acquisition by ArcelorMittal.

Where ArcelorMittal's coke-making facilities do not have access to internal captive sources of coking coal, they buy it from mostly domestic or regional sources under supply contracts and through spot market purchases that allow them to match purchases with planned coke production needs.

Coke. ArcelorMittal has its own coke-making facilities at most of its integrated mill sites, including in Algeria, Bosnia, United States, Canada, Mexico, Brazil, Spain, France, Belgium, Poland, Czech Republic, Kazakhstan, South Africa, Romania and Ukraine. While ArcelorMittal meets most of its own coke requirements, certain of ArcelorMittal's operating subsidiaries buy coke from mostly domestic or regional sources to optimize cost savings from transport efficiencies, and certain of its subsidiaries also sell excess coke at market prices to third parties. The remainder of the spot purchases of coke are made from China and Japan.

In the United States, ArcelorMittal USA produces part of its coke requirement in its own batteries, with the bulk procured under long-term contracts from dedicated coke batteries owned by third parties. These contracts have formula-based pricing arrangements.

ArcelorMittal also operates a stand-alone coke plant in Poland, Zaklady Koksownicze Zdzieszowice Sp. z o. o., that produces approximately 3.9 million tonnes of coke annually. Approximately 87% of this annual production is supplied to ArcelorMittal plants. The remainder is sold to external customers. In line with the strategy of increasing coke self sufficiency, ArcelorMittal acquired a coke plant in Monessen, Pennsylvania, which has a capacity of approximately 327,000 tonnes.

Metallics (Scrap)

ArcelorMittal procures the majority of its scrap requirements locally and regionally to optimize transport costs, or under short-term contracts. At its U.S. operations, there are no long-term scrap contracts available as purchases tend to be made in the spot market on a monthly basis. In Europe, ArcelorMittal has entered into contracts for scrap recycling. The acquisition of Rolanfer Recyclage SA in Europe in 2008 and Bakermet in Canada will provide additional sources of scrap supply to the Issuer in the future.

Alloys

ArcelorMittal purchases its requirements of bulk and noble alloys from a number of global, regional and local suppliers on contracts that are linked to generally-accepted indices or negotiated on a quarterly basis. The Issuer's prospective joint venture with Kalagadi Manganese in South Africa is expected to provide an additional source of alloy in the future.

Base Metals

All of our base metal needs, including zinc, tin and aluminum for coating, as well as nickel for stainless steel production, are purchased under long-term volume contracts. Pricing is based on the market-accepted indices. Material is sourced from both local and global producers.

Electricity

ArcelorMittal generally procures its electricity through tariff-based systems in regulated areas such as parts of the United States and South Africa, or through bilateral contracts. The duration of these contracts varies significantly among the various areas and types of arrangement.

For integrated steel mills, plant off-gases from various process steps are utilized to generate a significant portion of the plant's electricity requirements and lower the purchase volumes from the grid. This is either produced by the plant itself or with a partner in the form of a co-generation contract.

Natural Gas

ArcelorMittal procures much of its natural gas requirements for its U.S., Canada and Mexico operations from the natural gas spot market or through short-term contracts entered into with local suppliers of natural gas with prices fixed by either contract or tariff based on spot market prices. For its European operations, ArcelorMittal sources its natural gas requirements under prevailing oil-based pricing systems. Contracts are either based on a tariff systems or long-term contracts.

The remaining natural gas consumption represents less than 20% of the ArcelorMittal's total consumption and is generally based in regulated markets.

Industrial Gases

ArcelorMittal procures its industrial gas requirements under long-term contracts with various suppliers in different geographical regions.

Shipping

ArcelorMittal Shipping Limited ("AMS") provides ocean transportation solutions to ArcelorMittal's manufacturing subsidiaries and affiliates. AMS determines cost-efficient and timely approaches for the transport of raw materials, such as iron ore, coal, coke and scrap, and of semi-finished and finished products. It has an office in London, a key hub of the global shipping business.

In 2008, AMS arranged transportation for approximately 86 million tonnes of raw materials and about 18 million tonnes of finished products.

The key objectives of AMS are to ensure cost-effective and timely shipping services to all units. AMS also acts as manager for a Mauritius-based shipping company, Global Chartering Ltd. ("GC"). GC handles approximately 20% of the Issuer's raw materials, which are transported by sea by chartering vessels on a short- to long-term basis. It wholly owns two Handymax, three bareboat-chartered Panamax and many Panamax vessels on a medium- to long-term charter. GC expects to have six Capesize vessels on long-term charter by 2011, one of which was delivered in 2008. The Issuer will have four Supramax on charter by 2012, two of which were delivered this year. On the Panamax sector, AMS' strategy is to carry 85% of the cargo on Global Chartering-controlled vessels, whether owned or chartered. This target is scheduled to be achieved by 2012/2013.

AMS is also responsible for providing shipping services to the Issuer's marketing organizations. This includes forwarding services and complete logistics services through ArcelorMittal Logistics, which maintains offices throughout Western Europe and provides complete logistics solutions from plants to customer locations using various modes of transport, including ships.

Purchasing

ArcelorMittal has implemented a global purchasing process for its major procurement requirements, including in the areas of raw materials, industrial services, industrial equipment, spares and maintenance as well as capital expenditure items, energy and shipping. ArcelorMittal's centralized purchasing company, ArcelorMittal Sourcing, also provides services such as hedging, rationalization of contracts, logistics and optimizing different qualities of materials suitable for different plants.

In doing so, ArcelorMittal seeks to benefit from economies of scale in a number of ways, including by establishing long-term relationships with suppliers that sometimes allow for advantageous input pricing, pooling its knowledge of the market fundamentals and drivers for inputs and deploying specialized technical knowledge especially for the acquisition of industrial services and plant equipment and facilities. This enables ArcelorMittal to achieve a balanced supply portfolio in terms of diversification of sourcing risk in conjunction with the ability to benefit from a number of captive raw materials sources.

During 2007, a global and integrated "Total Cost of Ownership" project was launched that builds on previous expertise employed in a number of sites. This project seeks to change the business approach from unit price-based decision-making to total cost of ownership-based decision making, with the goal of lowering the total cost of production through minimization of waste, improved input material recovery rates and higher rates of recycling.

Marketing

In 2008, ArcelorMittal sold approximately 101.7 million tonnes of steel products.

Sales

The majority of steel sales from ArcelorMittal are destined for domestic markets. For these domestic markets, sales are usually approached as a decentralized activity, to be managed at the production unit level. In instances where production facilities are in relatively close proximity to one another, and where the market requirements are similar, the sales function is aggregated to serve a number of production units. Sales are mostly made directly to the customer. In the EU region, ArcelorMittal owns a large number service and distribution centers. Depending on the level of complexity of the product, or the level of service required by the customer, the service centre operations form an integral part of the supply chain to our customers. Distribution centers provide access to our products to smaller customers that cannot or do not want to buy directly from the operating facility.

Export sales are by preference executed through the activities of the in-house export trading arm to ensure coordinated market entry into the country of destination for all ArcelorMittal products.

Globally, all sales-though executed at local level-are co-ordinated strategically to ensure harmonized contract, price, rebate and payment conditions for the ArcelorMittal group as a whole.

For some global industries, with customers in more than one of the geographical areas that ArcelorMittal services, dedicated sales and service organizations have been put in place. This is most notably the case for the automotive industry and the packaging markets. The sales through these channels are also subject to global co-ordination with respect to contract, price, rebate and payment conditions.

Because ArcelorMittal has no significant operations in its home country of Luxembourg, all of its sales are considered to be export sales. Annual sales to a single individual customer did not exceed 10% of sales in any of the periods presented.

Marketing

Marketing follows the sales activity very closely and is by preference executed at the local level. In practice, this leads to a focus on regional marketing competencies, particularly where there are similarities among regional markets in close geographical proximity. At the global level, the objective is to share marketing intelligence with a view to identify new opportunities, either in new products or applications, new product requirements or in new geographical demand. Where new product application is involved, the in-house research and development unit of ArcelorMittal is involved in developing the appropriate products.

An important part of the marketing function at ArcelorMittal is to develop short-range outlooks that provide future perspectives on the state of market demand and supply. These outlooks are shared with the sales team in the process of finalising the sales strategy for the immediate future and with senior management when market conditions call for production adjustments.

Globally, sales and marketing activities are co-ordinated to ensure a harmonized approach to the market. The objective is to provide similar service experiences to all customers of ArcelorMittal in every market.

Insurance

ArcelorMittal maintains insurance on property and equipment in amounts believed to be consistent with industry practices. ArcelorMittal insurance policies cover physical loss or damage to its property and equipment on a reinstatement basis arising from a number of specified risks and certain consequential losses, including business interruption arising from the occurrence of an insured event under these policies.

ArcelorMittal also maintains various other types of insurance, such as comprehensive construction and contractor insurance for its greenfield and major capital expenditures projects, public and products liability, directors and officers liability, credit, commercial crime, transport, and charterers' liability, as well as other customary policies such as car insurance, travel assistance and medical insurance.

Each of the operating subsidiaries of ArcelorMittal also maintains various local mandatory insurance policies that are mandatory at the local level, such as employer liability, workers compensation and auto liability, as well as specific insurance such as public liability to comply with local regulations.

Intellectual Property

ArcelorMittal owns and maintains a patent portfolio covering processes and steel products, including uses and applications that it creates, develops and implements in territories throughout the world. Such patents and inventions primarily relate to steel solutions with new or enhanced properties, as well as new technologies that generate greater cost-efficiencies.

ArcelorMittal also owns trade marks, both registered and unregistered, relating to the names and logos of its companies and the brands of its products. ArcelorMittal has policies and systems in place to monitor and protect the confidentiality of its know-how and proprietary information. The Issuer applies a general policy for patenting selected new inventions, and its committees organize an annual patent portfolio screening by individuals from the Issuer's R&D and business sectors in order to optimize the global efficiency of the Issuer's patent portfolio. The Issuer's patent portfolio includes more than 5,500 patents and patent applications, mostly young or middle aged, for more than 680 patent families, with more than 52 inventions newly-protected in 2007 and 26 new inventions newly-protected in 2008. Because of this constant innovation, we do not expect the lapse of patents that protect our older technology to materially affect our current revenues.

In addition to our patent portfolio, technical know-how and other unpatented proprietary information, we have also been granted licenses for technologies developed by third parties in order to allow us to propose comprehensive steel solutions to our customers. We are not aware of any pending lawsuits alleging our infringement of others' intellectual property rights that could materially harm our business.

Government Regulations

ArcelorMittal's operations are subject to various regulatory regimes in the regions in which it conducts its operations. The following is a discussion of the principal features of selected regulatory regimes that affect or are likely to affect its operations.

Environmental Laws and Regulations

ArcelorMittal's operations are subject to a broad range of laws and regulations relating to air emissions, wastewater storage, treatment and discharges, the use and handling of hazardous or toxic materials, waste disposal practices, the remediation of environmental contamination, and other aspects of the protection of the environment at its multiple locations and operating subsidiaries. As these laws and regulations in the United States, the European Union and other jurisdictions continue to become more stringent, ArcelorMittal expects to expend substantial amounts to achieve or maintain ongoing compliance. Furthermore, as an owner and operator of a significant number of mining assets, these operations will require rehabilitation expenditure upon closure. In addition to capital investments required for additional controls and other improvements, ArcelorMittal had provisions of approximately $769 million at December 31, 2008 for environmental remedial activities and liabilities (excluding asset retirement obligations).

With regard to climate change, ArcelorMittal's activities in the EU are subject to the EU Emissions Trading Scheme, and it is likely that requirements relating to greenhouse gas emissions will become more stringent and will expand to the United States, Canada and other jurisdictions in the future. The post-2012 carbon market is very uncertain, but ArcelorMittal is closely monitoring regulatory and legislative developments and is endeavoring to reduce its own emissions where appropriate.

United States

Our operating subsidiaries in the United States are subject to numerous environmental laws and regulations including the Clean Air Act, the Clean Water Act, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation and Liability Act, also known as "Superfund", the Safe Drinking Water Act, and the Toxic Substances Control Act, as well as applicable state and local environmental requirements.

ArcelorMittal USA has established provisions of $222 million (exclusive of asset retirement obligations) to address existing environmental liabilities associated with its operations. The environmental provisions include anticipated spending of approximately $41 million in 2009. Most of these provisions relate to significant remedial activities at various facilities. In some cases, soil or groundwater contamination requiring remediation is present at ArcelorMittal's facilities. In other cases, it is present at former facilities or third-party waste disposal sites. All of ArcelorMittal USA's major operating and inactive facilities are or may be subject to a corrective action program or other laws and regulations relating to environmental remediation, including projects relating to the reclamation of industrial properties, also known as "brownfield projects". ArcelorMittal USA is also as of now a potentially responsible party at least two state and federal Superfund sites. Superfund and analogous U.S. state laws can impose liability for the entire cost of cleanup at a site upon current or former site owners or operators or parties who sent hazardous materials to the site, regardless of fault or the lawfulness of the activity that caused the contamination. ArcelorMittal USA may incur additional costs or liabilities at these sites if additional cleanup is required, private parties may sue ArcelorMittal USA for personal injury or property damage, or other responsible parties may sue for reimbursement of costs incurred to clean up sites. ArcelorMittal USA may also be named as a potentially responsible party at other sites if its hazardous materials or those of its predecessor(s) were disposed of at a site that later becomes a Superfund site.

ArcelorMittal USA's environmental provisions also include $49 million, with anticipated expenditures of $8 million during 2009, to specifically address the removal and disposal of polychlorinated biphenyls ("PCBs") and the elimination of asbestos-containing material.

In addition to expenditures relating to existing environmental liabilities, ArcelorMittal USA will invest significant sums in response to changes in environmental laws and regulations. For example, several of ArcelorMittal USA's facilities are subject to revised effluent regulations issued in 2002 under the Clean Water Act. Compliance with such regulations will be required because new facility discharge permits are required to continue operating. ArcelorMittal USA anticipates spending over $40 million on wastewater treatment plant improvements in 2009.

European Union

For our operations in the European Union, significant EU Directives and regulations are applicable to our production units, including the following:

- Directive 2008/1/EC of January 15, 2008 concerning integrated pollution prevention and control (the "IPPC Directive"), which applies common rules for permitting and controlling industrial installations. This directive, currently under review by the EU Council and Parliament, is complemented by European Pollutant Release and Transfer Register (E-PRTR) regulation (EC) N° 166/2006 of January 18, 2006 implementing the yearly report on release of pollutants and off-site transfer of waste.
- Directive 2004/35/EC of April 21, 2004 on environmental liability, with regard to the prevention and remediation of environmental damage (the "Environmental Liability Directive"), which establishes liability for remediation of damage to and contamination of the environment (water, soil, protected species and habitats).
- Directive 2008/98/EC of November 19, 2008 which establishes the legislative framework for the handling and management of waste in the EU and regulation (EC) N° 1013/2006 of June 14, 2006, which regulates the shipment of waste from and towards the European Union.
- Directive 2008/105/EC of December 16, 2008, setting new water quality standards for priority pollutants in support of Directive 2000/60/EC of October 23, 2000, which established a framework for action in the field of water policy.
- Directive 2003/87/EC of October 13, 2003, as amended by Directive 2004/101/EC (the "Emissions Trading Directive"), which establishes a program under which EU member states are allowed to trade greenhouse gas emission allowances within the EU subject to certain conditions.

The following EU Directives are also significant:

- Directive 2008/50/EC of May 21, 2008 on ambient air quality and cleaner air for Europe.
- Directive 2004/107/EC of December 15, 2004 relating to limit values and target values for pollutants in ambient air, including thresholds on very fine particulates.
- Directive 2001/81/EC of October 23, 2001 on national emission ceilings for certain pollutants.

EU Directives applicable to our products include those relating to waste electrical and electronic equipments (Directive 2002/96/EC of January 27, 2003), end-of-life vehicles (Directive 2000/53/EC of September 18, 2000) and packaging and packaging waste (Directive 2004/12/EC of February 11, 2004).

ArcelorMittal is also subject to the "REACH" regulation (EC) N° 1907/2006 for Registration, Evaluation, Authorization and Restriction of Chemicals, adopted on December 18, 2006, which controls the chemical substances manufactured in or imported into the EU in volumes over one tonne per year, and became effective in June 2007. In June 2007, ArcelorMittal established a dedicated task force at the corporate level, responsible for coordinating the strategic aspects of implementation, as well as a platform addressing technical issues in order to achieve implementation of REACH and of the United Nations Globally Harmonized System of classification and labeling (GHS), which is being incorporated into REACH. In compliance with the REACH regulation, the subsidiaries of the ArcelorMittal group have pre-registered their imported and manufactured substances in the European Community with the European Chemical Agency (ECHA). Groupwide, ArcelorMittal submitted 756 pre-registration files to ECHA.

ArcelorMittal anticipates that its capital investments for environmental matters in the European Union over the next several years will relate primarily to installations of additional air emission controls and to requirements imposed in the course of renewal of permits and authorizations, including those pursuant to the IPPC Directive.

In particular, since 2005 ArcelorMittal's operations in the European Union are subject to the Emissions Trading Directive, the EU's central instrument for achieving the EU member states' commitments under the Kyoto Protocol by providing a European emissions trading system ("ETS") for carbon dioxide emissions. The ETS covers more than 10,000 installations across the EU, including combustion plants, oil refineries, coke ovens, iron and steel plants, and factories making cement, glass, lime, brick, ceramics, and pulp and paper. At the heart of ETS is the common trading currency of emission allowances. One allowance gives the holder the right to emit one tonne of carbon dioxide. For each trading period under the ETS, EU member states draw up national allocation plans that determine how many emission allowances each installation will receive. Companies that keep their emissions below the level of their allowances can sell their excess allowances. Companies that do not keep their emissions below the level of their allowances must either reduce their emissions, such as by investing in more efficient technology or using less carbon-intensive energy sources, or purchase the extra allowances that they need on the open market.

The National Allocation Plans (NAPs) for the period 2008 through 2012 have been finalized in almost all EU member states and the allowances assigned to ArcelorMittal's EU operating subsidiaries are expected to fall short for this period. ArcelorMittal plans to achieve compliance by the implementation of performance efficiency projects, the generation of credits in non-EU countries and the purchase of emission rights on the market. The projected costs for achieving compliance going forward are unknown given the present slowdown in production.

For the period after 2012, the EU institutions adopted on December 17, 2008 the so-called "EU climate change package" containing in particular the following legislative documents:

- Directive to improve and expand the greenhouse gas ("GHG") emission allowance trading system of the Community (ETS).
- Decision on the effort of Member States to reduce their GHG emissions to meet the Community's GHG emission reduction commitments up to 2020 (20% reduction by 2020 compared to 1990 levels, and 30% if other developed countries commit themselves to comparable emissions reduction).
- Directive on the geological storage of carbon dioxide.

In particular, the new ETS includes centralized allocation rather than national allocation plans, a cap designed to achieve an overall reduction of greenhouse gases for the industrial sector of 21% in 2020 compared to 2005 emissions and auctioning as the basic principle for allocating emissions allowances, with transitional free allocation in particular for manufacturing industries under risk of "carbon leakage". Many issues that ultimately will determine the impact of the revised ETS scheme need to be further elaborated in implementing legislation. The free allocation granted after 2012 will largely depend on whether the steel sector will be considered at risk of "carbon leakage", and on the benchmarks that are to be determined for the sector.

In 2004, ArcelorMittal initiated a legal action before the European Court of First Instance ("CFI") against the Emissions Trading Directive. ArcelorMittal sought an order finding the Emissions Trading Directive to be partially void and providing compensation for the damages that it may suffer as a result of its implementation. In addition, national legal actions relating, inter alia, to the exclusion of steel installations from the emissions trading system were subsequently initiated in France, Spain and Luxembourg. National proceedings have advanced the furthest in France, where the "Conseil d'Etat" sought in 2007 a preliminary ruling before the European Court of Justice (CoJ) in relation to the principle of non-discrimination (equal treatment of steel with aluminum and plastics). On December 16, 2008 the CoJ ruled that a different treatment was justified at least in the first stage of implementation of the directive. The judgments of the CFI and national courts are expected in 2009.

ArcelorMittal has approved certain capital expenditures in order to facilitate compliance with these environmental regulations, including $14 million for the replacement of coke plant charging cars and the implementation of a system to segregate rainwater at Avilés; $61 million for the secondary dedusting of the steel shops in Florange, Fos-sur-Mer and Bremen; $83 million for the modernization of the dedusting system of sinter plants in North and South Ostrava, as well as $10 million for compliance with sulphur dioxide emissions at the power plant; $61 million for coke oven gas cleaning in Krakow; $16 million for cast house dedusting of blast furnace A and refurbishing the dedusting room of sinter plant 2 in Gent; the revamping of the dedusting plant of Zumarraga, Spain for $6 million; and the new dedusting equipment at Ar stirring plants in Duisburg, Germany for $6 million.

Other Jurisdictions

Increasingly stringent environmental laws and regulations also have been adopted in other jurisdictions.

Algeria

An Executive Decree dated April 15, 2006 regarding atmospheric emissions and pollutants in effluent waters will require units exceeding regulatory values to comply before 2011. Moreover, a financial law introduced in July 2008 imposes additional taxes for air emissions and water discharges.

Argentina

At the national level, the Framework Law on the Environment (N° 25675), the laws on the integrated management of waste (N° 25612), hazardous waste (N° 24051), public access to environmental information (N° 25831) and native forests preservation (N° 26331) are applicable to our operations in Argentina. At the provincial level, our operations are subject to various environmental regulations relating to licenses, reporting on compliance, impact studies, air emissions and water effluents, among others.

Bosnia and Herzegovina

A new set of laws and regulations became effective on January 1, 2008. In order to restart full production at ArcelorMittal Zenica's plant in 2008 and to obtain all relevant permits, an environmental protection plan has been submitted to federal and local authorities.

Brazil

Decree N° 6514/2008, which implements law N°9605/1998 on environmental liability, was published in 2008. Pursuant to Law N° 9.985 of July 18, 2000, the percentage of compensation to be applied to greenfield projects developed in areas of conservation remains subject to further discussion. Federal resolution No. 382/2006, published on January 2, 2007 by the Brazilian National Environmental Council (CONAMA), imposes more stringent limitations on dust, sulphur dioxide and nitrogen oxide for new sources in the steel industry. Regarding soil protection, a CONAMA federal resolution is in the final stage of approval.

For the purpose of complying with environmental regulations, capital expenditure in an amount of $28 million has been approved for treatment of the NH3/H2S vapors from the distillation columns of the coke oven plant of Tubarão.

Federal law places certain restrictions on the location of mining projects. The Instituto Brasileiro do Meio Ambiente ("IBAMA") controls licensing over certain types of land, including indigenous lands within 50 kilometers of the border of a neighboring country, environmentally protected areas (referred to locally as conservation units), or lands within or affecting more than one state, such as a railway. All other projects are licensed by the agencies of the state in which the project is located.

Canada

In April 2007, Environment Canada released its proposed Clean Air Regulatory Agenda framework, which would apply emission-intensity reductions to greenhouse gases beginning in 2010 and absolute limits on emissions of certain conventional air pollutants effective in 2015. The Canadian government has also introduced legislation that will oblige steelmakers and automakers to co-fund a national program to remove mercury-containing convenience switches from end-of-life vehicles before they enter the scrap stream. The mercury legislation will also oblige steelmakers to implement a mercury-free scrap purchasing policy.

In the Province of Ontario, ArcelorMittal Dofasco has submitted an application to the Ontario Ministry of the Environment for an Alternative Air Standard in response to new air emissions standards that will come into effect in 2010. Under the regulations, facilities that will require additional time to identify and implement the necessary technologies may apply for alternative standards for a period of up to five years. A necessary component of the application is an action plan identifying a portfolio of future environmental projects necessary to meet the new standards.

In the Province of Quebec, the metallurgical sector facilities are negotiating new environmental permits that will apply to the ArcelorMittal Mines Canada and ArcelorMittal Contrecoeur works. This program will require ArcelorMittal Mines Canada to invest in waste water treatment at Port-Cartier and to conduct studies and monitoring on both the Port-Cartier and Mount Wright sites. We expect that the permit will be obtained for Mount Wright in the first half of 2009, to be followed by Port-Cartier.

ArcelorMittal Montreal held several meetings with the Québec Ministry of Sustainable Development of the Environment and of Parks ("MDDEP") in 2008. We expect that the new permits for ArcelorMittal's Contrecoeur and Contrecoeur-Ouest facilities will be obtained by the end of the first quarter of 2009.

In October 2007, a new carbon tax ("Redevances pour le Fonds Vert") was implemented and applied to the purchase of fossil fuels. The tax is based on greenhouse gas emissions.

The upcoming new regulation related to air quality in Québec is to be published. Analysis of its possible impact in the pellet plant is being made by considering the most likely scenarios.

Kazakhstan

A new environmental code has been in effect since February 2007 regarding regulations for air, water and residues.

In order to comply with environmental regulations, capital expenditures of $116 million have been approved for the gas cleaning system of the converter shop and $7 million for the dedusting of lime shop No. 2 at Temirtau.

Mexico

In 2008, ArcelorMittal México conducted a detailed identification of environmental issues relating to its metal and mining facilities and activities in order to define specific actions and investments required to ensure compliance with environmental laws and regulations. As a result of this exercise, an initial $22 million investment is required for projects initiated during 2008.

Russia

ArcelorMittal's mining subsidiaries operating in the Kuzbass region of Russia are subject to several Russian Federation laws and regulations in the field of environmental protection, including Law no. 7 "On Environmental Protection" dated January 10, 2002; Law "On Air Protection" dated May 4, 1992; Law no. 89-FZ "On Production and Consumption Wastes" dated June 24, 1998; Water Code no. 74/FZ dated June 3, 2006; Land Code no. 136-FZ dated October 25, 2001; and Forest Code no. 101/FZ dated August 10, 2008, among others.

In 2007, following the effectiveness of the new Water Code dated March 30, 2007, requirements to limit wastewater from mining activities increased considerably. As of December 31, 2008, the legislation monitors 19 pollutants in mine waste water, with rigid standards and high penalties for non-compliance. The main pollutants in mine wastewater are weighted coal and rock dust particles, ferrous sulphate, dissolved phenolic compounds and oils. The existing wastewater treatment facilities at the mines were commissioned in 1976 and are now obsolete. The investment required in water treatment to achieve compliance with the new standards in 2009 is estimated at $13 million.

Senegal

In Senegal, the environmental regulations applicable to mining companies are set forth in the Mining Code, Act n° 2003-36 of November 24, 2003, its application decree n°2004-647 of May 17, 2004 and the Code of the Environment, Act n° 2001-01 of January 15, 2001.

These laws outline the requirements applicable to the activities of mining companies, including the exploration phase, exploitation phase and the rehabilitation of a mining site at the end of a mining lease.

South Africa

The most recent developments regarding environmental legislation are as follows:

- Heightened enforcement and expansion of the mandates of environmental management inspectors are expected after the National Environmental Laws Amendment Bill introduced in the National Assembly on February 28, 2008 is enacted. This is expected to occur in early 2009.
- A new waste management bill published for the first time in 2006, now in its final stages of approval, may be enacted before the end of the first quarter of 2009, although enactment has been postponed for now due to the strong opposition from the petrochemical sector. The bill would enable authorities to legislate recycling objectives as part of the waste permit process and will state that a "by product" such as blast furnace slag will not be considered "waste" under the legislation.
- A new air quality act is expected to be fully implemented by September 2009. This act will introduce strict emission and ambient air standards for new and existing plants.
- Proposed amendments to the Environmental Impact Assessment (EIA) regulations were published in June 2008 under the National Environmental Management Act of 1998 and included new rules about the EIA for mining activities and waste disposal about the non-requirement of the consent of the landowner for an EIA process regarding a planned activity, and about the public's participation when exemptions are granted.

For the purpose of complying with environmental regulations, capital expenditures have been approved at Vanderbijlpark Works for an amount of $95 million to treat the flue gases from the sinter plant, to install secondary dedusting at the electric arc furnace plant and for stockhouse dedusting at Blast Furnace D. Also, $28 million were approved for the Vaal melt shop dust extraction system at Vereeniging Works.

Trinidad & Tobago

Various pieces of legislation have been enacted under the Environment Management Act of March 8, 2000, the Water Pollution Rules of October 24, 2001 and the Noise Pollution Rules of April 19, 2001. Two other pieces of legislation are still under discussion: the Air Pollution Rules of 2001 and the Waste Management Rules of 2008. ArcelorMittal Point Lisas was registered under the Water Pollution Rules in 2008.

Ukraine

A new air regulation (No. 309) was published in Ukraine on June 27, 2006, which significantly restricts the emission limits of 140 compounds for all types of plants. Priority pollutants are particulate matter, sulphur dioxide, nitrogen dioxide and carbon monoxide.

In order to comply with environmental regulations, capital expenditure in an amount of $35 million has been approved for cast house dedusting of blast furnace No.6 at Kryviy Rih.

Health and Safety Laws and Regulations

ArcelorMittal's operations are subject to a broad range of laws and regulations relating to the protection of human health and safety. As these laws and regulations in the United States, the European Union and other jurisdictions continue to become more stringent, ArcelorMittal expects to expend substantial amounts to achieve or maintain compliance. ArcelorMittal has established corporate health and safety guidelines requiring each of its business units to comply with all applicable laws and regulations. Compliance with such laws and regulations and monitoring changes to them are addressed primarily at the business unit level. In March 2007, ArcelorMittal launched its revised health and safety policy aimed at reducing the rate and frequency of accidents on a continuing basis. The policy outlines the commitment ArcelorMittal has made to the health and safety of all employees and implements a common health and safety model across the entire organization which permits the Corporate Health and Safety department to define and follow-up performance targets and monitor results from every business unit. Further, an injury tracking and reporting database is being implemented to track all information on injuries, lost man days and other significant events. It incorporates a return-of experience system for disseminating lessons learned from individual incidents. The aim is to achieve faster and more accurate feedback on the cause of accidents in order to improve prevention and prevent recurrence.

Foreign Trade

ArcelorMittal has manufacturing operations in many countries and sells its products worldwide. In 2008, the United States, Canada, the European Union and certain other countries with open steel markets sought trade remedies (usually antidumping and, at times, anti-subsidy) against the material injury and the threat of material injury caused by steel imports at unfair terms originating specifically from China and other East Asian steel producing nations. During 2008, certain other major jurisdictions such as Russia and India have become active in aiming to impose antidumping and other trade sanctions against certain countries where ArcelorMittal is producing the relevant targeted products.

Under international agreements and the domestic trade laws of many countries, trade remedies are available to domestic industries where imports are “dumped” or “subsidized” and such imports cause material injury or threat of material injury to a domestic industry. Although there are differences in how the trade remedies are assessed, such laws typically have common features established in accordance with World Trade Organization (“WTO”) standards. Dumping involves selling for export a product at a price lower than that at which the same or similar product is sold in the home market of the exporter, or where the export prices are lower than a value that typically must be at or above the full cost of production (including sales and marketing costs) and a reasonable amount for profit. Subsidies from governments (including, among other things, grants and loans at artificially low interest rates) under certain circumstances are similarly actionable. The trade remedy available is an antidumping duty order or suspension agreement where injurious dumping is found and a countervailing duty order or suspension agreement where injurious subsidization is found. A duty equal to the amount of dumping or subsidization is imposed on the importer of the product. Such orders and suspension agreements do not prevent the importation of product, but rather require either that the product be priced at a non-dumped level or without the benefit of subsidies or that the importer pay the difference between such dumped or subsidized price and the actual price to the government as a duty.

Each year there typically is a range of so-called “sunset” reviews affecting various countries of interest to ArcelorMittal (for example, in the United States we had a wire rod sunset review in 2008). All WTO members are required to review antidumping duty and countervailing duty orders and suspension agreements every five years to determine if they should be maintained, revised or revoked. This requires a review of whether the dumping or subsidization is likely to continue or recur if the order/suspension agreement is revoked and whether a domestic industry in the country is likely to suffer the continuation or recurrence of material injury within the reasonably foreseeable future if the orders are revoked. If the government finds both dumping or subsidization and material injury are likely to continue or recur, then the orders are continued.

In a number of markets in which ArcelorMittal has manufacturing operations, it may be a beneficiary of trade actions intended to address trade problems consistent with WTO regulation. In other situations, particular operations of ArcelorMittal may be a respondent in one or more trade cases and its products subject to duties or other trade restrictions.

In some developing countries in which ArcelorMittal is producing, state intervention impacts trade issues. For example, exports of steel mill products could require licenses from the local ministry of industry and trade or could be required to domicile, or submit for registration, export contracts with the local central bank.

State Aid

Under European Community law, any form of state aid (non-commercial state support including, for example, cash payments or the exemption from taxes) is generally prohibited unless approved by the European Commission (article 87 and 88 EC Treaty). Aid that has been granted contrary to European Community law must in general be recovered from the aid beneficiary by the member state that granted it. The general state aid rules of the European Community are applicable to steel products, and there are specific rules applicable to the steel industry. ArcelorMittal's operating subsidiaries located in the European Union are subject to state aid rules.

Before the recent enlargement of the European Community in 2004, the European Community and its member states had concluded "Europe Agreements" with certain Central and Eastern European countries with a view of facilitating the subsequent accession of these countries to the European Union. These agreements contain rules that extended the substantive state aid rules to such future member states. However, the Europe Agreements provided for separate state aid rules for the steel sector, which allowed, under specific conditions and for a limited period of time, aid for the restructuring of the national steel industry of the Central or Eastern European country.

The regime governing public aid to the steel sector under the Europe Agreements was further implemented, and to some extent modified, as part of the transitional arrangements that were negotiated in the framework of the accession of ten Central or Eastern European countries (including the Czech Republic and Poland) to the European Union on May 1, 2004, and Romania's accession to the European Union on January 1, 2007. The transitional arrangements became part of the respective treaty of accession to the European Union.

The transitional arrangements for each of the Czech Republic, Poland and Romania allow restructuring aids granted prior to the date of accession to certain steel undertakings (known as benefiting companies) if certain conditions are met. In particular, they impose restrictions on benefiting companies, the total amounts of aid (including limits for each benefiting company), and the time periods during which such aid can be granted, and require certain capacity reductions for finished products to be achieved within a specific time-frame. Moreover, the transitional arrangements provide that restructuring aid to benefiting companies is subject to national restructuring plans and individual business plans approved by the Council of Ministers of the European Union. Benefiting companies are also subject to certain rules concerning the merger with, or the taking-over of assets of, non-benefiting companies.

Certain of ArcelorMittal's operating subsidiaries located in Central and Eastern Europe-ArcelorMittal Ostrava, Valcovny Plechu Frydek Mystek, ArcelorMittal Poland, ArcelorMittal Galati, ArcelorMittal Hunedoara and Arcelor Huta Warszawa-are benefiting companies subject to these transitional arrangements.

Foreign Exchange

The South African rand ("ZAR") is subject to exchange controls enforced by the South African Reserve Bank. Prior approval is required for foreign funding, hedging policies and offshore investments. Import payments are monitored by the Central Bank, and export receipts are subject to certain restrictions relating to the tenure for which these receipts may be held in foreign currencies.

The purchase and sale of foreign currency by Kazakh residents (including legal entities) is restricted by the National Bank of Kazakhstan. Payments in "routine currency operations" may be made by residents of Kazakhstan to non-residents through authorized banks without restriction. Routine currency operations include import/export settlements with payment within 180 days; short-term loans with terms of less than 180 days; dividends, interest and other income from deposits, investments, loans and other operations; and non-commercial transactions such as wages and pensions in Kazakh tenge ("KZT"). Operations involving the movement of capital from residents to non-residents require a license from the National Bank of Kazakhstan, and transactions involving the movement of capital from non-residents to residents must be registered with the National Bank of Kazakhstan. Licenses are issued on a case-by-case basis and are valid only for a single transaction. These transactions include payments for exclusive rights to intellectual property; payments for rights to immovable property; settlements for import/export transactions, loans with terms of more than 180 days; and international transfers of pension assets and insurance and re-insurance contracts of an accumulative nature.

The Algerian foreign currency market is regulated by the Central Bank of Algeria. Exchange control regulations do not permit capital account convertibility of the Algerian dinar ("DZD") with a few exceptions involving Algerian companies investing in overseas projects. Currency outflows on current accounts, while freely permitted for the import of goods, are subject to controls for payments for service contracts. Overseas dividend repatriation is permitted subject to a 20% withholding tax, and to many conditions for companies that operate under a special tax-advantageous regime. Algerian companies are restricted from investing their cash surplus overseas. All overseas remittances have to be made through the Central Bank. Exporters are permitted to retain 50% of their proceeds in foreign currency accounts out of which 20% can be utilized freely and the balance can be utilized with certain restrictions. Hedging of currencies is tightly regulated and restricted. Overseas investment in and out of Algeria requires compliance with several fiscal regulations.

Ukraine has an extensive legislative framework in the area of currency control and financial instruments that governs all aspects of transactions in local currency, the hryvnia ("UAH"), and foreign currency. The main regulatory body of the government is the National Bank of Ukraine, which has wide regulatory powers in this field. Export of capital from Ukraine, offshore investments, and purchases of foreign currency by Ukrainian companies are heavily regulated and are subject to National Bank regulations. Any transfer abroad of foreign currency from Ukraine requires an individual license of the National Bank, subject to an exhaustive list of exemptions. Such exemptions include (i) payment in foreign currency abroad by a Ukrainian resident person in discharge of a contractual obligation in such foreign currency to a non-resident in settlement for goods, services, intellectual property rights, or other property rights acquired or received by the resident from the non-resident (however, an acquisition of securities or other "currency valuables" does not fall within this exemption); payment of interest under a loan or income earned (such as, dividends) from a foreign investment in foreign currency abroad; and repatriation abroad from Ukraine of the amount of a foreign investment in foreign currency previously made in Ukraine upon the termination of the relevant investment activity. An individual National Bank license is also required for: repatriation and transfer of funds in UAH into Ukraine, if in excess of the amounts in UAH which have been transferred abroad on legal grounds; depositing funds in foreign currency and other "currency valuables" (such as securities) in an account outside Ukraine, except in the case of an account opening by a duly licensed Ukrainian commercial bank of a correspondent account with a foreign bank; and investing abroad, including transferring foreign currency abroad in connection with acquisition of assets and securities. The receipt of a foreign currency loan by a Ukrainian resident (including a Ukrainian bank) from a non-resident is subject to the registration of the loan with the National Bank. Ukrainian residents may make settlements under import/export transactions within 180 days without restrictions. Ukrainian legal entities may acquire non-cash foreign currency in Ukraine only through a duly licensed Ukrainian commercial bank or non-bank financial institution and only in a limited number of cases and subject to certain conditions.

In Brazil, all foreign exchange transactions are carried out on a single foreign exchange market. Foreign currencies may be purchased or sold only through Brazilian financial institutions authorized to operate in such market and are subject to registration with the Central Bank of Brazil's electronic system. Foreign exchange rates are freely negotiated but may be influenced by Central Bank intervention. The Central Bank allows the Brazilian real ("BRL") to U.S. dollar exchange rate to float freely although it has intervened occasionally to control volatility. Exchange controls on foreign capital and international reserves are administrated by the Central Bank. Foreign and local companies may borrow internationally subject to registration with an approval by the Central Bank. Local companies may maintain up to 100% of their export revenues abroad.

In India, the exchange rate of the Indian rupee is determined in the interbank foreign exchange market. The Reserve Bank of India ("RBI") announces a daily reference rate for the rupee against the U.S. dollar, Japanese yen, British pound and euro. While there is no band or peg that the RBI monitors, the value of the rupee is tracked on the basis of the Real Effective Exchange Rate (REER). The REER consists of six currencies: U.S. dollar, euro, British pound, Japanese yen, Chinese yuan and Hong Kong dollar. The rupee rate has been known to deviate significantly from longer-term REER trends. The RBI intervenes actively in the foreign exchange market in cases of excessive volatility. Exchange controls are established by both the government and the RBI. The Foreign Exchange Management Act (FEMA) of 2000 mandates that the government oversees current account transactions, while the RBI regulates capital accounts transactions. Restrictions on purchases and sales of Indian rupees have been significantly relaxed since the early 1990s. Since 1995, the

Indian rupee has had full current account convertibility, though exchange controls on capital account transactions remain in effect.

The Chinese currency is a managed, non-deliverable currency. The exchange rate of the Chinese yuan ("CNY") is determined in the interbank foreign exchange market, the China Foreign Exchange Trade System ("CFETS"). Five currency pairs are traded in CFETS: the CNY is paired with each of the U.S. dollar, the Hong Kong dollar, the Japanese Yen, the Euro and the British Pound. From January 1, 2006 existing designated foreign exchange banks are permitted to engage in a 'bilateral trading platform' which allows them to trade directly with other member banks in the CNY foreign exchange spot market, as opposed to just trading with CFETS, subject to a daily trading band limitation of no more than +/- 0.5% against the U.S. dollar. China maintains strict controls on its currency. Non-residents and Foreign Investment Enterprises (FIEs) must obtain a Foreign Exchange Registration Certificate (FERC) to open a foreign currency account onshore. There are three types of foreign currency accounts for non-residents: capital accounts (for investment and repatriation), current accounts (for trade) and loan accounts (for receiving and repaying loans). Residents may hold foreign currency in onshore accounts.

The Argentine peso ("ARS") has not been freely convertible since December 2001. It is mandatory to convert 100% of foreign exchange revenues from exports into local currency through the government-controlled foreign exchange market. Exporters have from 60 to 360 consecutive days to convert foreign exchange receipts from exports depending on the type of exported product, and 120 days to settle foreign exchange receipts through the foreign exchange market. This term is extended to 180 days if the purchaser fails to pay and if the foreign exchange receipts result from export credit insurance. Services export receipts have 15 days to be converted into ARS. An exporter must transfer any payment within ten days from collection to the bank that transfers the funds into Argentina, but the exporter may also maintain the funds abroad in foreign currency until the due date. The Central Bank allows foreign exchange transactions for the purposes of futures settlements, guarantees, forwards, options and other derivatives as long as they are traded on-shore and settle in ARS. In recent years, the Argentine authorities have been keen to avoid the strengthening of the Argentine peso given the excess supply of U.S. dollars in the market and have set up controls to hinder short-term capital inflows. More recently, stronger demand for the U.S. dollar has forced the Central Bank to start selling U.S. dollars in order to lessen the depreciation of the ARS.

Organizational Structure

Corporate Structure

ArcelorMittal is a holding company with no business operations of its own. All of ArcelorMittal's significant operating subsidiaries are indirectly owned by ArcelorMittal through intermediate holding companies.

The following table identifies by operating segment each significant operating subsidiary of ArcelorMittal, including its registered office and ArcelorMittal's percentage ownership thereof.

Flat Carbon Americas		
ArcelorMittal Dofasco Inc.	1330 Burlington Street East, P.O. Box 2460, L8N 3J5 Hamilton, Ontario, Canada	100.00%
ArcelorMittal Lázaro Cárdenas S.A. de C.V.	Fco. J. Mujica No. 1-B, Apartado Postal No. 19-A, C.P. 60950, Cd. Lázaro Cárdenas, Michoacán, Mexico	99.99%
ArcelorMittal USA Inc.	1, South Dearborn, Chicago, IL 60603, USA	100.00%
ArcelorMittal Mines Canada Inc	24 Boulevard des Iles, Suite 201, Port-Cartier, Quebec, G5B 2H3, Canada	100.00%
Flat Carbon Europe		
ArcelorMittal Atlantique et Lorraine SAS	1 à 5, rue Luigi Cherubini, 93200 St Denis, France	100.00%
ArcelorMittal Belgium N.V.	Avenue de l'Yser, 24, 1040 Brussels, Belgium	100.00%
ArcelorMittal España S.A.	Residencia La Granda, 33418 Gozon, Asturias, Spain	99.79%
ArcelorMittal Flat Carbon Europe SA	Avenue de la Liberté, 19, L-2930 Luxembourg, Luxembourg	100.00%
ArcelorMittal Galati S.A.	Strada Smardan nr. 1, Galati, Romania	99.68%
Industeel Belgium S.A.	Rue de Châtelet, 266, 6030 Charleroi, Belgium	100.00%
Industeel France S.A.	1 à 5, rue Luigi Cherubini, 93200 St Denis, France	100.00%
Long Carbon Americas and Europe		
Acindar Industria Argentina de Aceros S.A(1).	2739, Estanislao Zeballos, B1643 AGY Buenos Aires, Argentina	99.99%
ArcelorMittal Belval & Differdange SA	66, rue de Luxembourg, 4221 Esch sur Alzette, Luxembourg	100.00%
ArcelorMittal Brasil S.A.	1115, avenida Carandai, 24° Andar, 30130-915 Belo Horizonte- MG, Brazil	99.99%
ArcelorMittal Hamburg GmbH	Dradenaustrasse 33, D-21129 Hamburg, Germany	100.00%
ArcelorMittal Hochfeld GmbH(2)	Wörthstrasse 125, D-47053 Duisburg, Germany	100.00%
ArcelorMittal Las Truchas, S.A. de C.V.	Francisco J Mujica 1, 60950, Lázaro Cárdenas Michoacán, Mexico	100.00%
ArcelorMittal Madrid S.L.	Ctra. De Toledo KM 9,200, 28021 Madrid, Spain	100.00%
ArcelorMittal Montreal Inc	4000, route des Aciéries, Contrecoeur, Québec J0L 1C0, Canada	100.00%
ArcelorMittal Olaberría S.L.	Carretera Nacional Madrid-Irun S/N, 20212 Olaberría, Spain	100.00%
ArcelorMittal Ostrava a.s.	Vratimovska 689, 707 02 Ostrava-Kunčice, Czech Republic	71.58%
ArcelorMittal Point Lisas Ltd.	Mediterranean Drive, Point Lisas, Couva, Trinidad and Tobago	99.99%
ArcelorMittal Poland S.A.	Ul. Chorzowska 50, 40-121 Katowice, Poland	100.00%(3)
ArcelorMittal Ruhrort GmbH(2)	Vohwinkelstrasse 107, D-47137 Duisburg, Germany	100.00%
Société Nationale de Sidérurgie S.A(4).	Route Nationale n° 2, Km 18, BP 551, Al Aarroui,	32.36%

	Morocco	
AACIS		
ArcelorMittal South Africa Ltd.	Main Building, Room N3/5, Delfos Boulevard, Vanderbijlpark, 1911, South Africa	52.02%
JSC ArcelorMittal Temirtau	Republic Ave., 1, 101407 Temirtau, Karaganda Region, Republic of Kazakhstan	100.00%
OJSC ArcelorMittal Kryviy Rih	1 Ordzhonikidze Street, Kryviy Rih, 50095 Dnepropetrovsk Oblast, Ukraine	95.02%
Stainless Steel		
ArcelorMittal Inox Brasil S.A.	Avenida Joao Pinheiro, 580, Centro, 30130-180 Belo Horizonte, Minas Gerais, Brazil	100.00%
ArcelorMittal Stainless Belgium	Avenue de l'Yser, 24, 1040 Brussels, Belgium	100.00%
Steel Solutions and Services		
ArcelorMittal International Luxembourg SA	19, avenue de la Liberté, 2930 Luxembourg, Luxembourg	100.00%

Notes:

(1) Acindar Industria Argentina de Aceros S.A. is controlled by ArcelorMittal Brasil, a subsidiary of ArcelorMittal.

(2) ArcelorMittal Ruhrort and ArcelorMittal Hochfeld are together referred to as ArcelorMittal Duisburg.

(3) Represents the percentage of shares to which ArcelorMittal has title or that are subject to an executed agreement providing for their transfer to ArcelorMittal at a fixed price and future date.

(4) Société Nationale de Sidérurgie, S.A. is controlled by Nouvelles Sidérurgies Industrielles, a subsidiary of ArcelorMittal.

Operating Segments

On April 21, 2008, ArcelorMittal announced a redefinition of the operating responsibilities of all members of the Management Board. This resulted in the following changes in the composition of its reportable segments:

- ***Flat Carbon Americas***: Dofasco's pipes and tubes businesses and ArcelorMittal Montreal Inc. have been transferred to Long Carbon Americas and Europe.
- ***Flat Carbon Europe***: The operations of ArcelorMittal Annaba flat and Skopje (previously reported in the AACIS segment) and the operations of Galati long (previously reported in Long Carbon Americas and Europe) have been transferred to the Flat Carbon Europe segment. The Paul Wurth business has been transferred to the AACIS segment.
- ***Long Carbon Americas and Europe***: The Long Carbon Americas and Europe segment includes the operations of ArcelorMittal Annaba long, Sonasid, Zenica, and the global pipes and tubes business, which were previously reported in the AACIS segment, and ArcelorMittal Montreal Inc., which was previously reported in the Flat Carbon Americas segment. The Galati long business has been transferred to the Flat Carbon Europe segment. The wire drawing businesses have been transferred to the Steel Solutions and Services segment.
- ***AACIS***: The AACIS segment includes the Paul Wurth business previously reported in Flat Carbon Europe. The AACIS segment excludes the operations of ArcelorMittal Annaba, Sonasid, Zenica, Skopje and the pipes and tubes businesses, which have been transferred to the respective segments as discussed above.
- ***Steel Solutions and Services***: The operations of ArcelorMittal wire drawing businesses, which were previously reported within the Long Carbon Americas and Europe segment, have been transferred to the Steel Solutions and Services segment.

Within its corporate headquarters and, where appropriate, segment or regional management there are specialized and experienced executives in fields such as finance, mergers and acquisitions, marketing, procurement, operations, shipping, human resources, communications, internal assurance, health and safety, information technology, strategic planning, performance enhancement, technology and law.

Flat Carbon Americas produces slabs, hot-rolled coil, cold-rolled coil, coated steel products and plate. These products are sold primarily to customers in the following industries: distribution and processing; automotive; pipes and tubes; construction; packaging; and appliances. In Flat Carbon Americas, production facilities are located at eight integrated and mini-mill sites located in four countries. In 2008, shipments from Flat Carbon Americas totaled 25.8 million tonnes.

Flat Carbon Europe produces hot-rolled coil, cold-rolled coil, coated products, tinplate, plate and slab. These products are sold primarily to customers in the automotive, general industry and packaging industries. In Flat Carbon Europe, production facilities are located at 13 integrated and mini-mill sites located in eight countries. In 2008, shipments from Flat Carbon Europe totaled 33.5 million tonnes.

Long Carbon Americas and Europe produces sections, wire rod, rebars, billets, blooms and wire drawing. In Long Carbon Americas, production facilities are located at 15 integrated and mini-mill sites located in six countries, while in Long Carbon Europe production facilities are located at 18 integrated and mini-mill sites in ten countries. In 2008, shipments from Long Carbon Americas and Europe totaled approximately 27.1 million tonnes.

AACIS produces a combination of flat and long products and pipes and tubes. It has six flat and long production facilities in three countries. In 2008, shipments from Asia, Africa and CIS totaled approximately 13.3 million tonnes, with shipments having been made worldwide.

Stainless Steel produces flat and long stainless steel and alloy products from its plants in Europe and South America. In the Americas, production facilities are located at one integrated site located in one country, while in Europe production facilities are located at four mini-mill sites in two countries. The products produced by Stainless Steel are sold to customers primarily in the following industries: domestic appliances and household equipment; automotive; construction; and general industry. In 2008, shipments from Stainless Steel totaled approximately 2.0 million tonnes.

Steel Solutions and Services is primarily an in-house trading and distribution arm of ArcelorMittal. It also provides value-added and customized steel solutions through further steel processing to meet specific customer requirements.

Property, Plant and Equipment

ArcelorMittal has steel production facilities, as well as iron ore and coal mining operations, in North and South America, Europe, Asia and Africa.

All of its operating subsidiaries are substantially owned by ArcelorMittal through intermediate holding companies, and are grouped into the six segments described above in “Organizational Structure”. Unless otherwise stated, ArcelorMittal owns all of the assets described in this section.

Production Facilities of ArcelorMittal

The following table provides an overview by type of facility of ArcelorMittal's principal production units:

Facility	Number of Facilities	Capacity	Production in 2008(1)
		(in million tonnes per year)	*(in million tonnes)*
Coke Plant	67	37.3	30.5
Sinter Plant	35	103.9	79.9
Blast Furnace	66	104.9	72.3
Basic Oxygen Furnace (including Tandem Furnace)	81	109.4	76.2
DRI Plant	15	12.4	8.1
Electric Arc Furnace	56	40.6	27.8
Continuous Caster-Bloom/Billet	51	40.5	26.7
Breakdown Mill (Blooming/Slabbing Mill)	4	11.7	6.7
Billet Rolling Mill	5	6.3	2.0
Section Mill	34	16.8	11.3
Bar Mill	30	11.7	7.4
Wire Rod Mill	23	14.3	10.3
Continuous Caster-Slabs	57	99.4	69.1
Hot Rolling Mill	31	89.9	55.5
Pickling Line	54	49.0	24.5
Tandem Mill	42	39.7	25.3
Annealing Line	69	19.0	11.2
Skin Pass Mill	45	24.2	11.5
Hot Dip Galvanising Line	61	19.8	15.2
Electro Galvanising Line	16	2.9	1.8
Tinplate Mill	19	4.6	1.5
Tin Free Steel (TFS)	1	0.3	0.2
Color Coating Line	16	2.2	1.5
Plate Mill	12	6.8	4.6
Seamless Pipes	9	1.1	0.6
Welded Pipes	69	3.1	1.5

Note:

(1) Production facility details include the production numbers for each step in the steel-making process. Output from one step in the process is used as input in the next step in the process. Therefore, the sum of the production numbers does not equal the quantity of sellable finished steel products.

Flat Carbon Americas

ArcelorMittal's Flat Carbon Americas segment has production facilities in both North and South America, including the United States, Canada, Brazil and Mexico. The following two tables set forth key items of information regarding ArcelorMittal's principal production locations and production units in the Flat Carbon Americas segment:

Production Locations-Flat Carbon Americas

Unit	Country	Locations	Type of Plant	Products
Cleveland	USA	Cleveland, OH	Integrated	Flat
Warren	USA	Warren, OH	Coke-Making	Coke
Columbus Coatings	USA	Columbus, OH	Downstream	Flat
Hennepin	USA	Hennepin, IL	Downstream	Flat
Indiana Harbor	USA	East Chicago, IN	Integrated	Flat
I/N Tek and I/N Kote	USA	New Carlisle, IN	Downstream	Flat
Riverdale	USA	Riverdale, IL	Integrated	Flat
Burns Harbor	USA	Burns Harbor, IN	Integrated	Flat
Coatesville	USA	Coatesville, PA	Mini-mill	Flat
Conshohocken	USA	Conshohocken, PA	Downstream	Flat
Lackawanna	USA	Lackawanna, NY	Downstream	Flat
Weirton	USA	Weirton, WV	Downstream	Flat
Monessen	USA	Monessen, PA	Coke-Making	Coke
Gary Plate	USA	Gary, IN	Downstream	Flat
Double G	USA	Jackson, MS	Downstream	Flat
ArcelorMittal Lázaro Cárdenas	Mexico	Lázaro Cárdenas	Mini-mill	Flat
ArcelorMittal Lázaro Cárdenas Volcan Mine	Mexico	Sonaro	Iron Ore Mine	Mining
ArcelorMittal Lázaro Cárdenas Pena Colorada	Mexico	Minatitlan	Iron Ore Mine	Mining
ArcelorMittal Tubarão	Brazil	Vitoria	Integrated	Flat
ArcelorMittal Vega	Brazil	São Francisco do Sul	Downstream	Flat
Sol	Brazil	Vitoria	Coke-Making	Coke
Dofasco	Canada	Hamilton	Integrated, Mini-mill	Flat
ArcelorMittal Mining Canada	Canada	Quebec	Iron Ore Mine	Mining

Production Facilities – Flat Carbon Americas

Facility	Number of Facilities	Capacity	Production in 2008[1]
		(in million tonnes per year)	*(in million tonnes)*
Coke Plant	7	6.2	6.0
Sinter Plant	4	10.8	8.8
Blast Furnace	14	27.4	19.9
Basic Oxygen Furnace (including Tandem Furnace)	19	30.9	20.7
DRI Plant	2	4.1	3.4
Electric Arc Furnace	6	6.1	4.7
Continuous Caster-Slabs	18	35.5	25.3
Hot Rolling Mill	8	27.6	16.9
Pickling Line	14	17.3	8.6
Tandem Mill	11	13.2	7.3
Annealing Line	21	9.2	5.2
Skin Pass Mill	15	11.4	4.8
Hot Dip Galvanising Line	16	6.3	4.2
Electro Galvanising Line	2	0.5	0.3
Tinplate Mill	6	1.3	0.7
Tin Free Steel (TFS)	1	0.3	0.2
Plate Mill	4	2.0	1.6

Notes:

(1) Production facility details include the production numbers for each step in the steel-making process. Output from one step in the process is used as input in the next step in the process. Therefore, the sum of the production numbers does not equal the quantity of sellable finished steel products. The production facilities, production capacity and 2008 production of Sparrows Point are not included in this table.

ArcelorMittal USA

Steel Production Facilities

ArcelorMittal USA has 20 major production facilities, consisting of four integrated steel-making plants, one basic oxygen furnace/compact strip mill, six electric arc furnace plants (one of which produces flat products and five of which produce long products), seven finishing plants (six of which produce flat products and one of which produces long products), and two coke-making operations. ArcelorMittal USA owns all or substantially all of each plant. ArcelorMittal USA also owns interests in various joint ventures that support these facilities, as well as numerous raw material, railroad and transportation assets.

ArcelorMittal USA's operations include both flat carbon and long carbon production facilities. The long carbon facilities are discussed separately under "-Long Carbon Americas and Europe-ArcelorMittal USA".

ArcelorMittal USA's main flat carbon operations include integrated steel-making plants at Indiana Harbor (East and West), Burns Harbor and Cleveland. The basic oxygen furnace/compact strip mill is located at Riverdale. The electric arc furnace plant is located in Coatesville. The six finishing plants are located in Gary, Weirton, Conshohocken, Lackawanna, Hennepin and Columbus. The two coke batteries are located in Warren and Monessen. In December 2008, ArcelorMittal USA announced plans to close the finishing facilities at Hennepin and Lackawanna permanently.

The two Indiana Harbor facilities produce hot-rolled sheet, cold-rolled sheet, hot dip galvanized sheet and bar products for use in automotive, appliance, service centre, tubular, strip converters and contractor applications. Indiana Harbor West's operations include a sintering plant, two blast furnaces, two basic oxygen furnaces and two continuous slab casters. Finishing facilities include a hot strip mill, pickle line, tandem mill, batch annealing facilities, a temper mill, a hot dip galvanising line and an aluminizing line. Indiana Harbor East facilities include three blast furnaces, four basic oxygen furnaces and two slab casters. Finishing facilities include a hot strip mill, a pickle line, a tandem mill, continuous and batch annealing facilities, three temper mills and three coating lines. The Indiana Harbor (West) plant covers an area of approximately 4.9 square kilometers and the Indiana Harbor (East) plant covers an area of approximately 7.7 square kilometers.

Burns Harbor produces hot-rolled sheet, cold-rolled sheet, hot dip galvanized sheet and steel plate for use in automotive, appliance, service centre, construction and shipbuilding applications. Burns Harbor facilities include two coke oven batteries, two blast furnaces, three basic oxygen furnaces and two continuous slab casters. Finishing facilities include a hot strip mill, two picklers, a tandem mill, continuous and batch annealing facilities, a temper mill and a hot dip galvanising line. The Burns Harbor plant covers an area of approximately 15.3 square kilometers.

The facilities in Cleveland include two blast furnaces, two slab casters, ladle metallurgy and vacuum degassing facilities, a hot-strip mill, cold rolling mill, temper mill, a batch annealing shop and a hot dip galvanising line.

The Riverdale facility produces hot-rolled strip for strip converter and service centre applications, and obtains supplies of hot metal for its basic oxygen furnaces from the Burns Harbor or Indiana Harbor locations. Riverdale's principal facilities consist of basic oxygen furnaces, ladle metallurgy facilities and a continuous slab caster that uses a compact strip process.

The Weirton facility is a significant producer of tin mill products. Both Lackawanna and Hennepin produce cold-rolled sheet and hot dip galvanized sheet. Columbus produces hot dip galvanized sheet for the automotive market.

Coatesville's facilities consist of an electric arc furnace, a vacuum degasser, slab caster, and two plate mills capable of producing a wide range of carbon and discreet plate products for use in infrastructure, chemical process, and shipbuilding applications. Conshohocken and Gary's principal facilities are plate mills and associated heat treat facilities. These locations use slabs principally from Coatesville and Burns Harbor, respectively.

ArcelorMittal USA, through various subsidiaries, owns interests in joint ventures, including (1) ArcelorMittal Tek, (60% interest), a cold-rolling mill on 200 acres of land (which it wholly owns) near New Carlisle, Indiana with a 1.7 million tonne annual production capacity; (2) ArcelorMittal Kote (50% interest), a steel galvanising facility on 25 acres of land located adjacent to the ArcelorMittal Tek site, which it wholly owns and which has a one million tonne annual production capacity; (3) Double G Coatings (50% interest), a coating line producing galvanized and Galvalume near Jackson, Mississippi with a 270,000 tonne annual production capability, (4) PCI Associates, (50% interest) a pulverized coal injection facility located within Indiana Harbor West; and (4) Hibbing Taconite Company, which is described below. ArcelorMittal USA also owns several short-line railroads that transport materials among its facilities, as well as raw material assets (including iron ore). It also has research and development facilities in East Chicago, Indiana.

ArcelorMittal USA has two coke oven batteries that supply coke to its production facilities. The coke battery in Warren is able to supply about 40% of the Cleveland facilities' coke needs. In the second half of 2008, ArcelorMittal acquired the Koppers' Monessen Coke Plant in Monessen, Pennsylvania, which has an annual production capacity of 320,000 metric tonnes of metallurgical coke.

ArcelorMittal USA Iron Ore Mines

ArcelorMittal USA operates an iron ore mine through its wholly-owned subsidiary ArcelorMittal Minorca, and owns a majority stake in Hibbing Taconite Company, which is the owner of a mine managed by Cleveland-Cliffs Inc.

ArcelorMittal Minorca operates a concentrating and pelletizing facility, along with two open pit iron ore mines near Virginia, Minnesota. The Minorca pelletizing facility produced 2.8 million metric tonnes of fluxed pellets in 2008. Iron ore is mined from the Laurentian Pit and the East Pit, located 12 kilometers from the processing facility. The operation consists of the two mines, a crushing facility, a three-line concentration facility and a single-line straight grate pelletizing plant. Pellets are transported by rail to ports on Lake Superior. Lake vessels are used to transport the pellets to Indiana Harbor West.

Hibbing Taconite Company mines the lower cherty layer of Minnesota's Mesabi Iron Range and is located four miles north of Hibbing, Minnesota. The Hibbing mine is jointly owned by ArcelorMittal USA (62.3%), Cleveland-Cliffs Inc. (23.0%) and U.S. Steel Canada (14.7%). The mine produced 8.4 million metric tonnes of taconite pellets in 2008. The operation consists of drilling, blasting, loading, hauling, crushing, concentrating and pelletizing. The finished pellets are then transported by rail to Superior, Wisconsin, and then over the Great Lakes by lake vessels to ArcelorMittal's integrated steel-making plants, principally Burns Harbor.

ArcelorMittal USA Coal Mines

ArcelorMittal Coal Group USA, LLC and its subsidiaries operate surface mines and deep mines in McDowell County, West Virginia, as well as a surface mine in Tazewell County, Virginia. The group combines the Mid Vol Coal Group and the Concept Group, which were acquired by ArcelorMittal in July and August of 2008, respectively. The combined production of the mines in 2008 was 1.9 million tonnes.

The Eckman Surface Mine (Northern Property) in McDowell County and is currently mining on a surface area of approximately 500 acres. It also has a deep mine that is currently being developed, as well as a coal preparation plant and a loadout facility. The Paradise Surface Mine and Virginia Point Surface Mine (Southern Property) are located in southern McDowell County, West Virginia and Tazewell County, Virginia on a surface area of approximately 700 acres. The property also has a surface mine that is currently being developed. The Western Property, which is located in McDowell County, West Virginia, has four active deep mines and one deep mine that is currently being developed. The property also has a coal preparation plant and two active loadouts.

ArcelorMittal Tubarão

ArcelorMittal Tubarão ("AMT"), a wholly-owned subsidiary of ArcelorMittal Brasil, has two major production facilities: the Tubarão integrated steel making facility, located in Espírito Santo state, Brazil and the Vega finishing complex, located at São Francisco do Sul, in Santa Catarina state, Brazil. The Tubarão integrated steel mill produces merchant slabs, semi-finished steel plates for export and HRC, while ArcelorMittal Vega produces cold- rolled coil and galvanized steel, to be used primarily by the automobile industry and, to a lesser degree, for household appliances, construction, pipe and coil formed shapes industries.

The Tubarão complex is strategically located and has infrastructure that includes a well-equipped road and railway system, as well as a port complex and the Praia Mole Marine Terminal. The Vega facility uses the port of São Francisco do Sul to receive hot -rolled coil, its main raw material, from Tubarão. AMT's Tubarão plant covers an area of approximately 13.7 square kilometers.

AMT's steel-making complex is composed of a coke plant consisting of three batteries, a sinter plant, three blast furnaces, a steel-making shop consisting of three oxygen furnace converters, three continuous slab casters and a hot strip mill. The Vega finishing complex consists of a modern, state-of-the-art coil strip mill and a hot dip galvanising line. In July 2007, AMT successfully commissioned the third blast furnace and other steel making facilities, increasing slab capacity to 7.5 million MT. The projects to increase the Tubarão hot strip mill capacity and the Vega finishing operations are in progress and scheduled to be commissioned in 2009 and 2010 respectively. In 2008, AMT produced 6.1 million tonnes of crude steel.

ArcelorMittal Lázaro Cárdenas

ArcelorMittal Lázaro Cárdenas ("AMLC") is the largest steel producer in Mexico. AMLC operates a pelletizer plant, two direct reduced iron plants, electric arc furnace-based steel-making plants and continuous casting facilities. AMLC has advanced secondary metallurgical capabilities, including ladle furnaces refining, vacuum degassing and Ruhrstahl-Heraeus (RH) processes with calcium and aluminum injection, permitting the production of higher quality slabs that are used for specialized steel applications in the automotive, line pipe manufacturing, shipbuilding and appliance industries. AMLC utilizes direct reduced iron as its primary metallic input for virtually all of its production.

AMLC's production facilities are located on approximately 4.4 square kilometers adjacent to a major deep-water port in Lázaro Cárdenas in Michoacán state, México, through which most of its slabs are shipped for export and its raw materials are received.

AMLC's principal product is slab for the merchant market. AMLC's product line mainly caters to the high-end applications of its customers, including heat-treatment grades for plate manufacturing, oil country tubular goods and high chromium grade for oil exploration applications and for the gas transportation industry. AMLC has the capability to produce a wide range of steel grades from ultra low carbon-IF to microalloyed, medium and high carbon. In 2008, AMLC produced 3.1 million tonnes of crude steel.

AMLC Mining Assets

AMLC operates three iron ore mines in Mexico, through joint ownership of the Peña Colorada mine with Ternium S.A., and through its ownership of the El Volcan and Las Truchas mines. All of the output of these mines is consumed by AMLC's and Ternium's steel plants.

Peña Colorada

Peña Colorada is an open pit mine on the Pacific coast of Mexico. AMLC owns 50% of the company, and Ternium S.A. owns 50% the company. Peña Colorada produces magnetite concentrate and iron ore pellets. The mine produced 4.5 million tonnes of concentrate in 2008. The mine and the beneficiation plant are located near Minatitlán, and the pelletizing plant is located near Manzanillo Port, 50 kilometers from Minatitlán. Major production facilities include a primary crusher, a dry cobbing plant, one autogenous mill, horizontal and vertical ball mills and several stages of magnetic separation in the beneficiation plant. There are also two pelletizing lines with vacuum filtration facilities, balling discs and traveling grates by Lurgi. Both magnetite concentrates and iron ore pellets are shipped from Manzanillo Port to AMLC and abroad, as well as to Ternium steel plants by rail and by ship.

El Volcan

The El Volcan iron ore mine is an open pit operation that commenced operations in 2008. The operation includes mine exploitation, crushing and dry cobbing facilities and a concentrate plant with a two million tonne capacity, as well as port facilities. The mine exploitation and crushing operations and all transport activities are performed by contractors. The concentrate and port operations are operated with ArcelorMittal's own resources.

The mine is located in the northwest Mexican state of Sonora, 250 kilometers from the El Volcan port facility. The crushed and preconcentrated iron ore is transported by truck to a concentration plant located 120 kilometers from the El Volcan facility, and the concentrate is transported by rail to the Pacific port of Guaymas in order to be transported to the Lázaro Cárdenas steel plant. The crushing facilities at the mine include one primary crusher, one secondary crusher, a dry cobbing high intensity magnetic separator and four tertiary crushers. The concentration plant includes two ball mills on line, a magnetic separation circuit, flotation systems, a belt conveyor filter and a disposal area for tails. The major port installations include a tippler for railroad cars, trippers, a conveyor, transfer towers and two ship loading systems.

Las Truchas

Las Truchas mine is an integrated iron ore operation that includes mine exploitation, crushing, dry cobbing preconcentrate and concentration plant with aggregate production of 2.3 million tonnes in 2008. The extracted ore is used in steel production for both AMLC and ArcelorMittal Las Truchas (see "-Long Carbon Americas-ArcelorMittal Las Truchas".

Las Truchas mine is located near the steel plant at the port of Lázaro Cárdenas. The concentrate ore is pumped through a 26 kilometer slurry pipeline. This facility includes one primary crusher, two secondary crushers and three tertiary crushers. The concentration plant includes one ball mill and one bar mill, two wet magnetic separation circuits, a pumping station, the 26 kilometer slurry pipeline and a tails dam.

ArcelorMittal Dofasco Inc.

ArcelorMittal Dofasco Inc. (Dofasco) is a leading North American steel solution provider and one of Canada's largest manufacturers of flat rolled steels. Its products include hot-rolled, cold-rolled, galvanized and tinplate as well as tubular products and laser-welded blanks. Dofasco supplies these products to the automotive, construction, packaging, manufacturing, pipe and tube and steel distribution markets. Dofasco's Hamilton plant covers an area of approximately 3.1 square kilometers.

Dofasco has seven wholly-owned operating subsidiaries: Dofasco USA Inc., Dofasco Tubular Products Inc., Dofasco Tubular Products Corporation, Sorevco Inc., Powerlasers Limited, Powerlasers Corporation and ArcelorMittal Mines Canada mining company ("AMMC"). Steel-making facilities are located at Dofasco's Hamilton, Ontario plant and at its 50%-owned mini-mill facility, Gallatin Steel Company, located in Gallatin County, Kentucky, USA. Products produced by Dofasco and its steel-related joint ventures and subsidiaries include: hot- and cold-rolled steels; galvanized, Extragal and Galvalume steel; prepainted steel; tinplate and chromium-coated steels in coils, cut lengths and strips; welded pipe and tubular steels; laser-welded steel blanks; and iron ore concentrate and pellets. Dofasco owns 100% of AMMC (whose operations are described below) and owns a 28.6% interest in Wabush Mines, each of which mines and processes iron ore for use in Dofasco's steel-making operations and for sale to other steelmakers. In March 2008, ArcelorMittal Dofasco Inc. filed suit against U.S. Steel Canada Inc. and Cleveland-Cliffs Inc. seeking to enforce their agreements to sell their respective interests in Wabush Mines. In November 2008, the court dismissed the action against U.S. Steel. ArcelorMittal's claim against Cleveland-Cliffs remains pending.

Dofasco's steel-making plant in Hamilton, Ontario is adjacent to water, rail and highway transportation. The plant has two raw material handling bridges, ore and coal docks, storage yards and handling equipment, three blast furnaces, of which two are currently operating, three coke plants comprising six batteries, one basic oxygen steel-making plant, one two-strand slab caster and a single-strand slab caster, one twin shell electric arc furnace and two ladle metallurgy stations associated with steel-making, a hot strip rolling mill including, slitting facilities for hot-rolled steel, two cold rolling mill complexes each consisting of a coupled pickling line and tandem cold rolling mill, one continuous, stand-alone pickle line, one electrolytic cleaning line, and shearing, coiling, slitting, rewind and inspection equipment related to the cold mills, three temper mills, two continuous annealing lines, 140 conventional and 16 high hydrogen bases for batch annealing and 16 bases for open coil annealing, five continuous galvanising lines, one of which is capable of producing Galvalume steel and another of which is capable of producing Extragal steel, one continuous electrolytic tinning and chromium coating line, one coil preparation line and a tinplate packaging line and two tube mills. Dofasco produced 3.1million tonnes of crude steel in 2008.

ArcelorMittal Mines Canada

ArcelorMittal Mines Canada is a major North American producer of iron ore products, including concentrate and several types of pellets. It holds mining rights over 60,000 hectares of land in the province of Québec, Canada. ArcelorMittal Mines Canada operates the Mont-Wright Mine and concentrator at Fermont in northeastern Québec. Mont-Wright is located 416 kilometers north of the port of Port-Cartier, the site of the pelletizing plant and shipping terminal on the north shore of the Gulf of St. Lawrence, and approximately 1,000 kilometers northeast of Montreal. A private railway connects the mine and concentrator with Port-

Cartier. The railway and the port are owned and operated by ArcelorMittal Mines Canada. The Port-Cartier pellet plant produces acid and flux pellets that operate six ball mills, ten balling discs and two induration machines. The Mont-Wright operation consists of open pit mines and a concentrator, which began production in 1975. The ore is crushed in two gyratory crushers and the concentrator operates with six lines of three stage spiral classifiers and horizontal filters.

ArcelorMittal Mines Canada also owns mining rights to iron ore deposits in Fire Lake and Mont Reed. Fire Lake, located approximately 53 kilometers south of Mont-Wright, is a seasonal operation from which approximately 2.5 million tonnes of iron ore are transported by rail to the Mont-Wright concentrator annually. The Mont Reed deposit is currently not mined.

The mines in aggregate produced 13.8 million tonnes of pellets and concentrates in 2008.

Flat Carbon Europe

ArcelorMittal's Flat Carbon Europe segment has production facilities in Western and Eastern Europe, including Germany, Belgium, France, Spain, Italy, Luxembourg, Romania, Poland, Macedonia, Estonia and the Czech Republic. The following two tables provide an overview by type of facility of ArcelorMittal's principal production locations and production units in the Flat Carbon Europe segment:

Production Locations – Flat Carbon Europe

Unit	Country	Locations	Type of Plant	Products
ArcelorMittal Bremen	Germany	Bremen	Integrated	Flat
ArcelorMittal Eisenhüttenstadt	Germany	Eisenhüttenstadt	Integrated	Flat
ArcelorMittal Steel Belgium	Belgium	Ghent, Geel, Genk, Huy	Integrated and Downstream	Flat
ArcelorMittal Liege	Belgium	Liege	Integrated and Downstream	Flat
ArcelorMittal Atlantique	France	Dunkirk, Mardyck, Montataire, Desvres	Integrated and Downstream	Flat
ArcelorMittal Méditerranée	France	Fos-sur-Mer, Saint-Chély	Integrated	Flat
ArcelorMittal Lorraine	France	Florange, Mouzon	Integrated and Downstream	Flat
ArcelorMittal Galati	Romania	Galati	Integrated	Flat, Long, Pipes and Tubes
ArcelorMittal España	Spain	Avilés, Gijón	Integrated	Flat, Long
ArcelorMittal Sagunto	Spain	Sagunto	Downstream	Flat
ArcelorMittal Packaging	Belgium, France, Spain	Liège, Basse-Indre, Florange, Avilés, Etxebarri	Downstream	Flat
ArcelorMittal Sestao	Spain	Bilbao	Mini-mill	Flat
ArcelorMittal Piombino	Italy	Avellino, Piombino	Downstream	Flat
ArcelorMittal Dudelange	Luxembourg	Dudelange	Downstream	Flat
ArcelorMittal Poland	Poland	Krakow, Swietochlowice, Dabrowa Gornicza, Batory	Integrated	Flat
ArcelorMittal Frydek - Mistek	Czech Rep.	Ostrava	Downstream	Flat

Unit	Country	Locations	Type of Plant	Products
ArcelorMittal Skopje[1]	Macedonia	Skopje	Downstream	Flat
ArcelorMittal Tallinn	Estonia	Tallinn	Downstream	Flat
Industeel	France, Belgium	Charleroi, Le Creusot, Chateauneuf, Saint-Chamond	Mini-mill and Downstream	Flat

Note:

(1) The Skopje plant was transferred to the Flat Carbon Europe segment in 2008.

Production Facilities – Flat Carbon Europe

Facility	Number of Facilities	Capacity	Production in 2008[1]
		(in million tonnes per year)	*(in million tonnes)*
Coke Plant	29	15.9	13.9
Sinter Plant	16	58.6	46.6
Blast Furnace	26	45.8	32.6
Basic Oxygen Furnace (Incl. Tandem Furnace)	30	46.4	34.2
Electric Arc Furnace	5	2.7	2.1
Continuous Bloom/Billet Caster	4	4.0	2.5
Billet Rolling Mill	1	2.5	0
Continuous Caster – Slabs	25	46.6	32.5
Hot Rolling Mill	13	44.6	27.9
Pickling Line	27	24.5	11.4
Tandem Mill	22	20.9	14.9
Annealing Line	14	4.9	3.2
Skin Pass Mill	16	9.8	5.2
Hot Dip Galvanising Line	34	11.8	9.8
Electro Galvanising Line	9	2.1	1.4
Tinplate Mill	9	1.9	0
Color Coating Line	14	2.1	1.3
Plate Mill	7	4.2	2.6

Note:

(1) Production facility details include the production numbers for each step in the steel-making process. Output from one step in the process is used as input in the next step in the process. Therefore, the sum of the production numbers does not equal the quantity of sellable finished steel products.

ArcelorMittal Bremen GmbH

ArcelorMittal Bremen is situated on the bank of the River Weser in the north of Bremen, Germany, and covers an area of approximately seven square kilometers. ArcelorMittal Bremen is a fully integrated and highly automated plant, with four million tonnes of crude steel annual production capacity. ArcelorMittal Bremen produced 2.7 million tonnes of crude steel in 2008.

ArcelorMittal Bremen has primary and finishing facilities and contains one sinter plant, two blast furnaces, one steel shop with two basic oxygen converters, one vacuum degassing line, one continuous slab caster and one hot strip mill for the primary facility. The finishing plant has one pickling line, a four-stand tandem mill, a batch annealing and temper mill, and two hot dip-galvanising lines. ArcelorMittal Bremen produces and sells a wide range of products, including slab, hot-rolled, pickled, cold-rolled and hot dip galvanized rolls to the automotive and primary transformation sectors.

Cockerill Sambre and Arcelor Produits Plats Wallonie

The primary facilities of Cockerill Sambre in Liège are located in two main plants along the Meuse River: the Seraing-Ougrée plant, which includes one coke plant, one sinter plant and two blast furnaces, and the Chertal plant, which includes a steel shop with three converters, ladle metallurgy with RH vacuum treatment, two continuous caster machines (one double strand and one single strand) and a hot strip mill. Cockerill Sambre relies on the finishing facilities of ArcelorMittal Steel Belgium and has an annual production capacity of 3.5 million tonnes of crude steel. Cockerill Sambre produced 2.0 million tonnes of crude steel in 2008.

Most raw materials used by Cockerill Sambre and Arcelor Produits Plats Wallonie are shipped from Rotterdam and Antwerp through dedicated port facilities situated along the Meuse River next to the Liège installations. Pig iron is transported from Ougrée to Chertal by torpedo ladles. The coke and blast furnace gases are sent to a power plant that produces steam and electricity. The finishing facilities located south of Liège consist of a coupled pickling rolling mill line and a pickling line and a five-stand tandem mills (located in Tilleur), batch annealing furnaces and one continuous annealing line (located in Jemeppe), four hot dip galvanising lines and two organic coating lines (located in the Flemalle/Ramet area) as well as three electrogalvanizing lines (located in Marchin).

Cockerill Sambre produces a large range of high-quality steel grades-ultra-low carbon steels to deep-drawing aluminum-killed steels and tinplate low carbon specifications, including a range of construction steels and micro-alloyed grades. A portion of its production is sent to the Liège finishing facilities; the remainder is sold to ArcelorMittal Construction France and Condesa Group, with some slabs sold to the Duferco Group. The Liège finishing facilities mainly produce higher added-value products, such as products for automotive use (exposed and non-exposed parts), including high-strength steel for household electrical devices, general industry and construction applications, as well as packaging.

ArcelorMittal Atlantique et Lorraine

ArcelorMittal Atlantique

ArcelorMittal Atlantique is part of ArcelorMittal Atlantique et Lorraine, which is wholly-owned by ArcelorMittal France. It has four plants in the north of France, located in Dunkerque, Mardyck, Montataire and Desvres. The Dunkerque, Mardyck, Desvres and Montataire plants cover an area of approximately 4.6 square kilometers, 2.6 square kilometers, 0.1 square kilometers and 0.7 square kilometers, respectively. ArcelorMittal Atlantique has an annual production capacity of 6.5 million tonnes. In 2008, ArcelorMittal Atlantique produced 6.3 million tonnes of crude steel. The Dunkerque plant has a coke plant, two sinter plants, three blast furnaces, a steel plant with three basic oxygen furnace (BOF) converters, one ladle treatment, one RH vacuum degasser, one tank vacuum degasser, four continuous casters for slabs and one hot strip mill. The remaining three plants serve as finishing facilities. Mardyck has a high-capacity coupled pickling-rolling line, a push-pull pickling line, and two hot dip galvanising lines, while Montataire has three hot dip galvanising lines, one organic coating line and one laminated composite line. Desvres has one hot dip galvanising line.

ArcelorMittal Atlantique produces and markets a large range of products, including slabs, hot -rolled, pickled, galvanized, color-coated coils and composite products. ArcelorMittal Atlantique's products are sold principally in the regional market in France and Western Europe, particularly in the automotive market.

ArcelorMittal Lorraine

The sites of Florange and Mouzon comprise the Lorraine facilities of ArcelorMittal Atlantique et Lorraine. Florange is the only fully integrated steel plant in France. Mouzon specializes in finishing hot dip coating operations and is fully integrated in the "Lorraine Cluster" of flat carbon steel plants.

The Florange site has a total annual production capacity of 3.2 million tonnes of hot -rolled coils, which supply the finishing cold facilities and the coating lines of Mouzon and Dudelange, as well as the tinplate cold facilities of ArcelorMittal Packaging in Florange.

The Florange site has primary and finishing facilities that are located mainly along the Fensch River in Lorraine. It covers an area of approximately 6.2 square kilometers and contains a coke plant, two sinter plant, two blast furnaces, a steel-making division with two bottom blowing oxygen converters, ladle furnace and tank degasser facilities, and one continuous slab caster and a hot strip mill for the primary portion. Florange produced 2.0 million tonnes of crude steel in 2008. The finishing plant of Florange has a high-capacity coupled pickling-rolling line, a continuous annealing line, a batch annealing and temper mill, as well as three coating lines dedicated to the automotive market-a hot dip galvanising line, an electro galvanising line and an organic coating line. The Mouzon site covers an area of approximately 0.9 square kilometers and has two hot dip galvanising lines for the production of zinc-aluminum silicium coated products.

The sites of Florange and Mouzon produce and deliver a range of flat steel high-value finished products to customers, including cold-rolled, hot dip galvanized, electro-galvanized, aluminized and organic -coated material. Certain of its products are designed for the automotive market, such as Extragal, Galfan, Usibor (hot dip), Bonazinc (organic -coated), while others are designed for the appliances market, such as Solfer (cold-rolled) for enameling applications or High Gloss (organic-coated). Over 93% of the sites' total production supplies the French and European Union markets.

ArcelorMittal Eisenhüttenstadt GmbH

ArcelorMittal Eisenhüttenstadt is situated on the Oder River near the German-Polish border, 110 kilometers southeast of Berlin, and covers an area of approximately 8.8 square kilometers. ArcelorMittal Eisenhüttenstadt is a fully integrated and highly -automated plant with two blast furnaces, one sinter plant, two oxygen converters, two continuous casters (slab and bloom), a hot strip mill with a coil box and a cold rolling mill with capacities for the production of cold -rolled coils, hot dip galvanising and organic coating products and facilities for cutting and slitting.

In 2008, ArcelorMittal Eisenhüttenstadt produced 1.8 million tonnes of crude steel. Its maximum production capacity is 2.7 million tonnes. ArcelorMittal Eisenhüttenstadt produces and sells a wide range of products, including hot-rolled, cold-rolled, electrical and hot dip galvanized and organic-coated rolls to automotive, distribution, metal processing, construction and appliances industry customers in Germany, Central and Eastern Europe.

ArcelorMittal España

ArcelorMittal España consists of two factories, Avilés and Gijón, which are interconnected by ArcelorMittal España's own railway system and cover an area of approximately 15.1 square kilometers. The two factories operate as a single integrated steel plant comprising coking facilities, sinter plants, blast furnaces, steel plants, hot-rolling mills and cold roll plants. The product range of ArcelorMittal España includes rail, wire rod, heavy plates and hot-rolled coil, as well as more highly processed products such as galvanized sheet, tinplate and organic-coated sheet. In 2008, ArcelorMittal España produced 3.4 million tonnes of crude steel.

The factories are also connected by rail to the two main ports in the region, Avilés and Gijón. Raw materials are received at the port of Gijón, where they are unloaded at ArcelorMittal España's own dry-bulk terminal, which is linked to the steel-making facilities by conveyor belt. A variety of products are shipped through the Avilés port facilities, both to other units of the ArcelorMittal group and to ArcelorMittal España's customers.

ArcelorMittal España is connected to the other ArcelorMittal factories in Spain by the wide-gauge and narrow-gauge rail networks. Shuttle trains link the ArcelorMittal España facilities direct to the ArcelorMittal Sagunto and ArcelorMittal Etxebarri plants, which it supplies with hot-rolled coils for subsequent processing into cold-rolled, galvanized and electrogalvanized sheet and tinplate. The ArcelorMittal Sagunto plant covers an area of approximately 0.3 square kilometers.

ArcelorMittal España operates two coking plants, two sinter plants, two blast furnaces and two steel plants-one in Avilés for flats products, with two continuous casters slab, and other one in Gijón for long products, with two caster for bloom and billet, a hot strip mill, a heavy plate mill, a wire rod mill and a rail mill. The cold-rolled plants include two pickling lines, two five stands cold tandem mills, annealing facilities for tinplate, tinning lines, two galvanising lines and one organic coating line.

ArcelorMittal Méditerranée

ArcelorMittal Méditerranée operates a flat carbon steel plant in Fos-sur-Mer. It also operates a finishing plant for electrical steels located in Saint-Chély, 300 kilometers north of Fos-sur-Mer. The Fos-sur-Mer plant is located 50 kilometers west of Marseilles on the Mediterranean Sea and covers an area of approximately 15 square kilometers. ArcelorMittal Méditerranée's principal equipment consists of one coke oven plant, one sinter plant, two blast furnaces, two basic oxygen furnaces, two continuous slab casters, one hot strip mill, one pickling line, one cold rolling mill and two continuous annealing lines located at Saint-Chély. A deep water private wharf, situated at one end of the plant, is equipped with two unloader cranes to unload raw materials (iron ore, pellets and coal) and send them to the stock yard. ArcelorMittal Méditerranée produced 2.96 million tonnes of crude steel in 2008.

ArcelorMittal Méditerranée's products include coils to be made into wheels, pipes for energy transport and coils for finishing facilities for exposed and non-exposed parts of car bodies, as well as the construction, home appliance, packaging, pipe and tube, engine and office material industries. The Saint-Chély plant produces electrical steel (with up to 3.2 % silicon content), mainly for electrical motors. About 60% of its products are shipped from a private wharf, in part through a shuttle system. 30% of its products are shipped by rail, with the remaining amount transported by truck.

ArcelorMittal Belgium (Gent, Geel and Genk)

ArcelorMittal Gent, Geel and Genk are part of ArcelorMittal Belgium. ArcelorMittal Gent is a fully integrated coastal steelworks which is located along the Ghent-Terneuzen canal, approximately 17 kilometers from the Terneuzen sea lock, which links the works directly with the North Sea. The canal is of the Panamax type and can accommodate ships of up to 65,000 tonnes. The ArcelorMittal Gent plant covers an area of approximately 8.2 square kilometers. ArcelorMittal Gent has an annual production capacity of 5.0 million tonnes of crude steel. In 2008, ArcelorMittal Gent produced 4.1 million tonnes of crude steel. ArcelorMittal Geel and ArcelorMittal Genk plants contain an organic coating line and an electrolytic galvanising line, respectively. The Arcelor Genk plant covers an area of 0.2 square kilometers.

ArcelorMittal Gent, Geel and Genk's principal equipment consists of one coke oven plant, two sinter plants, two blast furnaces, two basic oxygen converters, two continuous slab casters, one hot strip mill, one high capacity couples pickling and rolling mill line, one coupled pickling and rolling mill, one pickling line for pickled and oiled products, batch annealing furnaces, one continuous annealing line, three temper rolling mills, three inspection lines, three hot dip galvanising lines, one electrozinc coating line and two organic coating line.

ArcelorMittal Gent produces flat steel products with high-added value. A significant part of the production is coated, either by hot dip galvanising, electrolytic galvanising or organic coating. ArcelorMittal Gent's products are mainly used in the automotive industry and in household appliances, tubes, containers, radiators and construction. The products are sold through the Flat Carbon Western Europe segment.

ArcelorMittal Piombino S.p.a.

ArcelorMittal Piombino's production facilities and headquarters are located in Piombino, Italy. It also has a production division in San Mango sul Calore in Avellino, Italy. ArcelorMittal Piombino manufactures galvanized and organic -coated steel products. It operates one pickling line, a full continuous four-stand tandem mill, four hot dip galvanising lines and three organic coating lines, one of which is located in Avellino. ArcelorMittal Piombino's products are sold to European customers, primarily in the distribution, appliance and construction industries.

ArcelorMittal Dudelange

The Dudelange site is located in Luxembourg, 25 kilometers north of Florange, and contains a cold -rolled products plant. Dudelange operates two hot dip-coating lines, producing Alussi and Aluzinc, and two electro galvanising lines for appliances and industries.

ArcelorMittal Sagunto

ArcelorMittal Sagunto is a flat steel finishing products plant located in eastern Spain. ArcelorMittal Sagunto has a maximum annual production capacity of two million tonnes of cold and coated steel. The facilities comprise a pickling line, a regeneration plant for HCl, a full continuous five stands tandem mill, H2 and HNX batch annealing, temper mill, an electro-galvanising line, a hot dip galvanising line, a power station and a waste treatment plant.

ArcelorMittal Sestao

ArcelorMittal Sestao is located inside the port of Bilbao on a 0.5 square kilometer property. Most of its raw materials arrive through a port owned by ArcelorMittal that is situated adjacent to the melt shop. ArcelorMittal Sestao's principal equipment consists of two electric arc furnaces, two continuous slab casters, one hot rolling mill and one pickling line. Its crude steel production reached 1.4 million tonnes in 2008.

ArcelorMittal Sestao is a major supplier of hot-rolled, pickled and oiled coils to the Spanish market. Its range of production includes cold forming and drawing steels, structural steels, cold for re-rolling, direct galvanization, dual phase, weather resistance and floor plates. The compact steel production equipment, including a seven-stand hot rolling mill, enables ArcelorMittal Sestao to supply low thickness hot-rolled coil down to 1.0 millimeter. Sales outside Spain represent 20% of total shipments, most of them in Western Europe.

ArcelorMittal Packaging S.A.

ArcelorMittal Packaging is the world leader in steel for packaging production and sales. It operates five plants and two steel service centers. Its plants are located in Tilleur, Belgium, Florange and Basse-Indre in France, and Etxebarri and Avilés in Spain. Its steel service centers are located in Italy and in Turkey.

ArcelorMittal Packaging produces and delivers a variety of steel for packaging in coils or in buckles to can-makers, including tinplate, ECCS for ends and drawn cans, as well as wide DWI for beverage cans. It also supplies high-specification products for sophisticated packaging requirements, such as extra-thin gauge steel.

Industeel Belgium and Industeel France

Industeel's facilities consist of six plants: Industeel Belgium ("IB"); located in Charleroi, Belgium; Industeel Creusot ("IC"), located in Le Creusot, France; Industeel Loire ("IL"), located in Chateauneuf, France; Euroform, located in Saint-Chamond, France; ArcelorMittal Ringmill, located in Seraing, Belgium; and UF Aciers, located in Dunkirk, France. Industeel also owns a research and development centre in Le Creusot, France.

IB, IC and IL are heavy plate mills. Each plant is fully -integrated, ranging from melt shop to finishing facilities. IB and IC are designed to produce special steel plates, ranging from five to 150 millimeters, including stainless steel products, while IL is dedicated to extra heavy gauge products, ranging from 120 to 900 millimeters, in alloyed carbon steel. Euroform operates hot forming facilities, mainly to transform extra heavy gauge products received from IL. The research and development centre is fully dedicated to special plate products development. ArcelorMittal Ringmill produces rings on a circular rolling mill.

Industeel's principal equipment consists of three electric arc furnaces, two ingot casting, one continuous caster, three hot rolling mills, one circular rolling mill, and heat treating and finishing lines. Industeel's plants in Belgium cover an area of approximately 0.4 square kilometers, and its plants in France cover an area of approximately 0.7 square kilometers.

Industeel provides products for special steel niche markets, both in the form of alloyed carbon grades and in stainless steel. It mainly focuses on applications where tailor-made or added-value plates are needed. Industeel's steel shipments reached 458,000 tonnes in 2008, including 64,000 tonnes of semi-products.

Industeel's main product segments are stainless steel, pressure vessels steel, wear-resistant steel, cryogenics steel, mould steel, high-strength steel, jack-up rig elements, protection steel, clad plates, tool steel for oil and gas, chemistry and petrochemistry, wear-resistant steel, assembly industries, process industries and construction inside and outside of Europe. The ringmill products are predominantly used in the wind turbine market.

ArcelorMittal Poland

ArcelorMittal Poland is the largest steel producer in Poland, with an annual production capacity of approximately 8.4 million tonnes of crude steel. The major operations of ArcelorMittal Poland are based in Dabrowa Gornicza, Krakow, Sosnowiec and Swietochlowice, Poland. ArcelorMittal Poland's Dabrowa Gornicza, Krakow, Sosnowiec and Swietochlowice plants cover areas of 12.4, 15.1, 0.7 and 0.8 square kilometers, respectively.

ArcelorMittal Poland also has interests in a number of companies-some of which operate rolling mills that transform converting billets, slabs and other semi-finished products into a range of finished products, as well as one company, Zdzieszowice Coke Plant, that produces and supplies coke to other ArcelorMittal subsidiaries.

ArcelorMittal Poland produces a wide range of steel products, including both long products and flat products. Its product range includes slabs, billets, blooms, sections, rails, hot-rolled sheets and strips, cold-rolled sheets and strips, galvanized sheets, welded tubes, wire-rods and other wire products and coated sheets. More than 50% of ArcelorMittal Poland's products are sold in the domestic Polish market, while the remainder is exported, primarily to customers located in other EU member states. ArcelorMittal Poland's principal customers are in the construction, engineering, transport, mining and automotive industries.

ArcelorMittal Poland's principal equipment consists of 14 coke oven batteries, two sinter plants, five (four of which are operational) blast furnaces, six basic oxygen furnaces, two continuous casters for blooms and billets, two continuous casters for slabs, one breakdown mill (bloom and slabs) one billet mill, one hot rolling mill, one cold rolling mill, one heavy section mill, one medium section mill, three galvanising lines, two color coating lines, one wire rod mill, one pipe/tube mill and one cold rolling mill for narrow strips. ArcelorMittal Poland produced 5.2 million tonnes of crude steel in 2008.

ArcelorMittal Galati S.A.

ArcelorMittal Galati's principal facilities include six coke oven batteries (five of which are operational), two sintering plants, five blast furnaces, six basic oxygen furnaces, four continuous slab casters, five continuous bloom casters (two of which are operational), one billet mill, two heavy plate mils, one hot strip mill, one cold rolling mill, one hot dip galvanising line. ArcelorMittal Galati's plant covers an area of approximately 15.9 square kilometers. In 2008, ArcelorMittal Galati produced 3.2 million tonnes of crude steel. ArcelorMittal Galati produces slabs, billets, plates, hot-rolled, cold-rolled and galvanized sheets. Approximately 31% of its products are sold in Romania.

Following the completion in 2008 of a $291 million capital expenditures program entered into with the Romanian government, ArcelorMittal Galati has a commitment to spend a further $60 million in capital expenditures from 2009 to 2011. This investment commitment is secured by a pledge of a portion of ArcelorMittal Galati's shares.

ArcelorMittal Ostrava

ArcelorMittal Ostrava produces both flat and long carbon products. The facility is described under "-Long Carbon Americas and Europe-Long Carbon Europe-ArcelorMittal Ostrava".

ArcelorMittal Annaba

ArcelorMittal Annaba produces both flat and long carbon products. Its flat products business is included in ArcelorMittal's Flat Carbon Europe segment, while its long products business is included in ArcelorMittal's Long Carbon Americas and Europe segment. It is described under "-Long Carbon Americas and Europe-ArcelorMittal Annaba".

Long Carbon Americas and Europe

ArcelorMittal's Long Carbon Americas and Europe segment has production facilities in North and South America and Europe, including the United States, Canada, Brazil, Argentina, Costa Rica, Mexico, Trinidad, Spain, Germany, France, Luxembourg, Italy, Poland, Romania, Morocco, Algeria, Bosnia and Herzegovina and the Czech Republic. The following two tables provide an overview by type of facility of ArcelorMittal's principal production locations and production units in the Long Carbon segment:

Production Locations – Long Carbon Americas and Europe

Unit	Country	Locations	Type of Plant	Products
ArcelorMittal Belval & Differdange	Luxembourg	Esch-Belval Differdange	Mini-mill	Long/Sections, Sheet Piles
ArcelorMittal Rodange & Schifflange	Luxembourg	Esch Schifflange, Rodange	Mini-mill	Long/Sections, Rails, Rebars
ArcelorMittal España	Spain	Gijón	Downstream	Long/Rails, Wire Rod
ArcelorMittal Madrid	Spain	Madrid	Mini-mill	Long/Sections
ArcelorMittal Olaberría	Spain	Olaberría	Mini-mill	Long/Sections
ArcelorMittal Bergara	Spain	Bergara	Mini-mill	Long/Sections
ArcelorMittal Zaragoza	Spain	Zaragoza	Mini-mill	Long/Light Bars and Angles
ArcelorMittal Gandrange	France	Gandrange	Mini-mill	Long/Wire Rod
Arcelor Huta Warszawa	Poland	Warsaw	Mini-mill	Long/Bars
ArcelorMittal Zumárraga	Spain	Zumárraga	Mini-mill	Long/Bars, Wire rods
ArcelorMittal Hamburg	Germany	Hamburg	Mini-mill	Long/Wire Rods
ArcelorMittal Duisburg	Germany	Ruhrort, Hochfeld	Mini-mill	Long/Billets, Wire Rod
ArcelorMittal Hunedoara	Romania	Hunedoara	Mini-mill	Long/Sections, Wire Rod
ArcelorMittal Ostrava	Czech Republic	Ostrava	Integrated	Long/Sections, Wire Rod, Sheet Piles
ArcelorMittal Poland	Poland	Dabrowa Gornica, Sosnowiec, Krolewska	Integrated	Long/Sections, Wire Rod, Sheet Piles
ArcelorMittal Annaba(1)	Algeria	Annaba	Integrated/Mini-mill	Long/Wire Rod, Rebars, Flat/Hot Rolled Coils, Galvanized Coils, Cold Rolled Coils, Tubes/ Seamless Pipes
ArcelorMittal Tebessa	Algeria	Annaba	Iron Ore Mine	Mining

Unit	Country	Locations	Type of Plant	Products
Sonasid[1]	Morocco	Nador, Lasfar, Jorf	Mini-mill	Long
ArcelorMittal Zenica[1]	Bosnia and Herzegovina	Zenica	Mini-mill/Integrated	Long
ArcelorMittal Prijedor	Bosnia and Herzegovina	Prijedor	Iron Ore Mining	Mining
ArcelorMittal Montreal	Canada	Contrecoeur East, West	Mini-mill	Long/Wire Rod/ Bars
ArcelorMittal USA	USA	Steelton, PA	Mini-mill	Long/Rail
ArcelorMittal USA	USA	Georgetown, SC	Mini-mill	Long/Wire Rod
ArcelorMittal USA	USA	Indiana Harbor Bar, IN	Mini-mill	Long/Bar
ArcelorMittal USA	USA	Vinton, TX	Mini-mill	Long
ArcelorMittal USA	USA	La Place, LA	Mini-mill	Long
ArcelorMittal USA	USA	Harriman, TN	Downstream	Long
ArcelorMittal Point Lisas	Trinidad	Point Lisas	Mini-mill	Long/Wire Rod
ArcelorMittal Brasil	Brazil	João Monlevade	Integrated	Long/Wire Rod
Acindar	Argentina	Villa Constitucion	Mini-mill	Long/Wire Rod/ Bar
ArcelorMittal Brasil	Brazil	Juiz de Fora, Piracicaba, Vitoria, Cariacica	Mini-mill	Long/Bar/Wire Rod
ArcelorMittal Brasil	Costa Rica	Costa Rica	Downstream	Long/Wire Rod
ArcelorMittal Las Truchas	Mexico	Lázaro Cárdenas, Córdoba, Celaya, Tultitlán, Vinton	Integrated, Mini-mill and Downstream	Long/Bar, Wire Rod
ArcelorMittal Las Truchas	Mexico	Lazaro Cardenas	Iron Ore Mine	Mining
ArcelorMittal Tubular Products[1]	Romania, Czech Rep, Poland, South Africa, Kazakhstan, Canada, USA, Mexico, Algeria, France, Venezuela	Galati, Roman, Iasi, Ostrava, Krakow, Vereeniging, Temirtau, Contrecoeur Ouest, Brampton, Woodstock, Hamilton, Shelby, Marion, Monterrey, Annaba, Hautmont, Vitry	Downstream	P&T

Note:

(1) ArcelorMittal Zenica, ArcelorMittal Annaba, Sonasid and ArcelorMittal Tubular Products were transferred to Long Carbon Americas and Europe in 2008.

Production Facilities – Long Carbon

Facility	Number of Facilities	Capacity	Production in 2008[1]
		(in million tonnes per year)	*(in million tonnes)*
Coke Plant	6	3.7	2.5
Sinter Plant	6	10.5	5.7
Blast Furnace	12	9.9	6.3

Facility	Number of Facilities	Capacity	Production in 2008[(1)]
		(in million tonnes per year)	*(in million tonnes)*
Basic Oxygen Furnace (including Tandem Furnace)	15	12.0	8.0
DRI Plant	7	6.8	3.8
Electric Arc Furnace	34	25.7	16.9
Continuous Caster-Bloom / Billet	44	33.6	22.5
Breakdown Mill (Blooming / Slabbing Mill)	2	1.7	0.4
Billet Rolling Mill	3	2.3	1.0
Section Mill	25	11.9	7.4
Bar Mill	27	10.9	7.0
Wire Rod Mill	19	11.6	8.2
Continuous Caster-Slabs	4	3.1	1.9
Hot Rolling Mill	3	3.8	1.3
Pickling Line	4	0.6	0.1
Tandem Mill	5	1.5	0.3
Annealing Line	11	1.1	0.2
Skin Pass Mill	4	1.1	0.2
Hot Dip Galvanising Line	6	0.2	0.1
Electro Galvanising Line	4	0.2	0.0
Tinplate Mill	1	0.1	0.0
Seamless Pipes	9	1.1	0.6
Welded Pipes	69	3.1	1.5

Note:

(1) Production facility details include the production numbers for each step in the steel-making process. Output from one step in the process is used as input in the next step in the process. Therefore, the sum of the production numbers does not equal the quantity of sellable finished steel products. The Wire Drawing business was transferred to the ArcelorMittal Steel Solutions and Services segment in 2008.

ArcelorMittal Brasil

ArcelorMittal Brasil (together with its subsidiaries, including Acindar in Argentina, Laminadora Costarricense and Trefileria Colima in Costa Rica) is the second largest long-rolled steel producer and the largest wire steel producer in Latin America in terms of both capacity and sales. ArcelorMittal Brasil's steel production facilities include one integrated plant (the João Monlevade plant in Brazil), one semi-integrated steel plant (the Villa Constitución plant in Argentina), three mini-mills (the Juiz de Fora, Piracicaba and Vitória plants-Brazil), nine wire plants and three plants that produce transformed steel products. In addition, ArcelorMittal Brasil, through its subsidiary ArcelorMittal Florestas, produces charcoal from eucalyptus forestry operations that is used to fuel its furnaces in Juiz de Fora and or to exchange for pig iron with local producers, and through the jointly controlled entity Guilman Amorin, produces energy used to supply the João Monlevade plant. ArcelorMittal Brasil covers an area of approximately 1,322 square kilometers, including production plants and forested areas in Brazil.

ArcelorMittal Brasil's current crude steel production capacity is 5.7 million tonnes. In 2008, it produced 4.9 million tonnes of crude steel. In 2008, ArcelorMittal Brasil produced a total of 5.0 million tonnes of rolled products, of which 0.7 million tonnes were processed to manufacture wire products.

ArcelorMittal Brasil's long-rolled products are principally directed at the civil construction and industrial manufacturing sectors. Long-rolled products used in the construction sector consist primarily of merchant bars and rebars for concrete reinforcement. Long-rolled products for the industrial manufacturing sector consist principally of bars and wire rods. A portion of the wire rods produced is further used by ArcelorMittal Brasil to produce wire products such as barbed and fence wire, welding wire, fasteners and steel cords. In addition, ArcelorMittal Brasil uses wire rods (mostly low carbon wire rods) to manufacture transformed steel products, such as welded mesh, trusses, pre-stressed wires, annealed wires and nails sold to construction companies, as well as drawn bars for the automotive industry.

ArcelorMittal Brasil's wire steel products are value-added products with higher margins and are manufactured by the cold drawing of low- and high-carbon wire rods into various shapes and sizes. ArcelorMittal Brasil's subsidiary BBA-Belgo Bekaert Arames Ltda. and the wire steel division of Acindar manufacture wire products that are consumed mainly by agricultural and industrial end-users and are sold at retail stores. These wire steel products include barbed and fence wire, welding wire and fasteners. Wire products produced by ArcelorMittal Brasil's subsidiary BMB-Belgo-Mineira Bekaert Artefatos de Arame Ltda., consist of steel cords that are consumed by the tire industry and hose wire that is used to reinforce hoses.

ArcelorMittal Brasil's transformed steel products are produced mainly by the cold drawing of low-carbon wire rods. ArcelorMittal Brasil's transformed steel products for the civil sector include welded mesh, trusses, annealed wire and nails. In addition, ArcelorMittal Brasil also processes wire rods to produce drawn bars at its Sabará facility, which are sold to customers in the automotive industrial sector.

ArcelorMittal Mineração Serra Azul

ArcelorMittal Mineração Serra Azul is an iron ore producer located in the Minas Gerais state of Brazil, about 60 kilometers south of Belo Horizonte, in the iron quadrangle. It supplies lump ore for local pig iron producers, and started a concentration plant in 2008, which is currently in ramp-up stage.

Mineral production is transported either by truck to local pig iron producers, or by truck and railway up to third-party port facilities located in the Rio de Janeiro state, where it is exported.

Acindar Industria Argentina de Aceros S.A.

Acindar Industria Argentina de Aceros S.A. (Acindar) is the largest long steel maker in Argentina. Its main facilities, located in Villa Constitución in the Santa Fe province of Argentina, comprise a direct reduction plant, an electric arc furnace, a ladle furnace and continuous casting, rolling mills, wires production and construction service facilities. The Acindar plant covers an area of approximately 2.8 square kilometers. In 2008, Acindar produced 1.4 million tonnes of crude steel. Acindar sells products to the construction, industrial, and agricultural sectors in Argentina, and exports to the South American and U.S. markets. It produces rebars, wire rod, merchant bars, special bar quality (SBQ), wires, wire mesh, cut and bend and drawn bars. Acindar's own distribution network can also service end -users.

ArcelorMittal Point Lisas

ArcelorMittal Point Lisas, located in Trinidad, is the largest steelmaker in the Caribbean, based on 2008 shipments. Its facilities cover approximately 1.1 square kilometers at the Point Lisas Industrial Complex in Point Lisas. ArcelorMittal Point Lisas' principal production facilities comprise three direct reduced iron plants, two electric arc furnaces, two continuous casters for billets and one wire rod mill. In 2008, ArcelorMittal Point Lisas produced 0.49 million tonnes of crude steel. ArcelorMittal Point Lisas receives its raw material imports and ships its steel products through a dedicated deep-water port facility within its production complex near the waterfront of the Gulf of Paria.

In 2008, ArcelorMittal Point Lisas exported substantially all of its wire rod shipments, primarily to steel manufacturers in South and Central America, the Caribbean and the United States. ArcelorMittal Point Lisas is also a significant producer, exporter, and user of direct reduced iron.

ArcelorMittal USA

ArcelorMittal USA produces both flat and long carbon products. The flat carbon-related facilities and the mining operations associated with ArcelorMittal USA are described under "-Flat Carbon Americas-ArcelorMittal USA".

ArcelorMittal USA's long carbon facilities, located at Indiana Harbor in East Chicago, Illinois, consist of an electric arc furnace, continuous billet caster, and bar mill. (Indiana Harbor's flat carbon facilities are described above under "-Flat Carbon Americas-ArcelorMittal USA").

ArcelorMittal USA's Steelton, Pennsylvania plant produces railroad rails, specialty blooms and flat bars for use in railroad and forging markets. Principal facilities consist of an electric arc furnace, vacuum degasser, bloom caster, and an ingot teaming facility. Finishing operations include a blooming mill, rail mill and bar mill. ArcelorMittal USA's Georgetown, South Carolina plant produces high-quality wire rod products, which are used to make low carbon fine wire drawing, wire rope, tire cord, high-carbon machinery and upholstery springs. Principal facilities consist of two electric arc furnaces, two ladle metallurgy stations, a billet caster and a wire rod rolling mill.

ArcelorMittal USA's Vinton plant, located in El Paso, Texas, produces reinforcing bar. Vinton's operations include two electric arc furnaces, a continuous caster and a rolling mill.

In June 2008, ArcelorMittal USA acquired Bayou Steel, a structural steel producer located in LaPlace, Louisiana and Harriman, Tennessee. The facilities in LaPlace consist of one electric arc furnace, a continuous caster and a rolling mill. Harriman consists of a rolling mill that is supplied with billets from LaPlace.

ArcelorMittal Montreal

ArcelorMittal Montreal (f/k/a Mittal Canada) is the largest mini-mill in Canada with 2.5 million tonnes of crude steel capacity. In 2008, ArcelorMittal Montreal produced 1.8 million tonnes of crude steel. With eight major production facilities, ArcelorMittal Montreal offers flexibility in production and product offering.

ArcelorMittal Montreal's main operations include the semi-integrated Contrecoeur East site with two DRI plants, one steel plant operating two electric arc furnaces and a rod mill. It is the only site in Canada to make steel with self-manufactured DRI. The Contrecoeur East site has the flexibility in metallic management and it can use either DRI or scrap, depending on their respective economies. The Contrecoeur West mini-mill site operates one steel plant with one electric arc furnace and a bar mill. Its steel production is made out of recycled scrap.

ArcelorMittal Montreal also operates a second bar mill in the Montreal area. It is engaged in further downstream production with two wire drawing mills, one in the Montreal area and one in Hamilton, Ontario. ArcelorMittal Montreal produces a wide range of products with a focus on niche and value-added products. These products include wire rods, wire products and bars primarily sold in Canada and the United States. ArcelorMittal Montreal principally serves the automotive, appliance, transportation, machinery and construction industries. The Contrecoeur East site also produces slabs that are resold within ArcelorMittal to the Flat Carbon segment and to external clients.

In July 2008, ArcelorMittal Montreal acquired Bakermet, a scrap recycling business located in Ottawa, Ontario. This acquisition added an important source of scrap supply. As of December 31, 2008, ArcelorMittal Montreal also owns interests in Dietcher, a scrap processing business located in Montreal.

In February 2008, ArcelorMittal Montreal ceased operations of its two flat business units following the announced restructuring of its flat business division at the end of 2007. ArcelorMittal Montreal also restructured its wire-drawing segment by closing the Lachine site in June 2008 and consolidating production and equipment at its St. Patrick site. ArcelorMittal Montreal continues to operate the Walker Wire facility near Detroit, Michigan, as a distribution facility for its wiredrawing segment.

ArcelorMittal Las Truchas

ArcelorMittal Las Truchas (f/k/a Sicartsa) is an integrated maker of long steel products, with one of the largest single rebar and wire rod production facilities in Mexico. ArcelorMittal Las Truchas is the largest exporter of rebar and wire rod in Mexico. It is located in Lázaro Cárdenas, Mexico, with additional facilities elsewhere in Mexico and in Texas.

ArcelorMittal Las Truchas extracts its own iron ore, and is self-sufficient in this material for its production needs. Its iron ore mines, described under "-Flat Carbon Americas-ArcelorMittal Lázaro Cárdenas", are located 26 kilometers from its plant facilities. The ArcelorMittal Las Truchas plant covers an area of approximately 5.2 square kilometers. ArcelorMittal Las Truchas has an annual production capacity of up to 1.7 million tonnes of finished products and 2.35 million tonnes of liquid steel. In 2008, ArcelorMittal Las Truchas produced 1.5 million tonnes of crude steel. Its integrated steel making complex at Lázaro Cárdenas includes an iron ore concentrating plant, a pelletizing plant, a coke oven, a blast furnace, an oxy-cupola furnace, two basic oxygen furnaces (BOFs), three continuous casters billet, a rebar rolling mill, a wire rod rolling mill and port facilities. It also has industrial service facilities, including a power plant, a steam plant, and a lime plant. The adjacent port facilities on Mexico's Pacific coast have berthing capacity for three incoming and two outgoing vessels at a time. The port gives ArcelorMittal Las Truchas maritime access to North American, South American and Asian markets.

ArcelorMittal Las Truchas's other industrial facilities are in Córdoba, Celaya, Tultitlán and Vinton. Its Córdoba facility on the Gulf of Mexico has an electric arc furnace mini-mill (Metaver) that produces rebar, with production capacity of 160,000 tonnes per year of liquid steel and 150,000 tonnes per year of billets. It principally supplies billets to the Camsa rolling mill. The Celaya rolling mills (Sibasa), strategically located in the geographic centre of Mexico, produce rebar by using billet from ArcelorMittal Las Truchas, including the Vinton site. Its annual rebar production capacity is 550,000 tonnes. The Tultitlán rolling mill (Camsa) processes billets from ArcelorMittal Las Truchas and Cordova (Metaver) to produce rebar. It has an annual rebar production capacity of 240,000 tonnes. Its location in Tultitlán, near Mexico City, allows it to function as a service and distribution centre supplying rebar to central Mexico. The Vinton electric arc furnace mini-mill (Border Steel) produces rebar and grinding balls, with annual production capacity of 240,000 tonnes of liquid steel and 235,000 tonnes of finished products. Its steel making facility includes two electric arc furnaces, one continuous caster and a rolling mill. It services markets in the northern states of Mexico and the American southwest.

ArcelorMittal Duisburg

ArcelorMittal Duisburg's production facilities are located in Ruhrort and Hochfeld, Germany. The Ruhrort facilities include two oxygen converters, secondary metallurgy (including a ladle furnace, tank degasser and an RH degasser), a blooms caster, a billet caster and a billet mill. In 2008, ArcelorMittal Duisburg produced 1.5 million tonnes of crude steel. The Hochfeld facility is a wire rod mill. The Duisburg plants together cover an area of approximately 1.9 square kilometers. More than 90% of its production is sold in Europe, primarily to automotive, railway and engineering customers. In 1997, the former Mittal Steel Ruhrort (a predecessor to ArcelorMittal Duisburg) signed an agreement with ThyssenKrupp Stahl AG for the purchase of 1.3 million tonnes per year of hot metal, which in 2005 was extended through 2027, with an increase to 1.5 million tonnes per year as from 2009.

ArcelorMittal Hamburg

The ArcelorMittal Hamburg plant covers a leased area of approximately 0.6 square kilometers. Its production facilities are one DRI production facility (MIDREX), one electric arc furnace, one ladle furnace, one billet caster, one wire rod mill and one stretching plant. About 85% of its production is sold in Europe. ArcelorMittal Hamburg produced 0.9 million tonnes of crude steel in 2008.

ArcelorMittal Gandrange & Schifflange

Built in 1966, the Gandrange site cover 279 hectares and has an electric arc furnace, a billet and bar mill and a bar and coil mill. The Schifflange (STFS) site covers 2.8 hectares and has a wire rod mill. In 2008, a rebar and coil facility was added to STFS. The sites produce billets, special bar quality products, rebars and wire rods (mesh, low carbon, high carbon, alloyed spring, steel cord, cold heading quality products and free cutting). The electric arc furnace facility and the billet and bar mill are scheduled to be closed permanently in early 2009 and late 2009, respectively.

ArcelorMittal Poland

ArcelorMittal Poland produces both flat carbon and long carbon products. The facility is described under "-Flat Carbon Europe-Flat Carbon Eastern Europe-ArcelorMittal Poland".

ArcelorMittal Ostrava

ArcelorMittal Ostrava's production facilities are located in Ostrava, Czech Republic. It is approximately 72%-owned by the ArcelorMittal group, with the remaining 28% owned by third parties. ArcelorMittal Ostrava covers an area of approximately 5.6 square kilometers. Its principal production facilities include three coke oven batteries, two sinter plants, four blast furnaces, four open hearth tandem furnaces, three continuous casters, one hot strip mill, two section mills, one wire rod mill, two seamless tube mills, one spiral welding shop and one power plant. In 2008, ArcelorMittal Ostrava produced 2.6 million tonnes of crude steel.

In connection with the 2003 privatization of ArcelorMittal Ostrava by the government of the Czech Republic (as part of its initiative to restructure the Czech steel industry), ArcelorMittal made capital expenditure commitments totaling $243 million (by Czech accounting standards) over 10 years (including $20 million for environmental improvements).

ArcelorMittal Ostrava has made capital expenditures of approximately $217 million as of December 31, 2008 towards this commitment. In connection with the acquisition, ArcelorMittal restructured the debt obligations of ArcelorMittal Ostrava with a consortium of Czech and international banks led by the International Finance Corporation, and also agreed to follow a medium-term restructuring plan approved by the European Commission. This plan includes certain reductions in capacity and employment levels.

ArcelorMittal Ostrava produces long and flat products. Approximately 52% of ArcelorMittal Ostrava's production is sold in the Czech domestic market, with the remainder sold primarily to customers in other European countries. ArcelorMittal Ostrava sells most of its products directly to end-users primarily in the engineering, automotive and construction industries, as well as to small-lot resellers.

The significant downstream subsidiaries of ArcelorMittal Ostrava are ArcelorMittal Tubular Products Ostrava a.s., Jakl Karvina a.s. and Valcovny Plechu a.s., which are all wholly-owned. ArcelorMittal Tubular Products Ostrava has an annual capacity of 275,000 tonnes of seamless tubes and 45,000 tonnes of welded pipes. Jakl Karvina has an annual capacity of 255,000 tonnes of welded pipes. Valcovny Plechu has an annual capacity of 210,000 tonnes of cold-rolled products and 42,000 tonnes of cold-rolled strips.

ArcelorMittal Belval & Differdange

ArcelorMittal Belval & Differdange has two facilities located in Esch Belval and Differdange, Luxembourg. The Differdange plant covers an area of approximately 1.2 square kilometers, and the Belval plant covers an area of approximately 1.1 square kilometers. ArcelorMittal Belval & Differdange's principal production facilities are two electric arc furnaces, two long section rolling mills and one sheet piles rolling mill. ArcelorMittal Belval & Differdange produces a wide range of sections and sheets piles, and produced 1.7 million tonnes of crude steel in 2008.

ArcelorMittal Rodange & Schifflange

ArcelorMittal Rodange has one electric arc furnace and a continuous caster for billets located in Schifflange and two rolling mills in Rodange, Luxembourg. ArcelorMittal Rodange & Schifflange is 80%-owned by ArcelorMittal Belval Differdange, with the remaining 20%-owned by third parties. The Rodange plant covers an area of approximately 0.5 square kilometers and the Esch Schifflange plant covers an area of approximately 0.4 square kilometers. In 2008, ArcelorMittal Rodange & Schifflange produced 0.9 million tonnes of crude steel.

ArcelorMittal Rodange manufactures special sections (track shoes, cathode bars, car building sections, mining sections and metro guide corners), crane rails, heavy angles and squares and rebars (Tempore, Krybar, Gewi and specials), and has recently expanded its range to include light sheet piles products.

ArcelorMittal Warszawa

ArcelorMittal Warszawa (f/k/a Arcelor Huta Warszawa) is located in Warsaw, Poland and produces long products. Its plant covers an area of approximately 3.0 square kilometers and includes an electric arc furnace, a continuous caster, and two rolling mills (producing special quality bars and rebars). In 2008, ArcelorMittal Warszawa produced 0.5 million tonnes of crude steel. A new rolling mill producing rebars and light merchant started production in the second quarter of 2008. ArcelorMittal Warszawa produces special quality bars from 10 millimeters to 65 millimeters in diameter. Beginning in the second quarter of 2008, ArcelorMittal Warszawa started production of rebars from 10 millimeters to 32 millimeters in diameter.

ArcelorMittal Olaberría

ArcelorMittal Olaberría is located in northeastern Spain. Its facilities include an electric arc furnace, a continuous caster and a rolling mill. It produces sections from 140 to 450 millimeters in diameter and 6.0 and 24.1 meters in length. Its plant covers an area of approximately 0.18 square kilometers. ArcelorMittal Olaberría produced 0.7 million tonnes of crude steel in 2008.

ArcelorMittal Bergara

ArcelorMittal Bergara is located in northeastern Spain. Its facilities include an electric arc furnace, a continuous caster and a continuous rolling mill. It produces sections and merchant bars of 80 to 220 millimeters wide and between 6.0 and 18.3 meters long. The ArcelorMittal Bergara plant covers an area of approximately 0.2 square kilometers.

ArcelorMittal Madrid

ArcelorMittal Madrid is located 15 kilometers south of Madrid. Its facilities include an electric arc furnace, a continuous caster and a rolling mill. It produces sections from 600 millimeters in diameter and between 9.0 and 18.3 meters in length. Its plant covers an area of approximately 0.2 square kilometers. In 2008, ArcelorMittal Madrid produced 0.5 million tonnes of crude steel.

ArcelorMittal Zaragoza

ArcelorMittal Zaragoza is located in Aragon, in northeastern Spain. ArcelorMittal Zaragoza moved its industrial activity to a new location in 2007, which increased production capacity and product range. Its facilities include an electric arc furnace, a continuous caster and two rolling mills. It currently produces angles from 25 to 120 millimeters, flats from 40 to 200 millimeters and rebars from 10 to 32 millimeters in diameter. In 2008, ArcelorMittal Zaragoza produced 0.4 million tonnes of crude steel.

ArcelorMittal Asturias

ArcelorMittal Asturias's production facilities are located in Gijón, Spain. The Gijón facilities include a steel plant with two oxygen converters, secondary metallurgy (including two ladle furnaces and a RH degasser), a blooms caster and a billets caster, as well as a wire rod mill and a rail mill. In 2008, the Asturias steel plant produced 0.7 million tonnes of crude steel (0.250 million tonnes of blooms and 0.419 million tonnes of billets). The wire rod mill produced 0.410 million tonnes of wire rod and the rail mill produced 0.289 million tonnes of rail.

ArcelorMittal Zenica

ArcelorMittal Zenica's facilities are located in Bosnia and Herzegovina. It is 92%-owned by the ArcelorMittal group and 8% owned by the government of Bosnia and Herzegovina. ArcelorMittal Zenica covers an area of approximately 29.1 square kilometers. Its principal production facilities are two electric arc furnaces, coke oven batteries, a sinter plant, a blast furnace, a continuous caster, two rolling mills, a forge shop and a power plant. In 2008, ArcelorMittal Zenica produced 0.6 million tonnes of crude steel. At the time of acquisition of ArcelorMittal Zenica, capital expenditure commitments totaling $135 million over 10 years (from 2005-2014) were made. As of December 31, 2008 ArcelorMittal Zenica has made capital expenditures of approximately $115 million towards this commitment, including $32 million on environmental projects.

ArcelorMittal Zenica produces long and forged products. Approximately 55% of ArcelorMittal Zenica's production is exported. ArcelorMittal Zenica sells most of its production directly to end-users primarily in the engineering and construction industries, as well as to small-lot resellers.

ArcelorMittal Prijedor

ArcelorMittal Prijedor, located near Prijedor in the Republic of Srpska in Bosnia and Herzegovina, is an iron ore mining operation that is 51%-owned by ArcelorMittal.

The mine is a surface mine that produced 1.2 million tonnes of concentrate in 2008. A new pit in the same area, known as Buvac, is expected to commence production in 2009. The production process includes crushing, with hydro-cyclones and magnetic separation at the concentration plant.

ArcelorMittal Annaba and ArcelorMittal Tebessa

ArcelorMittal Annaba is the only integrated steel plant in Algeria. ArcelorMittal Annaba also owns port facilities at Annaba, which are located approximately 12 kilometers from its steel-producing operations, where exports of steel products and imports of raw materials are handled. Its plant covers an area of approximately 9.9 square kilometers.

ArcelorMittal Annaba's production facilities consist of two basic oxygen furnaces with six converters and one electric arc furnace. It operates two sinter plants, two blast furnaces, a hot-strip mill, a cold reducing mill, a bar and rod mill and a seamless tube mill. In 2008, ArcelorMittal Annaba produced 0.6 million tonnes of crude steel.

ArcelorMittal Annaba produces both long and flat products. Its flat product range includes slabs, hot rolled and cold-rolled coils and sheets, hot-dipped galvanized products and tin plates, and its long product range includes billets, wire-rods, rebars and seamless tubes. ArcelorMittal Annaba supplies products primarily to the construction, housing, engineering, packaging and petrochemical industries.

ArcelorMittal Tebessa operates two iron ore mines at Ouenza and Boukhadra. The Ouenza mine that is located in the southeast of Algeria near the Tunisian border, 150 kilometers from the Annaba coast, is an open cast mine that produced 1.2 million tonnes in 2008 and an overall surface area of 1,085 hectares. Ouenza's operations began in 1921. Its material is dispatched to ArcelorMittal Annaba Plant.

The Boukhadra mine is located in the southeast of Algeria, near the Tunisian border with a production of 0.5 million tonnes in 2008, approximately 180 kilometers from Annaba coast. Boukhadra's operations started in 1927. Its material is dispatched to ArcelorMittal Annaba Plant.

Both mines can be accessed by the by road and by electrified railways that run between the mines and ArcelorMittal Annaba steel plant. Since October 18, 2001, both the Ouenza mine and Boukhadra mine have been owned by ArcelorMittal and Ferphos, an Algerian public sector company, with each entity holding 70% and 30%, respectively. The major production facilities at the mines include three crusher plants, conveyor belts and wagon-loading hoppers stations.

Sonasid

Sonasid (*Société Nationale de Sidérurgie*) is the largest long steel producer in Morocco and has facilities in Nador, Jorf and Lasfar. Sonasid principally produces steel bars and rods. These products include reinforcing bars (used in construction), wire rods (used to manufacture nails and springs) and merchant bars (used in mechanical construction and steel framework structures). Sonasid produced 0.5 million tonnes of crude steel in 2008.

ArcelorMittal Tubular Products

ArcelorMittal Tubular Products division operated 20 plants in Europe, North America, South America, CIS and Africa in 2008. The division caters mainly to the energy, mechanical tubing and automotive tubing and components markets. The facilities include four plants producing seamless tubes, three plants producing large diameter welded tubes, 11 plants producing electric resistance welded (ERW) tubes, one plant producing high value-added cold drawn (DOM) tubes and two facilities producing automotive components using welded tubes.

During 2008, ArcelorMittal acquired Industrias Unicon, the largest pipe and tube manufacturer in Venezuela, with an installed capacity of up to one million tonnes and annual production and shipments of approximately 500,000 tonnes. The facility is capable of producing high -quality line pipe and OCTG Pipes that conform to API specifications for the oil and gas industries. It is a major supplier to the national petroleum company of Venezuela and is also the market leader in mechanical tubing in Venezuela.

AACIS

ArcelorMittal's AACIS segment has production facilities in Asia and Africa, including Kazakhstan, Ukraine, South Africa and Russia. The following two tables provide an overview by type of facility of ArcelorMittal's principal production locations and production:

Production Locations – AACIS

Unit	Country	Locations	Type of Plant	Products
ArcelorMittal Temirtau	Kazakhstan	Karaganda	Integrated	Flat, Pipes and Tubes
ArcelorMittal Temirtau	Kazakhstan	Lisakovsk, Kentobe, Atasu, Atansore	Iron Ore Mining	Mining
ArcelorMittal Temirtau	Kazakhstan	Kostenko, Kuzembaev, Saranskaya, Abaiskaya, Kazakhstanskaya, Lenina, Shaktanskaya, Tenteskaya	Coal Mining	Mining
ArcelorMittal Kryviy Rih...........	Ukraine	Kryviy Rih	Integrated	Long
ArcelorMittal Kryviy Rih...........	Ukraine	Underground and Open Mines	Iron Ore Mining	Mining
ArcelorMittal South Africa	South Africa	Vanderbijlpark, Saldanha, Newcastle, Vereeniging	Integrated, Mini-mill	Flat, Long, Pipes and Tubes

Production Facilities – AACIS

Facility	Number of Facilities	Capacity	Production in 2008(1)
		(in million tonnes per year)	*(in million tonnes)(1)*
Coke Plant..	25	11.5	8.1
Sinter Plant...	9	24.1	18.7
Blast Furnace...	12	21.1	12.9
Basic Oxygen Furnace (including Tandem Furnace)	17	20.2	13.4
DRI Plant..	6	1.5	0.9

Facility	Number of Facilities	Capacity	Production in 2008[(1)]
		(in million tonnes per year)	*(in million tonnes)[(1)]*
Electric Arc Furnace	5	3.3	2.0
Continuous Caster – Bloom/Billet	2	2.8	1.7
Breakdown Mill (Blooming/Slabbing Mill)	2	10.0	6.2
Billet Rolling Mill	1	1.5	1.1
Section Mill	9	4.8	3.9
Bar Mill	3	0.8	0.4
Wire Rod Mill	4	2.6	2.0
Continuous Caster – Slabs	6	11.2	7.2
Hot Rolling Mill	3	9.4	6.6
Pickling Line	4	4.5	3.0
Tandem Mill	4	4.1	2.9
Annealing Line	7	1.3	0.9
Skin Pass Mill	3	0.6	0.5
Hot Dip Galvanising Line	5	1.4	1.1
Electro Galvanising Line	1	0.1	0.1
Tinplate Mill	3	1.3	0.8
Color Coating Line	2	0.2	0.2
Plate Mill	1	0.6	0.3

Note:

(1) Production facility details include the production numbers for each step in the steel-making process. Output from one step in the process is used as input in the next step in the process. Therefore, the sum of the production numbers does not equal the quantity of sellable finished steel products.

ArcelorMittal South Africa

ArcelorMittal South Africa is the largest steel producer in Africa and has an installed capacity of approximately 8.2 million metric tonnes of liquid steel. In 2008, ArcelorMittal South Africa produced 5.531 million tonnes of crude steel. ArcelorMittal, South Africa's common shares are listed on JSE Limited in South Africa under the symbol "ACL". Mittal Steel Holdings AG has a shareholding of 52.02%

ArcelorMittal South Africa has four main production facilities, which are supported by a metallurgical by-products division (Coke and Chemicals). Vanderbijlpark Steel is an integrated flat steel producer located in Gauteng province, approximately 80 kilometers south of Johannesburg, that covers an area of approximately 23.0 square kilometers and has a liquid steel capacity of approximately 4.4 million tonnes. Vereeniging Steel is a mini-mill located in Vereeniging that produces specialty steel products, covers an area of approximately 0.8 square kilometers and has an annual liquid steel capacity of approximately 0.4 million tonnes of liquid steel. Newcastle Steel is an integrated long products facility located in Kwa-Zulu Natal province that covers an area of approximately 13.1 square kilometers, produces sections and bars and billets for re-rolling and wire rod and has an annual liquid steel capacity of approximately 2.0 million tonnes. Saldanha Steel is a flat steel producer located in Cape Province, close to the deep-sea port of Saldanha, that covers an area of approximately 4.0 square kilometers, has a liquid steel capacity of approximately 1.4 million tonnes per annum and utilizes the Corex/Midrex process.

ArcelorMittal South Africa's range of products includes hot-rolled plates and sheet in coil form, cold-rolled sheet, coated sheet, wire-rod and sections as well as forgings. Approximately 86% of its products are sold in the South African domestic market, with Asia and Africa as its largest export market. It also sells significant quantities of product into Europe and parts of Africa.

ArcelorMittal Kryviy Rih

The former Mittal Steel acquired the Ukrainian steel maker Kryvorizhstal in 2005 and subsequently renamed it ArcelorMittal Kryviy Rih.

ArcelorMittal Kryviy Rih's integrated steel plant consists of eight coke oven plants (including two coke oven plants under reconstruction), three sintering plants, six blast furnaces (including three under reconstruction), six basic oxygen furnaces, two open hearth furnaces, two blooming mills and six light section/bar mills and three wire rod mills. It covers an area of approximately 120 square kilometers including mines, an agriculture division and various recreational centers.

ArcelorMittal Kryviy Rih is committed to invest at least $500 million through 2010 pursuant to the agreement under which it was acquired. This includes certain innovation, investment and environment-related undertakings. As of December 31, 2008, ArcelorMittal Kryviy Rih had spent approximately $495 million toward these commitments. ArcelorMittal Kryviy Rih has also undertaken certain labor obligations relating to preservation of headcount and average wages.

ArcelorMittal Kryviy Rih's product range includes billets, rounds, rebar and light sections including squares, angles and strips. The products are sold to a range of industries such as hardware, construction, re-rolling and fabrication. The markets for the products include Ukraine, CIS and Russia, North Africa, Europe, the Middle East and the Gulf states. In 2008, ArcelorMittal Kryviy Rih produced 6.2 million tonnes of crude steel.

ArcelorMittal Kryviy Rih has two captive iron ore mines: an open pit mine that produced 7.8 million tonnes in 2008, known as Kryviy Rih Opencast, and an underground mine with production of 1.6 million tonnes in 2008, known as Kryviy Rih Underground. The production process includes crushing, hydroclassifiers and low intensity magnetic separation.

The main consumer of the sinter and concentrate mining production is ArcelorMittal Kryviy Rih, with some concentrate shipped to other ArcelorMittal affiliates in Kazakhstan and other Eastern Europe group companies, as well as to external consumers.

The Issuer's ownership in ArcelorMittal Kryviy Rih increased from 93.77% in 2006 to 94.66% in 2007 and 95.02% in 2008, as a result of acquiring minority interests.

ArcelorMittal Temirtau

ArcelorMittal Temirtau's wholly-owned integrated steel plant, located in the Karaganda region of Kazakhstan, consists of seven coke oven batteries of which six are operating, three sinter plants, four blast furnaces, three basic oxygen furnaces, two continuous slab casters, one hot strip mill, three cold rolling mills and three tinning lines, two hot dip galvanising and aluminum-zinc coating lines, one color coating line, two welded pipe mills and a bar mill. It covers an area of approximately seven square kilometers. In 2008, ArcelorMittal Temirtau produced 3.4 million tonnes of crude steel. ArcelorMittal Temirtau also has iron ore mines that produced 3.4 million tonnes and coal mines that produced 4.1 million tonnes of coking coal in 2008.

ArcelorMittal Temirtau commissioned a new bar and section mill in July 2008. The operations are being stabilized for various profiles. The normal operations for all the profiles are expected to begin in the second quarter of 2009.

ArcelorMittal Temirtau's product range of flat steel products includes pig iron, continuous caster slabs, hot- and cold-rolled coils and sheets, black plates, covers, tin plates, hot dipped galvanized products, color coated products and welded pipes, bars, sections and rebars. It sells steel products to a range of industries, including the tube- and pipe-making sectors, as well as manufacturers of consumer goods and appliances. ArcelorMittal has developed a plan to increase the production capacity to 10 million tonnes. This would be done in two phases. In first phase the production capacity would be upgraded to six million tonnes by modernizing and de-bottlenecking existing facilities. In second phase, a greenfield plant with four million tonnes of crude- steel production capacity would be constructed. The iron ore and coal mines and power plants would expand proportionally in order to provide 100% self-sufficiency. In view of the current downturn in the global steel market, the timeframe and required investments for all of these expansion projects is currently subject to review.

Iron Ore Mines: Lisakowsk, Kentobe, Atasu, Atansore

ArcelorMittal Temirtau has four iron ore mines in central Kazakhstan. The mines are Lisakowsk, Kentobe, Atasu and Atansor. The four mines are connected by all-weather roads and railways. Dispatch of ore from these mines is by railway.

Lisakowsk is an open pit operation located in northwest Kazakhstan about 1,100 kilometers from Temirtau. This mine was initially commissioned in 1976 and was acquired by ArcelorMittal in 1999. The production process comprises of crushing, screening, grinding, wet jigging and wet magnetic separation. Product is fine concentrate which is dispatched to Temirtau by railway rakes. A prototype pilot project on dephosphorization was commissioned in 2007. This unit is currently being modified for system improvements.

Kentobe is an open pit operation located about 300 kilometers southeast of Temirtau, initially started in 1994. It was acquired by ArcelorMittal in 2001. Ore processing is performed by crushing and dry magnetic separation, producing coarse concentrate.

Atasu is an underground mine operation located about 400 kilometers south/southwest from Temirtau. The mine was started in 1956 with open pit exploitation of near surface reserves. Surface operations ended in 1980. Underground operations commenced in 1976. ArcelorMittal Temirtau acquired the mine in 2003 and operations continue to be underground mining. Processing comprises of crushing and wet jigging.

Atansor is an open pit operation located about 500 kilometers northeast of Temirtau. The mining lease was obtained by ArcelorMittal in 2004. Ore is processed by a crushing and screening circuit.

Karaganda Coal Mines

ArcelorMittal Temirtau (formerly known as Ispat Karmet, Kazakhstan) acquired 15 coal mines in 1996 in the Karaganda coal basin region. These mines required considerable restructuring and investments. Restructuring and improvements were made by ArcelorMittal to form eight captive coal mines-Kostenko, Kuzembaev, Saranskaya, Abaiskaya, Kazakhstanskaya, Lenina, Shaktanskaya and Tentekskaya. These coal mines are all underground mines utilizing the retreat longwall mining method.

The mines produce primarily coking coal used in steel-making at Temirtau as well as thermal coal for ArcelorMittal Temirtau's power plants. For beneficiation of coking coal, two washeries are operated-one located near several of the coal mines and the other at the ArcelorMittal Temirtau steel plant. Surplus coal is supplied to group steel plants, mainly ArcelorMittal Kryviy Rih.

Coal Mines

ArcelorMittal Northern Kuzbass in Siberia, Russia includes the Berezovskaya, Pervomayskaya and Anzherskaya mines, as well as the Severnaya coal washery. The main consumers of the coal and concentrate produced are ArcelorMittal Kriviy Rih, ArcelorMittal Temirtau and ArcelorMittal's Eastern European plants.

The Berezovskaya mine, which is 98.29%-owned by ArcelorMittal, is an underground mine located in the northeastern part of the Kemerovo geological and economic district of Kuzbass, 35 kilometers from the regional city of Kemerovo. The mine is connected with the towns of Berezovsky and Kemerovo by motorway, and is accessible from the Kemerovo-Barzas railway.

The Pervomayskaya mine, which is 99.5%-owned by ArcelorMittal, is an underground mine located in the northern part of the Kemerovo geological and economic district of Kuzbass, 60 kilometers from Kemerovo. The mine is connected with the towns of Berezovsky and Kemerovo by motorway, and is accessible from the Kemerovo-Barzas railway.

The Anzherskaya mine, which is wholly-owned by ArcelorMittal, is an underground mine located in the central part of the Anzhersky geological and economic district of Kuzbass. Roads connect the mine to Anzhero-Sudzhensk and it is accessible from the Anzherskaya railway station.

The major mine equipment and machinery includes mining and heading machines, powered supports, face conveyors, rock handling machines, belt conveyors, hoisting machines, electric locomotives, and surface and suspended diesel locomotives.

The Severnaya coal washery began operating in December 2006. The coal preparation plant is adjacent to the Berezovskaya mine.

Stainless Steel

ArcelorMittal Stainless Steel segment has production facilities in South America and Europe, including Brazil, France and Belgium. The following two tables provide an overview by type of facility of ArcelorMittal Stainless Steel principal production locations and production units:

Production Locations – ArcelorMittal Stainless Steel

Unit	Country	Locations	Type of Plant	Products
ArcelorMittal Inox Brasil	Brazil	Timóteo	Integrated	Stainless/ Silicon
ArcelorMittal Inox Brasil Tubos	Brazil	Timóteo, Ribeirão Pires	Downstream	Stainless Tubes
Cinter	Uruguay	Montevideo	Downstream	Stainless Tubes
ArcelorMittal Stainless France	France	Gueugnon	Downstream	Stainless flat
ArcelorMittal Stainless & Nickel Alloys	France	Imphy	Mini-Mill	Stainless semis/alloys
ArcelorMittal Stainless Precision Europe	France	Pont de Roide/ Firminy	Downstream	Stainless precision
ArcelorMittal Stainless France	France	Isbergues	Downstream	Stainless flat
ArcelorMittal Stainless Tubes Europe	France	Ancerville	Downstream	Stainless tubes
ArcelorMittal Stainless Belgium	Belgium	Châtelet, Genk	Mini-Mill/ Downstream	Stainless flat
ArcelorMittal Stainless Automotive Tubes	Czech Rep.	Usti	Downstream	Stainless tubes

Production Facilities for ArcelorMittal Stainless Steel

Facility	Number of Facilities	Capacity	Production in 2008(1)
		(in million tonnes per year)	*(in million tonnes)*
Blast Furnace	2	0.7	0.6
Electric Arc Furnace	6	3.0	2.1
Continuous Bloom/Billet Caster	1	0.1	0.0
Continuous Caster – Slabs	4	3.0	2.1
Hot Rolling Mill	4	4.5	2.8
Cold Rolling Mill (Z mill)	19	2.2	1.4
Pickling Line	5	2.1	1.4
Annealing Line	16	2.4	1.7
Skin Pass Mill	7	1.3	0.8

Notes:

(1) Production facility details include the production numbers for each step in the steel-making process. Output from one step in the process is used as input in the next step in the process. Therefore, the sum of the production numbers does not equal the quantity of sellable finished steel products.

(2) Allocation to pickling and annealing lines is based on "carbon steel process" logic, meaning that the pickling line category includes hot annealing lines (anneal before rolling for stainless steel). Annealing lines include final annealing and pickling lines as well as bright annealing lines, which are similar to annealing lines for carbon steel.

ArcelorMittal Inox Brasil S.A.

ArcelorMittal Inox Brasil S.A. ("AMIB") is the only integrated producer of flat stainless and silicon steel in Latin America. It is the leader of its business segment in Brazil, with a significant market share in the main South American markets. In 2008, it exported products to more than 48 countries. Its steel mill in Timóteo, in the Vale do Aço, Minas Gerais state, Brazil, has an annual production capacity of 0.9 million tonnes of liquid steel.

It also has several subsidiaries: Acesita Serviços, Comércio, Indústria e Participações LTDA ASCIPAR (also known as ArcelorMittal Inox Brasil Serviços), which include several companies involved in steel cutting, finishing, trading and distribution, as well as two entities acquired at the end of 2007, Cínter S.A., a tube manufacturer in Uruguay, and M.T. Majdalani y Cia. S.A., the leading stainless steel service centre and distributor in Argentina.

ASCIPAR controls the following companies: ArcelorMittal São Paulo - Serviços Aços Inoxidáveis e Elétricos, which is a service centre in Ipiranga, São Paulo that also trades tubes and bars; ArcelorMittal Campinas - Serviços Aços Inoxidáveis e Elétricos, which is a service centre; ArcelorMittal Timóteo - Serviços Aços Inoxidáveis e Elétricos, which is a service centre at the Timóteo plant that processes stainless steel; ArcelorMittal Timóteo - Comercial Aços Inoxidáveis e Elétricos, which is also located at the Timóteo plant and provides regional stainless flat and tubes commercial and distribution activities; ArcelorMittal Caxias do Sul-Serviços Aços Inoxidáveis e Elétricos, which is a service centre in Caxias do Sul (RS); and Acesita Argentina S.A., which handles importing, exporting, purchasing and selling, distribution, representation and trading, processing and transformation of flat and non-flat stainless steel, silicon steels, high carbon steel, non-flat products (except tubes) and cast steel products, primarily in the Argentine market.

ASCIPAR also has a stainless tubes segment that conducts business through the company ArcelorMittal Inox Timóteo Ltda. (also designated as ArcelorMittal Inox Brasil Tubos), which was formed by a manufacturer of seam-welded stainless steel tubes (formerly named Cetubos) and also a company that serves customers with special welded seams needs (formerly named Inoxtubos). ArcelorMittal Energética Jequitinhonha, other company of ASCIPAR, produces wood and charcoal from cultivated eucalyptus forests for steel-making applications. It is located in Vale do Jequitinhonha, Minas Gerais and covers an area of 1,263 square kilometers, including the cities of Capelinha, Minas Novas, Turmalina, Itamarandiba and Veredinha. AMIB also has a research centre. AMIB export products are distributed worldwide by the ArcelorMittal Stainless International network.

The AMIB integrated plant in Timóteo includes two blast furnaces, a melting shop area (including two electrical furnaces, one smelter, two converters and two continuous casting machines), a hot strip rolling mill (including one walking beam and one push furnace with one rougher mill and one steckel mill), stainless cold rolling (including one hot annealing pickling, two cold annealing pickling and one cold preparation line, three cold rolling mills and boxes annealing) and silicon cold rolling (including one hot annealing pickling line, two tandem lines, one decarburising line, one carlite coating line and one cold rolling mill). AMIB produced 0.77 million tonnes of crude steel in 2008.

ArcelorMittal Stainless Europe

The upstream facilities of ArcelorMittal Stainless Europe ("AMSE") consist of two steel-making plants in Belgium (Genk and Châtelet). The Genk plant includes two electric arc furnaces, vacuum and argon oxygen decarburising facilities, ladle refining metallurgy and slab continuous caster. The Genk plant also includes a cold rolling mill facility. The Genk plant covers an area of approximately 0.8 square kilometers. The Châtelet plant is an integrated upstream steel-making plant with a melt shop and a hot rolling mill. The Châtelet melt shop includes an electric arc furnace, argon-oxygen decarburising equipment, ladle refining metallurgy, slab continuous caster and slab grinders. In addition to this melt shop, the Châtelet plant includes a hot rolling facility. The Châtelet plant covers an area of approximately 0.5 square kilometers. ArcelorMittal Stainless Europe produced 1.37 million tonnes of crude steel in 2008.

The AMSE downstream facilities consist of three cold rolling mill plants, located in Genk, Belgium, Gueugnon and Isbergues, France. All three plants include annealing and pickling lines (with shot blasting and pickling equipments), cold rolling mills, bright annealing lines (in Gueugnon and Genk), skin-pass, and finishing operations equipments. In addition, the Isbergues plant also includes a direct rolling annealing and pickling ("DRAP") line. The Genk plant is focused on austenitic products, Gueugnon on ferritic products, and Isbergues on products dedicated to automotive (mainly ferritic) and industry (mainly austenitic) markets. The Gueugnon plan covers an area of approximately 0.4 square kilometers and the Isbergues plan covers an area of approximately 0.9 square kilometers.

AMSE also has two plants in France that produce precision stainless strips-one in Pont de Roide and the other in Firminy. They are equipped with continuous annealing and pickling lines, cold rolling mills, bright annealing lines and finishing operations equipments. AMSE has also two plants in Europe that produce welded stainless tubes: AMS Automotive Tubes in Usti, Czech Republic, which makes tubes for exhaust systems, and AMS Tubes Europe in Ancerville, France, which makes tubes for industrial applications (decoration and corrosion resistance).

AMSE's in-house distribution network enables it to cover the entire European market. Its steel service centers are located in Isbergues, France, Genk, Belgium, Luxembourg, Sersheim and Rheinhausen, Germany, Viladecans, Spain, Massalengo and Podenzano, Italy and Siemianowice Slaskie, Poland. All service centers have dedicated equipment to adapt products to local markets. These include slitters, coils packaging lines, cut-to-length lines and coils polishing lines. AMSE export products are distributed worldwide by the ArcelorMittal Stainless International network.

AMSE produces and sells a wide range of products, including semi-finished products delivered by the upstream division (austenitic, ferritic and martensitic slabs and hot-rolled coils) and finished products delivered by specialties, and the automotive and industry division. The specialties division provides products for the following markets: appliances, sinks, cooking utensils, cutlery, catering, auto decorative applications, building and heating systems. The automotive and industry division is a leading supplier in the markets of first transformation (tubes, flat and bars), food and process industry and the automotive industry (exhaust systems and structure).

ArcelorMittal Stainless & Nickel Alloys

ArcelorMittal Stainless & Nickel Alloys (“AMSNA”), formerly known as Imphy Alloys, is a leader in the design, production and transformation of nickel and cobalt alloys as well as in certain specific stainless steels. Produced in the form of bars, cold-rolled strip, wire rod and plates, these products are intended for high-tech applications or applications addressing very specific requirements. ArcelorMittal Stainless & Nickel Alloys’s production facilities are principally located in Imphy, France. They include melt shop, cold rolling mill and wire hot rolling mill facilities. In 2008 AMSNA bought Rescal, a cold drawing shop located 50 kilometers west of Paris that produces heat-resistant elements.

ArcelorMittal Steel Solution and Services

ArcelorMittal Steel Solutions and Services is primarily an in-house trading and distribution arm of ArcelorMittal. It also provides value-added and customized steel solutions through further processing to meet specific customer requirements. ArcelorMittal Steel Solutions and Services is the largest customer of both the Flat and Long Carbon Steel business units (approximately 80% sourced internally). ArcelorMittal Steel Solutions and Services has many small to medium-sized service centers and warehouses. ArcelorMittal Steel Solutions and Services consists of eight operational units: ArcelorMittal Distribution, ArcelorMittal Steel Service Center, ArcelorMittal Construction, ArcelorMittal International, ArcelorMittal Projects, ArcelorMittal Total Offer Processing, ArcelorMittal Wire Solutions, and ArcelorMittal Steel Solutions and Services International Development.

ArcelorMittal Distribution

ArcelorMittal Distribution is a multi-customer, multi-service and multi-product distributor, with expertise in service and proximity. It has a regional network of multi-specialist agencies and a series of central and shared stocks that provide a full range of products on demand, including flat, long, technical and special steels, to its customers. These agencies are able to supply small customers locally and also to accompany and to meet the complex needs of major industrial key accounts, supporting them in their own worldwide development. ArcelorMittal Distribution focuses its efforts on the EU member states and Turkey, with an ambitious development strategy for Central and Eastern Europe. Its main customers are in the building, civil engineering, boilerworks, shipbuilding and railway construction, lifting equipment and general industry markets.

ArcelorMittal Steel Service Center

ArcelorMittal Steel Service Center processes flat carbon steel products and delivers a dedicated logistics service to the automotive and other industrial markets, providing tailor-made offers and on-time deliveries in ready-to-use sizes and needed quantities. ArcelorMittal Steel Service Center provides unique products, services and quality to its customers in the automotive industry around the world, complementing the ArcelorMittal Auto Worldwide range. ArcelorMittal Steel Service Centrer has 46 facilities with numerous production lines: 88 slitters, 75 cut-to-length lines, 13 multi-blanking lines and 11 blanking presses. Additionally, the unit has two pickling lines, one galvanising line, three organic painting lines and eight cold rolling mills. ArcelorMittal Steel Service Center supplies customers with an integrated offer of slit coils, sheets and blanks, mixing external sourcing and its products with technical expertise and innovation for the automotive and general industry markets.

ArcelorMittal Construction

ArcelorMittal Construction produces light steel-based solutions for cladding, roofing, floors and gutters, assisting customers in the European Union, Russia, Lithuania, China, Brazil, Indian Ocean and the Caribbean. Its facilities include one pickling line, one cold roll mill, two integrated galvanising/coating lines, two coating lines, 90 profiling lines and 17 panel lines. ArcelorMittal Construction sells three main types of products: profiles, floor elements and sandwich panels. Its ARCLAD brand provides standard cladding profiles and panels for construction with short lead times, on-time deliveries and competitive pricing for the largest standard product range. Its ARVAL brand serves the most diverse requirements of architects and engineering firms with cladding of various colors, shapes and qualities. Its ARMAT brand is focused on residential solutions, providing roof tiles, steel wall panels and gutters.

ArcelorMittal International

ArcelorMittal International is a worldwide sales network supplying ArcelorMittal products from over 30 mills outside of their home markets. It has over 50 sales offices on five continents, serving more than 27 countries and providing its customers with a wide range of flat and long products. It also supplies steel products and technical support for complex projects, such as offshore and onshore drilling platforms, multi-purpose vessels, bridges, sports infrastructures, airports, electric power plants and skyscrapers.

ArcelorMittal Wire Solutions

ArcelorMittal Wire Solutions is an industrial wiredrawer, serving the agriculture, automotive, construction and energy industries, among others. Providing products such as fencing, steel cord tire reinforcement, pre-stressing cable strand, offshore platform mooring rope and silicon saw-wire, ArcelorMittal Wire Solutions operates in Europe and North America and has joint ventures with Kiswire in China and Korea. ArcelorMittal Wire Solutions is divided into three business lines: steel cords (including tire cords, bead wires, hose wires, saw wires and technical cords), low carbon (including fencing and agribusiness, industrial wires, cold heading quality, flat wires, fibbers and nails), high carbon and bright bars (cold-rolled wire, ropes, oil-tempered wire, distribution of ropes, bright bars, plane strain compression, bedding and seating).

ArcelorMittal Total Offer Processing

ArcelorMittal Total Offer Processing provides steel processing services, including design, production and logistics of components and steel solutions for key industrial accounts. ArcelorMittal Total Offer Processing's strategy is to accompany clients throughout their expansion projects abroad, and to invest where these clients are present. The market sectors of ArcelorMittal Total Offer Processing include railways, crane and lifting machinery, material for construction and earth moving equipment (known as yellow goods), agriculture, trucks, new energies and electrical appliances. ArcelorMittal Total Offer Processing is currently present in 32 sites in 11 countries.

ArcelorMittal Projects

ArcelorMittal Projects is focused on the realization of global infrastructural and building projects. It aims at long -term partnership with its customers, who are mainly contractors, oil and gas firms and engineering companies. Its market sectors include oil and gas, offshore, power plants (wind, water, nuclear), liquefied natural gas (LNG) terminals and civil construction projects all over the world.

Directors, Senior Management and Employees

Directors and Senior Management

Board of Directors

ArcelorMittal's Board of Directors is responsible for the overall supervision of the Company. On May 13, 2008, following the end of Mr Joseph Kinsch's mandate as Chairman, Mr Lakshmi N Mittal became Chairman of the Board. On 12 May 2009 the mandate of three additional members of the Board expired and one additional member stepped down for personal reasons. Currently, the Board of Directors is comprised of 12 directors, 11 of whom are non-executive directors, one of whom is an executive director and 8 of whom are independent directors. The Board is truly international in character.

Lakshmi N Mittal, 58, is the Chairman and CEO of ArcelorMittal. Mr Mittal founded Mittal Steel Company (formerly the LNM Group) in 1976 and guided its strategic development, culminating in the merger with Arcelor, agreed in 2006, to found the world's largest steelmaker. Since the merger, Mr Mittal has led a successful integration, establishing ArcelorMittal as one of the world's foremost industrial companies. He is widely recognized for the leading role he has played in restructuring the steel industry towards a more consolidated and globalized model. Mr Mittal is an active philanthropist and a member of various trusts and boards, including Goldman Sachs' Board of Directors, EADS Board of Directors and ICICI Bank Limited's Board of Directors. He is also a member of the Foreign Investment Council in Kazakhstan, the International Investment Council in South Africa, the Investors' Council to the Cabinet of Ministers of Ukraine, the World Economic Forum's International Business Council, the World Steel Association's Executive Committee and the Presidential International Advisory Board of Mozambique. He also sits on the Advisory Board of the Kellogg School of Management in the United States.

Mr Mittal began his career working in the family's steelmaking business in India, and has over 30 years of experience working in steel and related industries. In addition to forcing the pace of industry consolidation, he has also championed the development of integrated mini-mills and the use of DRI as a scrap substitute for steelmaking. Following the transaction combining Ispat International and LNM Holdings to form Mittal Steel in December 2004, together with the simultaneous announcement of the acquisition of International Steel Group in the United States to form the world's then-leading steel producer, Mr Mittal was awarded Fortune magazine's 'European Businessman of the Year 2004'.

In 1996, Mr Mittal was awarded 'Steelmaker of the Year' by New Steel in the United States and the 'Willy Korf Steel Vision Award' by World Steel Dynamics in 1998 for outstanding vision, entrepreneurship, leadership and success in global steel development. Following the creation of ArcelorMittal, Mr Mittal was awarded 'Business Person of 2006' by the Sunday Times, 'International Newsmaker of the Year 2006' by Time Magazine and 'Person of the Year 2006' by the Financial Times for his outstanding business achievements. In January 2007, Mr Mittal was presented with a Fellowship from King's College London, the college's highest award. He also received the 2007 Dwight D Eisenhower Global Leadership Award, the Grand Cross of Civil Merit from Spain and was named AIST Steelmaker of the year. In January 2008, Mr Mittal was awarded the Padma Vibhushan, India's second highest civilian honor, by the President of India. In September 2008, Mr Mittal was chosen for the third 'Forbes Lifetime Achievement Award', which honors heroes of entrepreneurial capitalism and free enterprise.

Mr Mittal was born in Sadulpur in Rajasthan, India on June 15, 1950. He graduated from St Xavier's College in Kolkata where he received a Bachelor of Commerce degree. Mr Mittal is married to Usha Mittal, and has a son, Aditya Mittal and a daughter, Vanisha Mittal Bhatia.

Lewis B Kaden, 66, is the Lead Independent Director of ArcelorMittal. He has approximately 38 years of experience in corporate governance, financial services, dispute resolution and economic policy. He is currently Vice Chairman of Citigroup. Prior to that, he was a partner of the law firm Davis Polk & Wardwell, and served as Counsel to the Governor of New Jersey, as a Professor of Law at Columbia University and as director of Columbia University's Centre for Law and Economic Studies. He has served as a director of Bethlehem Steel Corporation for ten years and is currently Chairman of the Board of Directors of the Markle Foundation. He is a member of the Council on Foreign Relations and has been a moderator of the Business-Labor Dialogue. Mr Kaden is a magna cum laude graduate of Harvard College and of Harvard Law School. He was the John Harvard Scholar at Emmanuel College, Cambridge University. Mr Kaden's principal duties and responsibilities as Lead Independent Director are as follows:

- Coordination of activities of the other Independent Directors;
- Liaison between the Chairman and the other Independent Directors;
- Calling meetings of the Independent Directors when necessary and appropriate; and
- Such other duties as are assigned from time to time by the Board of Directors.

Vanisha Mittal Bhatia, 28, was appointed as a member of the LNM Holdings Board of Directors in June 2004. Mrs Vanisha Mittal Bhatia was appointed to Mittal Steel's Board of Directors in December 2004. She has a Bachelor of Arts degree in Business Administration from the European Business School and has completed corporate internships at Mittal Shipping Ltd., Mittal Steel Hamburg GmbH and an Internet-based venture capital fund. She is the daughter of Mr Lakshmi N Mittal.

Narayanan Vaghul, 72, has over 50 years of experience in the financial sector and has been the Chairman of ICICI Bank Limited since 2002. Previously, he served as the Chairman of the Industrial Credit and Investment Corporation of India, a long-term credit development bank for 17 years and, prior to that, served as Chairman of the Bank of India and Executive Director of the Central Bank of India. He was chosen as Businessman of the Year in 1992 by Business India and has served as a consultant to the World Bank, the International Finance Corporation and the Asian Development Bank. Mr Vaghul was also a visiting Professor at the Stern Business School at New York University. Mr Vaghul is Chairman of the Indian Institute of Finance Management & Research and is also a Board member of various other companies, including Wipro, Mahindra & Mahindra, Nicholas Piramal India, Apollo Hospitals and Himatsingka Seide.

Wilbur L Ross, Jr, 71, has served as the Chairman of the ISG Board of Directors since ISG's inception. Mr Ross is the Chairman and Chief Executive Officer of WL Ross & Co. LLC, a merchant banking firm, a position that he has held since April 2000. Mr Ross is also the Chairman and Chief Executive Officer of WLR Recovery Fund L.P., WLR Recovery Fund II L.P., Asia Recovery Fund, Asia Recovery Fund Co-Investment, Nippon Investment Partners and Absolute Recovery Hedge Fund. Mr Ross is also Chairman of Invesco Private Capital, Ohizumi Manufacturing Company in Japan, International Textile Group, International Coal Group and of American Home Mortgage Servicing Inc. Mr Ross is a Board member of the Turnaround Management Association, Nikko Electric in Japan, Clarent Hospital Corp. and International Automotive Components. He also serves as a Director to Compagnie Européenne de Wagons SARL, Luxembourg, Wagon PLC, UK, the Japan Society, the Whitney Museum of American Art and the Yale School of Management. Previously, Mr Ross served as the Executive Managing Director at Rothschild, the investment banking firm, from October 1974 to March 2000 and as Chairman of the Smithsonian Institution National Board.

François Pinault, 72, is the founder and former President of the Artemis Group and PPR. The Artemis Group is a global investment holding company including 42% of the listed company PPR. PPR includes retail brands such as FNAC, La Redoute, Conforama, and luxury brands such as Gucci Group, which includes Gucci, Bottega Veneta, Yves Saint Laurent, Boucheron and Balenciaga. Artemis also owns the Chateau Latour vineyard in France and Christie's auction house. Mr Pinault also owns insurance and media businesses and holds minority shares in the French groups Bouygues and Vinci. Mr Pinault also serves on the Board of Directors of Financière Pinault and Artemis.

José Ramón Álvarez Rendueles, 68, has extensive experience in the financial, economic and industrial sectors. He is a former Governor of the Bank of España and President of the Bank Zaragozano. He is President of the Board of Directors of ArcelorMittal España and Peugeot España. He is also a retired full professor of public finance at the Universidad Autónoma de Madrid and a Director of Gestevisión Telecinco S.A., Generali España and Sanitas.

Georges Schmit, 55, is Director General at the Ministry of the Economy and Foreign Trade and Member of the Board of Economic Development of the Grand-Duchy of Luxembourg. He is also Vice Chairman of the Société Nationale de Crédit et d'Investissement (SNCI) and of the Entreprise des Postes et Télécommunications, Luxembourg, and a Director of SES, Banque et Caisse d'Epargne de l'Etat and Paul Wurth. Mr Schmit graduated from the University of Louvain, Belgium and holds a Master of Arts degree in Economics from the University of Michigan.

John O Castegnaro, 64, serves as a representative of the employees of ArcelorMittal. He is a member of the Luxembourg Parliament and Honorary Chairman of the Onhofhängege Gewerkschaftsbond Lëtzebuerg (OGB-L) trade union.

Antoine Spillmann, 45, worked for leading investment banks in London from 1986 to 2000. He is now an Asset Manager and executive partner at the firm Bruellan Wealth Management, an independent asset management company based in Geneva. Mr Spillmann studied in Switzerland and London, receiving diplomas from the London Business School in Investment Management and Corporate Finance.

H.R.H. Prince Guillaume de Luxembourg, 45, worked for six months at the International Monetary Fund in Washington D.C. and spent two years working for the Commission of European Communities in Brussels. He studied at the University of Oxford in the United Kingdom, and Georgetown University in Washington D.C. from which he graduated.

Malay Mukherjee, 60, has over 30 years of experience in a variety of technical and commercial functions in the steel industry, including iron ore mining, project implementation, materials management and steel plant operations. He joined the LNM Group in 1993 after working at the Steel Authority of India Limited (SAIL), where he last served as Executive Director (Works) at the Bhilai Steel Plant, the largest integrated steel plant in India, which has a production capacity of approximately four million tonnes. Mr Mukherjee has a Master's degree in Mining from the U.S.S.R. State Commission in Moscow and a Bachelor of Science degree from the Indian Institute of Technology in Kharagpur, India. Mr Mukherjee also completed an advanced management program conducted by the Commonwealth Secretariat in joint association with the University of Ottawa, Canada, and the Indian Institute of Management, Ahmedabad. Mr Mukherjee joined Ispat Karmet in 1996 after serving as Managing Director of Ispat Mexicana, joining Ispat Europe as President and CEO in June 1999. Formerly the President and Chief Operating Officer of Ispat International N.V., Mr Mukherjee became the Chief Operating Officer of Mittal Steel Company in October 2004. He is a former Member of ArcelorMittal's Group Management Board with responsibility for Asia, Africa, CIS, Mining, Stainless, Pipes and Tubes as well as Technology.

Group Management Board

Senior Management

The strategic direction of the business is the responsibility of the Group Management Board (GMB). The GMB members are elected by the Board of Directors and are headed by Lakshmi N Mittal as Chief Executive. On April 21, 2008, the GMB was expanded, to reflect the increasing size, scope and ambitions of ArcelorMittal. Sudhir Maheshwari, Christophe Cornier and Davinder Chugh have joined the GMB. This ensures that the senior executive team continues to enjoy the relevant talent and expertise it needs to continue to deliver the best possible performance to all stakeholders.

Aditya Mittal, CFO, Responsible for Flat Americas, Mergers and Acquisitions (M&A), Investor Relations, Strategy and Communications

Aditya Mittal, 33, is Chief Financial Officer of ArcelorMittal with additional responsibility for M&A Business and Project Development, Flat Americas, Strategy, Investors Relations and Communications. Prior to the merger to create ArcelorMittal, Aditya Mittal held the position of President and CFO of Mittal Steel Company from October 2004 to 2006. He joined Mittal Steel in January 1997 and has held various finance and management roles within the company. In 1999, he was appointed Head of Mergers and Acquisitions for Mittal Steel. In this role, he led the company's acquisition strategy, resulting in Mittal Steel's expansion into Central Europe, Africa and the United States. Besides the Merger and Acquisition responsibilities, Aditya Mittal was involved in post-integration, turnaround and improvement strategies. As CFO of Mittal Steel, he also initiated and led Mittal Steel's offer for Arcelor to create the first 100 million tonne plus steel company. In 2008, Aditya Mittal was awarded 'European Business Leader of the Future' by CNBC Europe. He is a member of the World Economic Forum's Young Global Leaders Forum, the Indus Entrepreneurs UK, the Young Presidents' Organization, the Centre for the Advanced Study of India at the University of Pennsylvania, a Board Member at the Wharton School and a member of Citigroup's International Advisory Board. Aditya Mittal holds a Bachelor's degree of Science in Economics with concentrations in Strategic Management and Corporate Finance from the Wharton School in Pennsylvania. Aditya Mittal is the son of Mr Lakshmi N Mittal.

Gonzalo Urquijo, Responsible for Long Products, China, Stainless, Tubular Products, Corporate Responsibility, ArcelorMittal Foundation, Investment Allocation Committee (IAC) Chairman

Gonzalo Urquijo, 47, previously Senior Executive Vice President and Chief Financial Officer of Arcelor, held the following responsibilities: Finance, Purchasing, IT, Legal Affairs, Investor Relations, Arcelor Steel Solutions and Services, and other activities. Gonzalo Urquijo also held several other positions within Arcelor, including Deputy Senior Executive Vice President and Head of the functional directorates of distribution. Until the creation of Arcelor in 2002, when he became Executive Vice President of the Operational Unit South of the Flat Carbon Steel sector, Mr Urquijo was CFO of Aceralia. Between 1984 and 1992, he held a variety of positions at Citibank and Crédit Agricole before joining Aristrain in 1992 as CFO and later Co-CEO. Gonzalo Urquijo is a graduate in Economics and Political Science of Yale University and holds an MBA from the Instituto de Empresa in Madrid.

Michel Wurth, Responsible for Flat Europe, Steel Solutions and Services, Products Development and R&D, Global Customers

Michel Wurth, 54, was previously Vice President of the Group Management Board of Arcelor and Deputy CEO, with responsibility for Flat Carbon Steel Europe and Auto, Flat Carbon Steel Brazil, Coordination Brazil, Coordination Heavy Plate, R&D, NSC Alliance. The merger of Aceralia, Arbed and Usinor leading to the creation of Arcelor in 2002 led to Michel Wurth's appointment as Senior Executive Vice President and CFO of Arcelor, with responsibility over Finance and Management by Objectives. Michel Wurth joined Arbed in 1979 and held a variety of functions including Secretary of the Board of Directors, head of the Arbed subsidiary Novar and Corporate Secretary, before joining the Arbed Group Management Board and becoming its Chief Financial Officer in 1996. He was named Executive Vice President in 1998. Michel Wurth holds a law degree from the University of Grenoble, a degree in Political Science from the Institut d'Études Politiques de Grenoble and a Master of Economics degree from the London School of Economics.

Sudhir Maheshwari, Responsible for M&A, Business Development, Corporate Finance and Tax Committee (reporting to CFO)

Sudhir Maheshwari, 45, was previously Member of the Management Committee of ArcelorMittal, Responsible for Finance and M&A. Prior to this, Mr Maheshwari was Managing Director of Business Development and Treasury at Mittal Steel and has over 20 years of experience in steel and related industries. Prior to this he was the Chief Financial Officer of LNM Holdings N.V. from January 2002 until its merger with Ispat International in December 2004. He played an integral role in all Mittal Steel acquisitions in recent years, including turnaround and integration activities. He also played a key role in various corporate finance and capital market projects including the initial public offering in 1997. Over a 20-year career with Mittal Steel, Mr Maheshwari also held the positions of Chief Financial Officer at Mittal Steel Europe S.A., Mittal Steel Germany and Mittal Steel Point Lisas, and Director of Finance and Mergers and Acquisitions at Mittal Steel. Mr Maheshwari also served on the Board of various subsidiaries of Mittal Steel. He is the Alternate Chair of the Strategic Finance and Tax Committee. Mr Maheshwari is an Honors Graduate in Accounting and Commerce from St. Xavier's College, Calcutta and a Fellow of The Institute of Chartered Accountants and The Institute of Company Secretaries in India.

Christophe Cornier, Responsible for Asia, Africa, Technology and Projects

Christophe Cornier, 56, was previously a Member of the Management Committee of ArcelorMittal, Responsible for Flat Carbon Western Europe. Prior to that, Christophe Cornier was responsible for Arcelor's flat products activities in Europe and for its worldwide automotive sector since December 2005, when he was appointed a member of the Arcelor's Management Committee. In June 2005, he was appointed head of Arcelor's Client Value Team. Upon the creation of Arcelor in 2002, he was named Executive Vice President of FCS Commercial Auto. Before that, he was CEO of Sollac Mediterranée. In 1998, he was appointed CEO of La Magona, after joining Sollac Packaging as Managing Director in 1993. In 1985 he joined Usinor, where he was Business Development Director and Chief Controller of Sollac. He began his career with the French Ministry of Industry, which he left as a Deputy Director. Mr Cornier is a graduate of the École Polytechnique and the École des Mines in Paris.

Davinder Chugh, Responsible for Shared Services (reporting to CEO), IAC Member

Davinder Chugh, 52, has over 30 years of experience in the steel industry in general management, materials purchasing, marketing, logistics, warehousing and shipping. Davinder Chugh was previously a Member of the Management Committee of ArcelorMittal until 2007. Before becoming a Member of the Management Committee, he served as the CEO of Mittal Steel South Africa until 2006. Mr Chugh also worked in South Africa from 2002 after the acquisition of Mittal Steel South Africa (ISCOR) and was involved in the turnaround and consolidation of the South African operations of ArcelorMittal. He also served as Director of Commercial and Marketing at Mittal Steel South Africa, among other positions. Mr Chugh was Vice President of Purchasing in Mittal Steel Europe until 2002, where he consolidated procurement and logistics across plants in Europe. Prior to this, he held several senior positions at the Steel Authority India Limited in New Delhi, India. He holds degrees in science and law and has a Master of Business Administration.

Management Committee

Name	Age[8]	Position
Bhikam Agarwal	56	Executive Vice President, Head of Finance
Vijay Bhatnagar	61	Executive Vice President, CEO India
José Armando Campos	60	Executive Vice President, CEO Flat South America
Philippe Darmayan	56	Executive Vice President, CEO Steel Solutions and Services
Bernard Fontana	47	Executive Vice President, Head of Human Resources
Jean-Yves Gilet	52	Executive Vice President, CEO Stainless
Pierre Gugliermina	57	Executive Vice President, Chief Technology Officer
Robrecht Himpe	50	Executive Vice President, CEO Flat Europe
Peter Kukielski[9]	52	Senior Executive Vice President, Head of Mining
Carlo Panunzi	59	Executive Vice President, CEO Long Americas
Michael Pfitzner	59	Executive Vice President, Head of Marketing and Commercial Coordination
Arnaud Poupart-Lafarge	43	Executive Vice President, CEO Africa and CIS
Gerhard Renz	61	Executive Vice President, CEO Long Europe
Michael Rippey	51	Executive Vice President, CEO USA
Lou Schorsch	59	Executive Vice President, CEO Flat Americas
Bill Scotting	50	Executive Vice President, Head of Strategy

Corporate Governance

One of the elements in the Corporate Responsibility strategy is 'transparent governance', showing ArcelorMittal's commitment to visible governance based on an understanding of business reality. This section provides a summary of the corporate governance practices of ArcelorMittal, including, in particular, the practices of its Board of Directors.

Board of Directors, Group Management Board and Management Committee

ArcelorMittal is governed by a Board of Directors and a Group Management Board. The Group Management Board is assisted by a Management Committee.

Board of Directors

The Board of Directors is in charge of the overall management of ArcelorMittal. It is responsible for the performance of all acts of administration necessary or useful in furtherance of the corporate purpose of ArcelorMittal, except for matters expressly reserved by Luxembourg law or the Articles of Association to the general meeting of shareholders. The Articles of Association provide that the Board of Directors is composed of a minimum of three and a maximum of 18 members, all of whom, except the Chief Executive Officer, must be non-executive directors, and none of the members of the Board of Directors, except for the Chief

[8] Age as of December 31, 2008

[9] Effective at December 15, 2008

Executive Officer, may hold an executive position or executive mandate within ArcelorMittal or any entity controlled by ArcelorMittal.

At ArcelorMittal's Annual General Meeting of shareholders on May 13, 2008, Mr. Joseph Kinsch stepped down as Chairman and Mr. Lakshmi N. Mittal became the new Chairman following a unanimous nomination by the Board of Directors. Mr. Mittal also continues to hold his position as Chief Executive Officer. At ArcelorMittal's Annual General Meeting of shareholders on May 12 2009 the mandates of Mr. Sergio de Freitas, Mr. Jean-Pierre Hansen and Mr. Michel Marti expired. At the same meeting Mr. Ignacio Toxo announced his decision to step down from the Board for personal reasons.

As of the date hereof, the Board of Directors is comprised of 11 non-executive directors, 8 of whom are independent, and one executive director. The Chief Executive Officer of ArcelorMittal is the sole executive director.

The Articles of Association and the Memorandum of Understanding entered into among Mittal Steel NV, Arcelor SA and ArcelorMittal's largest shareholder on June 25, 2006 ("Memorandum of Understanding" or "MoU") both provide that at least one-half of the Board of Directors must be composed of independent members. Currently, 8 of the 12 members of the Board of Directors are independent. A director is considered to be "independent" if (a) he or she is independent within the meaning of the Listed Company Manual of the New York Stock Exchange, Inc., as it may be amended from time to time, or any successor provision, subject to the exemptions available for foreign private issuers, and (b) he or she is unaffiliated with any shareholder owning or controlling more than two percent of the total issued share capital of ArcelorMittal. For these purposes, a person is deemed affiliated to a shareholder if he or she is an executive officer, a director who also is an employee, a general partner, a managing member or a controlling shareholder of such shareholder. There is no requirement in the Articles of Association that directors be shareholders in the Issuer.

The Memorandum of Understanding provides that until August 1, 2009, subject to the Significant shareholder owning or controlling at least 15% of the outstanding share capital of ArcelorMittal, the Significant shareholder will be entitled to elect to the Board of Directors a maximum of six directors, comprising three directors affiliated (directly or indirectly) with the Significant shareholder and three independent directors. The Articles of Association provide that the Significant shareholder will be entitled to a proportional right of representation on the Board of Directors after August 1, 2009.

As a general matter, the Articles of Association provide that directors are elected and removed by the general meeting of shareholders by a simple majority of votes cast. Except as described above, no shareholder has any specific rights to nominate, elect or remove directors. All directors are elected by the general meeting of shareholders for three-year terms, except in the event of the replacement of a member of the Board of Directors during his or her mandate.

None of the members of the Board of Directors, including the executive director, have entered into service contracts with ArcelorMittal or any of its subsidiaries that provide for benefits upon the termination of their mandate.

Operation of the Board of Directors

The Board of Directors meets when convened by the Chairman of the Board or two members of the Board of Directors. In order for a meeting of the Board of Directors to be validly held, a majority of the directors must be present or represented, including at least the Chairman and a majority of the independent directors. The Chairman may decide not to participate in a Board of Directors meeting, provided he has given a proxy to one of the directors who will be present at the meeting. The previously existing role of "President" of the Board of Directors was replaced by the role of "Lead Independent Director" as a result of changes approved in April 2008 to the Memorandum of Understanding. Please see "Memorandum of Understanding and Initial Term", below.

Each director has one vote and none of the directors, including the Chairman, has a casting vote. Decisions of the Board of Directors are made by a majority of the directors present and represented at a quorate meeting.

The agenda of the meeting of the Board of Directors is agreed by the Chairman of the Board of Directors and the Lead Independent Director. During 2008 the Board of Directors met ten times.

Separate Meeting of Independent Directors

The Lead Independent Director may schedule meetings of the independent members of the Board of Directors outside the presence of management and of the non-independent directors. There is no minimum number of such meetings that must be held per year. The current practice is that the Independent Directors meet in a separate meeting before every physical meeting of the Board of Directors.

Board of Directors Committees

The Board of Directors has two committees: the Audit Committee and the Appointments, Remuneration and Corporate Governance Committee.

Audit Committee

The Articles of Association provide that the Audit Committee is composed solely of independent members of the Board of Directors. The MoU further provides that the Audit Committee must be composed of at least three members and that the applicable standard of independence is that defined in Rule 10A-3 of the U.S. Securities Exchange Act of 1934. The members are appointed by the Board of Directors. The Audit Committee makes decisions by a simple majority with no member having a casting vote.

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing:

- the financial reports and other financial information provided by ArcelorMittal to any governmental body or the public;
- ArcelorMittal's system of internal control regarding finance, accounting, legal compliance and ethics that the Board of Directors and members of management have established; and
- ArcelorMittal's auditing, accounting and financial reporting processes generally.

The Audit Committee's primary duties and responsibilities are to:

- be an independent and objective party to monitor ArcelorMittal's financial reporting process and internal controls system;
- review and appraise the audit efforts of ArcelorMittal's independent auditors and internal auditing department;
- provide an open avenue of communication among the independent auditors, senior management, the internal audit department and the Board of Directors;
- approve the appointment and fees of the independent auditors; and
- monitor the independence of the independent auditors.

The three members of the Audit Committee are Messrs. Narayanan Vaghul, José Ramón Álvarez Rendueles and Wilbur L. Ross, each of whom is an independent director under ArcelorMittal's Corporate Governance guidelines and the NYSE standards. The Chairman of the Audit Committee is Mr. Vaghul, who has significant experience and financial expertise. Mr. Vaghul is the Chairman of ICICI Bank Ltd., a company that is listed on the NYSE and the Mumbai Stock Exchange. Mr. Álvarez Rendueles, a former Governor of the Banco de España and former President of the Banco Zaragozano, also has significant experience and financial expertise. Mr. Ross has been the Chairman of International Steel Group (ISG) since its creation, he is the Chairman of a number of international companies and is the Chairman and Chief Executive Officer of private equity firm WL Ross & Co. LLC. As such, he has acquired significant experience in the steel industry and in the management of international companies in various economic sectors. The composition of the Audit

Committee will be subject to confirmation by the Board of Directors before or at its first meeting after the Annual General Meeting held on 12 May 2009.

According to its charter, the Audit Committee is required to meet at least four times a year. During 2008, the Audit Committee met 12 times, seven of which were meetings held in person and five of which were held by teleconference.

Appointments, Remuneration and Corporate Governance Committee

The Appointments, Remuneration and Corporate Governance Committee is comprised of three directors, each of whom is an independent director under ArcelorMittal's Corporate Governance guidelines and the NYSE standards. The members are appointed by the Board of Directors. The Appointments, Remuneration and Corporate Governance Committee makes decisions by a simple majority with no member having a casting vote.

The Board of Directors has established the Appointments, Remuneration and Corporate Governance Committee to:

- determine, on its behalf and on behalf of the shareholders within agreed terms of reference, ArcelorMittal's remuneration and compensation framework, including stock options for the Chief Executive Officer, the Chief Financial Officer, the members of the Group Management Board and the members of the Management Committee;
- consider any candidate for appointment or reappointment to the Board of Directors at the request of the Board of Directors and provide advice and recommendations to it regarding the same;
- evaluate the functioning of the Board of Directors and monitor the Board of Directors' self-assessment process; and
- develop, monitor and review corporate governance principles applicable to ArcelorMittal.

The Appointments, Remuneration and Corporate Governance Committee's principal criteria in determining the compensation of executives is to encourage and reward performance that will lead to long-term enhancement of shareholder value.

The composition of the Appointments, Remuneration and Corporate Governance Committee will be decided by the Board of Directors before or at the occasion of the first meeting of the Board of Directors held after the Annual General Meeting of 12 May 2009, taking into account the current composition of the Board of Directors. All committee members will be "independent" under ArcelorMittal's Corporate Governance guidelines and the NYSE standards. The Chairman of the Appointments, Remuneration and Corporate Governance Committee is Mr. Kaden.

The Appointments, Remuneration and Corporate Governance Committee is required to meet at least twice a year. During 2008, this committee met six times.

Significant Shareholder Right of Opposition and Right of Board Representation

In accordance with the Memorandum of Understanding, until August 1, 2009, with respect to Board of Directors' decisions that require shareholders approval, the Significant shareholder will vote in accordance with the position expressed by the Board of Directors, unless the Significant shareholder opposes any such position, in which case the Significant shareholder can vote as it wishes subject to the following requirements. Until August 1, 2009, if Mr. Lakshmi N. Mittal opposes any decision of the Board of Directors on a matter that does not require shareholder approval and that was not proposed by him, he will have the right to request that such action first be approved by a shareholders' meeting and the Significant shareholder will have the right to vote at such meeting as it sees fit. The Board of Directors will not approve any action rejected by the shareholders' meeting.

The Memorandum of Understanding further provides that until August 1, 2009, subject to the Significant shareholder owning or controlling at least 15% of the outstanding share capital of ArcelorMittal, the Significant shareholder is entitled to elect to the Board of Directors a maximum of six directors comprised of three directors affiliated (directly or indirectly) with the Significant shareholder and three independent directors. Thereafter, the Significant shareholder will be entitled to representation on the Board of Directors in proportion to its shareholding in ArcelorMittal.

Group Management Board

The Group Management Board is entrusted with the day-to-day management of ArcelorMittal. Mr. Lakshmi N. Mittal, the Chief Executive Officer, is the Chairman of the Group Management Board. The members of the Group Management Board are appointed and dismissed by the Board of Directors. As the Group Management Board is not a corporate body created by Luxembourg law or ArcelorMittal's Articles of Association, the Group Management Board may exercise only the authority granted to it by the Board of Directors.

In establishing ArcelorMittal's strategic direction and corporate policies, Mr. Lakshmi N. Mittal is supported by members of ArcelorMittal's senior management, who have substantial professional and worldwide steel industry experience. Some of the members of ArcelorMittal's senior management team are also members of the Group Management Board.

Management Committee

The Group Management Board is assisted by a Management Committee comprised of the members of the Group Management Board, 16 other senior executive officers, and one invitee to the Management Committee. The Management Committee discusses and prepares group decisions on matters of group-wide importance, integrates the geographical dimension of the group, ensures in-depth discussions with ArcelorMittal's operational and resources leaders, and shares information about the situation of the group and its markets.

Memorandum of Understanding and Initial Term

On June 25, 2006, Mittal Steel, the Significant shareholder and Arcelor signed a binding Memorandum of Understanding based on which Arcelor's Board of Directors recommended Mittal Steel's offer for Arcelor and the parties agreed to certain corporate governance matters relating to the Arcelor-Mittal combined group. Certain provisions of the MoU relating to corporate governance were incorporated into the Articles of Association of ArcelorMittal at the extraordinary general meeting of shareholders on November 5, 2007.

In April 2008, the Board of Directors completed a review of certain provisions of the MoU to adapt it to the Issuer's needs in the post-merger and post-integration phase. In particular, the Board decided to create the role of Lead Independent Director. The Lead Independent Director replaces the "President" of the Board of Directors created by the MoU and his/her function is to:

- co-ordinate the activities of the independent directors,
- liaise between the Chairman of the Board of Directors and the independent directors,
- call meetings of the independent directors when necessary and appropriate, and
- perform such other duties as may be assigned to him or her by the Board from time to time.

Mr. Lewis B. Kaden was elected by the Board of Directors as ArcelorMittal's first Lead Independent Director in April 2008.

Furthermore, the Board of Directors decided to remove references in the MoU to the size of the Board of Directors and the distinction between former Arcelor and Mittal directors. Finally, the Board of Directors decided that the Audit Committee and the Appointments, Remuneration and Corporate Governance Committee will each be composed of a minimum of three independent directors.

Upon expiration of a three-year transitional period (referred to as the Initial Term) on August 1, 2009, ArcelorMittal's corporate governance rules described above will be revised to reflect, subject to certain provisions of the MoU incorporated into the Articles of Association, the best standards of corporate governance for comparable companies and to conform with the corporate governance aspects of the NYSE listing standards applicable to non-U.S. companies and the Luxembourg Stock Exchange code of governance.

Other Corporate Governance Practices

ArcelorMittal is committed to adopt best practice standards in terms of corporate governance in its dealings with shareholders and aims to ensure good corporate governance by applying rules on transparency, quality of reporting and the balance of powers. ArcelorMittal continually monitors U.S., European Union and Luxembourg legal requirements and best practices in order to make adjustments to its corporate governance controls and procedures when necessary. ArcelorMittal complies with the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange in all respects except for the recommendation to separate the posts of chairman of the Board of Directors and chief executive officer; the nomination of the same person for both positions was approved in 2007 by the shareholders (with the Significant Shareholder abstaining) of Mittal Steel, which was at the time the parent company of the combined ArcelorMittal group.

Board of Directors and Senior Management Compliance Matters

In relation to each of the members of the Board of Directors and each of the members of senior management, ArcelorMittal is not aware of (a) any convictions in relation to fraudulent offenses in the last five years, (b) any bankruptcies, receiverships or liquidations of any entities in which such members held any office, directorships, or partner or senior management positions in the last five years, or (c) any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies), or disqualification by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

Ethics and Conflict of Interest

Ethics and conflicts of interest are governed by ArcelorMittal's Code of Business Conduct, which establishes the standards for ethical behavior that are to be followed by all employees and directors of ArcelorMittal in the exercise of their duties. They must always act in the best interests of ArcelorMittal and must avoid any situation in which their personal interests conflict, or could conflict, with their obligations to ArcelorMittal. As employees, they must not acquire any financial or other interest in any business or participate in any activity that could deprive ArcelorMittal of the time or the attention needed to devote to the performance their duties. Any behavior that deviates from the Code of Business Conduct is to be reported to the employee's supervisor, a member of the management, the head of the legal department or the head of the internal audit/internal assurance department. Code of Business Conduct training is offered throughout ArcelorMittal. All new employees of ArcelorMittal must acknowledge the Code of Business Conduct in writing upon joining and are periodically trained about the Code of Business Conduct in each location where ArcelorMittal has operations. The Code of Business Conduct is available in the "Corporate Governance - Code of Business Conduct" section of ArcelorMittal's website at www.arcelormittal.com. On 28 April 2009 the Board also approved specific Anti Corruption Guidelines which provide more detailed rules on this specific aspect of the Code of Business Conduct.

Process for Handling Complaints on Accounting Matters

As part of the procedures of the Board of Directors for handling complaints or concerns about accounting, internal controls and auditing issues, ArcelorMittal's Code of Business Conduct encourages all employees to bring such issues to the Audit Committee's attention on a confidential basis. In accordance with ArcelorMittal's Whistleblower Policy, concerns with regard to possible irregularities in accounting, auditing or banking matters or bribery within ArcelorMittal or any of its subsidiaries or other controlled entities may also be communicated through the "Corporate Governance - Whistleblower" section of the ArcelorMittal website at www.arcelormittal.com, where ArcelorMittal's Whistleblower Policy is also available.

During 2008, employees reported 184 total complaints, of which 32 were deemed significant complaints by the Internal Assurance team.

Internal Assurance

ArcelorMittal has an Internal Assurance function that, through its Head of Internal Assurance, reports to the Audit Committee. The function is staffed by full-time professional staff located within each of the principal operating subsidiaries and at the corporate level. Recommendations and matters relating to internal control and processes are made by the Internal Assurance function and their implementation is regularly reviewed by the Audit Committee.

Independent Auditors

The appointment and determination of fees of the independent auditors is the direct responsibility of the Audit Committee. The Audit Committee is further responsible for obtaining, at least once each year, a written statement from the independent auditors that their independence has not been impaired. The Audit Committee has also obtained a confirmation from ArcelorMittal's principal independent auditors to the effect that none of its former employees are in a position within ArcelorMittal that may impair the principal auditors' independence.

Measures to Prevent Insider Dealing and Market Manipulation

The Board of Directors of ArcelorMittal has adopted Insider Dealing Regulations ("IDR"), which are updated when necessary and in relation to which training is conducted throughout the Group. The most recent version of the IDR is available on ArcelorMittal's website, www.arcelormittal.com, under "Investors & Shareholders - Corporate Governance - Insider Dealing Regulations".

The IDR apply to the worldwide operations of ArcelorMittal. The Company Secretary of ArcelorMittal is the IDR compliance officer and answers questions that members of senior management, the Board of Directors, or employees may have about the IDR's interpretation. The compliance officer may assist senior executives and directors with the filing of notices required by Luxembourg law to be filed with the Luxembourg financial regulator, the CSSF (Commission de Surveillance du Secteur Financier). Furthermore, the compliance officer has the power to conduct investigations in connection with the application and enforcement of the IDR, in which any employee or member of senior management or of the Board of Directors is required to co-operate.

Selected new employees of ArcelorMittal are required to participate in a training course about the IDR upon joining ArcelorMittal and every three years thereafter. The individuals who must participate in the IDR training include the members of senior management, employees who work in finance, legal, sales, mergers and acquisitions and other areas that the Issuer may determine from time to time. In addition, ArcelorMittal's Code of Business Conduct contains a section on "Trading in the Securities of the Company" that emphasizes the prohibition to trade on the basis of inside information.

Employees

ArcelorMittal had approximately 316,000 employees as of December 31, 2008. ArcelorMittal does not employ a significant number of temporary employees.

The table below sets forth the total number of employees by operating segment and region for 2007 and 2008.

	2007[(1)]	2008
Segment		
Flat Carbon Americas	33,087	30,848
Flat Carbon Europe	71,438	71,192
Long Carbon Americas and Europe	69,833	72,969
AACIS	105,791	100,325
Stainless Steel	11,570	12,415
Steel Solutions and Services	16,416	18,871
Other activities	3,331	9,247

Region	311,466	315,867
Americas	63,289	64,476
Europe	178,762	182,107
Asia & Africa	69,415	69,284
Total(2)	311,466	315,867

Notes:

(1) Following the redefinition of the operating responsibilities of all members of the Group Management Board on April 21, 2008, which resulted in changes to the composition of the Issuer's reportable segments, the information presented herein reflects the retrospectively adjusted segments and retrospective adjustments to the business segmentation section of note 25 to the 2008 ArcelorMittal consolidated financial statements.

(2) The increase in workforce in 2008 results, among other things, from acquisition made during the year, offset to a large extent by implementation voluntary retirement or separation plans including pursuant to the Issuer's announced plans to reduce SG&A expenses and fixed costs as described below.

As of March 31, 2009, ArcelorMittal had approximately 305,000 employees (approximately 61,600 in the Americas, 175,500 in Europe and 67,500 in Asia & Africa).

ArcelorMittal employees in various parts of the world are represented by trade unions, and ArcelorMittal is a party to collective bargaining agreements with employee organizations in certain locations. The following description summarizes the status of certain of these agreements and relationships.

The National Collective Bargaining Agreement in Belgium expired on December 31, 2008, and plant-level negotiations will follow the establishment of a new national industrial agreement. Negotiations at plant level are expected to be concluded by March 2009.

Collective Labor Agreements in France have expired in the period of December 2008 through February 2009 and plant level negotiations are expected to commence in March 2009.

On June 3, 2008, ArcelorMittal and trade unions representing its employees across the globe (represented by the European Metalworkers' Federation, the United Steelworkers and the International Metalworkers' Federation) signed a new agreement to further improve health and safety standards throughout the Issuer. The agreement, the first of its kind in the steel industry, recognizes the vital role played by trade unions in improving health and safety. It sets out minimum standards in every site the Issuer operates in order to achieve world-class performance. These standards include the commitment to form joint management/union health and safety committees as well as training and education programs in order to make a meaningful impact on overall health and safety across the Issuer. Also included in the agreement is the creation of a joint management/union global health and safety committee that will target ArcelorMittal plants in order to help them further improve their health and safety performance.

Collective labor agreements have been concluded in Bosnia, Canada (Contrecoeur West) and Mexico during 2008.

The labor contract between the Issuer and U.S. Steelworkers Union expired on September 30, 2008. During the third quarter of 2008, ArcelorMittal USA agreed to a new four-year labor contract with its union employees. The agreement replaced the contract that had been previously negotiated by Ispat Inland and International Steel Group (ISG). The agreement increased wages, provided a signing bonus of $6,000 per employee, increased the pension multiplier for former Ispat Inland employees, increased payments into the steelworkers' pension trust to $2.65 per hour, provided a lump-sum payment upon retirement for certain former ISG employees, and reduced the premium retirees must pay for health care. The most significant feature of this agreement is the change in funding principles of a "voluntary employee benefit association" for retiree health care from a profit-sharing arrangement to providing defined benefits. As a result of the new agreement, management concluded that under IFRS it was required to recognize a non-recurring expense in the third quarter of approximately $1.6 billion primarily related to vested post-employment health benefits. The additional cash outflow related to these benefits, as per the contract, is expected to amount to $25 million per quarter for the first four years. Furthermore, ArcelorMittal paid an additional $90 million upon signing the contract.

On November 27, 2008, ArcelorMittal announced a meeting with its European Works Council to present voluntary separation programs to be launched across the Issuer, which are designed to achieve the Issuer's stated aim of reducing SG&A expenditures by $1 billion in response to the current economic situation. The focus is primarily on non-production employees-in particular, those in SG&A functions across the globe. These programs may involve up to 9,000 employees, which constitutes approximately 3% of the total global work force. The programs are being implemented in close collaboration with shareholders and in accordance with labor laws and practices in the respective countries involved. As of February 12, 2009, approximately 40% of the targeted reduction has been achieved, with the remainder expected in 2009. ArcelorMittal is also implementing personnel cost reduction efforts locally, including reducing interim employees and contractors, and extending voluntary separation and retirement plans to production employees at various sites worldwide on a site-by-site basis, in consultation with local employee representatives, to seek to adapt its fixed costs to the level of business activity in 2009.

On December 15, 2008, Mr. Lakshmi Mittal and the Group Management Board of ArcelorMittal met with the Secretariat of the European Works Council to discuss the effects of the financial and economic crisis on the economy and the steel industry. ArcelorMittal and the European Works Council agreed to strengthen social dialogue at the national and local levels in relation to ArcelorMittal's voluntary separation programs and other local productivity plans.

Major Shareholders and Related Party Transactions

Major Shareholders

At the Extraordinary General Meeting held on May 13, 2008, the shareholders decided to increase the authorized share capital of ArcelorMittal by €643,860,000 represented by 147,000,000 shares, or approximately 10% of ArcelorMittal's outstanding capital. Since the Extraordinary General Meeting of May 13, 2008, ArcelorMittal's authorized share capital has been €7,082,460,000 represented by 1,617,000,000 shares without nominal value, and its issued share capital has been €6,345,859,399.86, represented by 1,448,826,347 fully paid-up shares without nominal value. As of December 31, 2008, 1,448,826,347 common shares, compared to 1,448,826,347 common shares at December 31, 2007, were issued and 1,366,002,278 common shares, compared to 1,421,570,646 common shares at December 31, 2007, were outstanding.

The following table sets forth information as of December 31, 2008 with respect to the beneficial ownership of ArcelorMittal common shares by each person who is known to be the beneficial owner of more than 5% of the shares and all directors and senior management as a group.

	ArcelorMittal Common Shares[(1)]	
	Number	*%*
Significant shareholder[(2)]	623,751,667	43.05
Treasury Stock[(3)]	81,760,949	5.64
Other Public Shareholders	743,313,731	51.31
Total	1,448,826,347	100.00
Directors and Senior Management[(4)(5)]	1,610,922	0.11

Notes:

(1) For purposes of this table, a person or group of persons is deemed to have beneficial ownership of any ArcelorMittal common shares as of a given date on which such person or group of persons has the right to acquire such shares within 60 days after December 31, 2008 upon exercise of vested portions of stock options. The first-third of the stock options granted on August 2, 2007 and the first- and second-thirds of the stock options granted on September 1, 2006 vested on August 2, 2008, and September 1, 2008, respectively, and all stock options of the previous grants have vested. None of the stock options granted on August 5, 2008 has vested; the first-third of such options, however, will vest on August 5, 2009.

(2) Before the share offerings closed on May 6 2009 described under "Information on the Issuer – Other Recent Developments" above. Mr. Lakshmi N. Mittal and his wife, Mrs. Usha Mittal, have direct ownership of ArcelorMittal common shares and indirect ownership of holding companies that own ArcelorMittal common shares. Ispat International Investments S.L. is the owner of 98,250,000 ArcelorMittal common shares. Mittal Investments S.à r.l., a limited liability company organized under the laws of Luxembourg, is the owner of 525,000,000 ArcelorMittal common shares. Mr. Mittal is the direct owner of 30,000 ArcelorMittal common shares and holds options to acquire an additional 560,000 ArcelorMittal common shares, of which 426,667 are, for the purposes of this table, deemed to be beneficially owned by Mr. Mittal due to the fact that those options are exercisable within 60 days. Mrs. Mittal is the direct owner of 5,000 ArcelorMittal common shares and holds options to acquire an additional 40,000 ArcelorMittal common shares, of which all 40,000 options are, for the purposes of this table, deemed to be beneficially owned by Mrs. Mittal due to the fact that those options are exercisable within 60 days. Mr. Mittal and Mrs. Mittal share equally beneficial ownership of 100% of Ispat International Investments S.L. and share equally beneficial ownership of 100% of Mittal Investments S.à.r.l. Accordingly, Mr. Mittal is the beneficial owner of 623,706,667 ArcelorMittal common shares and Mrs. Mittal is the beneficial owner of 623,295,000 common shares. Excluding options, Mr. Lakshmi Mittal and Mrs. Usha Mittal together, directly and indirectly through intermediate holding companies, own 623,285,000 ArcelorMittal common shares.

(3) Represents ArcelorMittal common shares repurchased by ArcelorMittal pursuant to share repurchase programs. Consisting of 27,375,557 ArcelorMittal common shares purchased between November 13, 2007 and December 31, 2007; 56,523,212 ArcelorMittal common shares purchased between December 31, 2007 and December 31, 2008; and excluding (1) 119,856 options that were exercised during the November 13, 2007-December 31, 2007 period and 954,844 options that were exercised during the December 31, 2007-December 31, 2008 period; (2) 596,453 stock options that can be exercised by directors and senior management (other than the Significant shareholder); and (3) 466,667 stock options that can be exercised by the Significant shareholder, in each case within 60 days of December 31, 2008.

(4) Excludes shares beneficially owned by the Significant shareholder.

(5) These 1,610,922 ArcelorMittal common shares are included in shares owned by the public shareholders indicated above.

The ArcelorMittal common shares may be held in registered form only. Registered shares may consist of (1) shares traded on the NYSE, or New York Shares, which are registered in a register kept by or on behalf of ArcelorMittal by its New York transfer agent, (2) shares traded on Euronext Amsterdam by NYSE Euronext, Euronext Brussels by NYSE Euronext, Euronext Paris by NYSE Euronext, the regulated market of the Luxembourg Stock Exchange and the Spanish Stock Exchanges (Madrid, Bilbao, Valencia and Barcelona), which are registered in ArcelorMittal's shareholders' register, or ArcelorMittal European Register Shares, which are registered in a local shareholder register kept by or on behalf of ArcelorMittal by BNP Paribas Securities Services Amsterdam, or directly on ArcelorMittal's Luxembourg shareholder register without being held on ArcelorMittal's local Dutch shareholder register. Under Luxembourg law, the ownership of registered shares is evidenced by the inscription of the name of the shareholder, the number of shares held by such shareholder and the amount paid up on each share in the shareholder register of ArcelorMittal.

At December 31, 2008, there were 3,028 shareholders other than the Significant shareholder holding an aggregate of 53,550,631 ArcelorMittal common shares registered in ArcelorMittal's shareholder register, representing approximately 3% of the common shares issued (including treasury shares).

At December 31, 2008, there were 133 U.S. shareholders holding an aggregate of 46,060,462 New York Shares, representing approximately 3.17% of the common shares issued (including treasury shares). ArcelorMittal's knowledge of the number of New York Shares held by U.S. holders is based solely on the records of its New York transfer agent regarding registered ArcelorMittal common shares.

At December 31, 2008, there were 723,506,498 ArcelorMittal common shares being held through the Euroclear/Iberclear clearing system in The Netherlands, France, Luxembourg and Spain.

Related Party Transactions

ArcelorMittal engages in certain commercial and financial transactions with related parties, all of which are affiliates and joint ventures of ArcelorMittal. Please refer to note 13 of the 2008 ArcelorMittal consolidated financial statements.

Shareholder's Agreement

The Significant shareholder, a holding company owned by the Significant shareholder and ArcelorMittal are parties to a shareholder and registration rights agreement (the "Shareholder's Agreement") dated August 13, 1997. Pursuant to the Shareholder's Agreement and subject to the terms and conditions thereof, ArcelorMittal shall, upon the request of certain holders of restricted ArcelorMittal shares, use its reasonable efforts to register under the Securities Act of 1933, as amended, the sale of ArcelorMittal shares intended to be sold by those holders. By its terms, the Shareholder's Agreement may not be amended, other than for manifest error, except by approval of a majority of the ArcelorMittal shareholders (other than the Significant shareholder and certain permitted transferees) at a general shareholders' meeting.

Memorandum of Understanding

As of the date of the signing of the Memorandum of Understanding, Mr. Lakshmi N. Mittal and his wife, Mrs. Usha Mittal, jointly constituted the Significant shareholder and owned 87.47% of Mittal Steel's shares, representing 98.32% of the voting rights of Mittal Steel.

The Significant shareholder is a party to the Memorandum of Understanding, dated June 25, 2006, between Mittal Steel and Arcelor. The Memorandum of Understanding is described below under "—Material Contracts."

Repurchase of Shares from Entity Related to Director

On February 19, 2008, ArcelorMittal repurchased 25 million shares from Carlo Tassara International, an entity controlled by the Zygmunt Lubicz-Zaleski Foundation, a Dutch Stichting, at a price of $68.70 (€46.60) per share for a total consideration of €1,165 million (approximately $1.8 billion). Mr. Romain Zaleski was a member of the ArcelorMittal Board of Directors at the time of such transaction.

Material Contracts

The following are material contracts, not entered into in the ordinary course of business, entered into, novated or amended by ArcelorMittal during the past two years:

(i) On November 30, 2006, Mittal Steel Company N.V., a predecessor of ArcelorMittal, entered into a credit facility, which is comprised of a €12 billion term loan facility and a €5 billion revolving credit facility (the "€17 Billion Facility"). The proceeds of the €12 billion term loan facility were used to refinance Mittal Steel Company N.V.'s €3 billion refinancing facility, €5 billion acquisition facility and €2.8 billion bridge facility, along with Arcelor's €4 billion term loan facility and €3 billion revolving credit facility. Drawings under the €5 billion revolving credit facility may be used for general corporate purposes. The €17 Billion Facility is unsecured and provides for loans bearing interest at LIBOR or EURIBOR (based on the borrowing currency) plus a margin based on a ratings grid.

    On October 30, 2007, the maturity of the €5 billion revolving credit facility was extended in agreement with the lenders for one additional year, to November 30, 2012.

    On December 10, 2007, ArcelorMittal transferred the €17 Billion Facility to ArcelorMittal Finance (which acted as the financing entity of the ArcelorMittal group until June 2008). ArcelorMittal provided an unconditional guarantee securing the debt.

    On October 31, 2008, ArcelorMittal Finance transferred, by way of novation, the €17 Billion Facility back to ArcelorMittal (which has acted as the financing entity of the ArcelorMittal group since June 2008).

(ii) On June 25, 2006, Mittal Steel, the Significant shareholder and Arcelor signed a binding Memorandum of Understanding to combine Mittal Steel and Arcelor in order to create the world's leading steel company. In April 2008, the Board of Directors approved resolutions amending certain provisions of the MoU in order to adapt it to the Company's needs in the post-merger and post-integration phase, which are described in "—Memorandum of Understanding and Initial Term."

(iii) On May 2, 2007, Mittal Steel and the former ArcelorMittal signed a merger agreement providing for the merger between Mittal Steel and the former ArcelorMittal, by way of absorption by the former ArcelorMittal of Mittal Steel and without liquidation of Mittal Steel. In the merger, holders of Mittal Steel class A common shares and holders of Mittal Steel class B common shares received one newly issued share of the former ArcelorMittal for every one Mittal Steel class A common share and Mittal Steel class B common share they held. The former ArcelorMittal was a wholly-owned subsidiary of Mittal Steel, which had no operations prior to the merger.

On September 25, 2007, Arcelor and the former ArcelorMittal signed a merger agreement providing for the merger between the former ArcelorMittal and Arcelor, by way of absorption of ArcelorMittal by Arcelor and without liquidation of the former ArcelorMittal. The combined company was renamed "ArcelorMittal". In the merger, which followed the completion of a restructuring of the share capital of Arcelor, holders of shares of the former ArcelorMittal received one newly-issued Arcelor share for every one ArcelorMittal share. The merger was effective as of November 13, 2007.

Legal Proceedings, Claims and Contingencies

Legal Proceedings

This section discusses the principal environmental liabilities of ArcelorMittal and the principal legal actions to which ArcelorMittal is a party.

ArcelorMittal may be involved in litigation, arbitration or other legal proceedings. Provisions related to legal and arbitral proceedings are recorded in accordance with the principles described in note 2 to the 2008 ArcelorMittal consolidated financial statements.

Most of these claims involve highly complex issues, actual damages and other matters. Often these issues are subject to substantial uncertainties and, therefore, the probability of loss and an estimation of damages are difficult to ascertain. Consequently, for a large number of these claims, we are unable to make a reasonable estimate of the expected financial effect that will result from ultimate resolution of the proceeding. In those cases, we have disclosed information with respect to the nature of the contingency. We have not accrued a reserve for the potential outcome of these cases.

In the cases in which quantifiable fines and penalties have been assessed, we have indicated the amount of such fine or penalty or the amount of provision accrued that is the estimate of the probable loss.

In a limited number of ongoing cases, we are able to make a reasonable estimate of the expected loss or range of possible loss and have accrued a provision for such loss, but believe that publication of this information on a case-by-case basis would seriously prejudice the Issuer's position in the ongoing legal proceedings or in any related settlement discussions. Accordingly, in these cases, we have disclosed information with respect to the nature of the contingency, but have not disclosed our estimate of the range of potential loss.

These assessments can involve a series of complex judgments about future events and can rely heavily on estimates and assumptions. Our assessments are based on estimates and assumptions that have been deemed reasonable by management. We believe that the aggregate provisions recorded for the above matters are adequate based upon currently available information. However, given the inherent uncertainties related to these cases and in estimating contingent liabilities, we could, in the future, incur judgments that could have a material adverse effect on our results of operations in any particular period.

Environmental Liabilities

ArcelorMittal's operations are subject to a broad range of laws and regulations relating to the protection of human health and the environment at its multiple locations and operating subsidiaries. As of December 31, 2008, ArcelorMittal had established reserves of $769 million for environmental remedial activities and liabilities, including $385 million in provisions relating to Europe, $222 million in provisions relating to the United States, $143 million in provisions relating to South Africa and $7 million in provisions relating to Canada. Previous owners of ArcelorMittal's facilities expended in the past, and ArcelorMittal expects to expend in the future, substantial amounts to achieve or maintain ongoing compliance with applicable environmental laws and regulations.

United States

ArcelorMittal USA's environmental provisions of $222 million are mainly related to investigation, monitoring and remediation of soil and groundwater investigation at its current and former facilities and to removal and disposal of PCBs and asbestos-containing material. The environmental provisions include $4 million to address ArcelorMittal USA's potential liability at two Superfund sites. ArcelorMittal USA's largest environmental provisions relate to investigation and remediation at Indiana Harbor (East), Lackawanna, and its closed mining operations in southwestern Pennsylvania.

In 1990, ArcelorMittal USA's Indiana Harbor (East) facility was party to a lawsuit filed by the U.S. Environmental Protection Agency (the "EPA") under the U.S. Resource Conservation and Recovery Act ("RCRA"). In 1993, ArcelorMittal Indiana Harbor (East) entered into a Consent Decree, which, among other things, requires facility-wide RCRA Corrective Action and sediment assessment and remediation in the adjacent Indiana Harbor Ship Canal. ArcelorMittal USA's provisions for environmental liabilities include approximately $12 million for RCRA Corrective Action, and $25 million for sediment assessment and remediation at this site. Remediation ultimately may be necessary for other contamination that may be present at Indiana Harbor (East), but the potential costs of any such remediation cannot yet be reasonably estimated.

ArcelorMittal USA's properties in Lackawanna, New York are subject to an Administrative Order on Consent with the EPA requiring facility-wide RCRA Corrective Action. The Administrative Order, entered into in 1990 by the former owner, Bethlehem Steel, requires the Issuer to perform a Remedial Facilities Investigation ("RFI") and a Corrective Measures Study, to implement appropriate interim and final remedial measures, and to perform required post-remedial closure activities. In 2006, the New York State Department of Environmental Conservation and the EPA conditionally approved the RFI. ArcelorMittal USA has executed Orders on Consent to perform certain interim corrective measures while advancing the Corrective Measures Study. These include installation and operation of ground water treatments system and dredging of a local waterway known as Smokes Creek. The Issuer expects to execute a Corrective Measure Order on Consent in 2009 for other site remediation activities. ArcelorMittal USA's provisions for environmental liabilities include approximately $47 million for anticipated remediation and post remediation activities. The reserved amount is based on the extent of soil and groundwater contamination identified by the RFI and the remedial measures likely to be required, including excavation and consolidation of containments in an on-site landfill and continuation of groundwater pump and treat systems.

ArcelorMittal USA is required to prevent acid mine drainage from discharging to surface waters at closed mining operations in southwestern Pennsylvania. In 2003, ArcelorMittal USA entered into a Consent Order and Agreement with the Pennsylvania Department of Environmental Protection (the "PaDEP") requiring submission of an operational improvement plan to improve treatment facility operations and lower long-term wastewater treatment costs. The Consent Order and Agreement also required ArcelorMittal USA to propose a long-term financial assurance mechanism. In 2004, ArcelorMittal USA entered into a revised Consent Order and Agreement outlining a schedule for implementation of capital improvements and requiring the establishment of a treatment trust that the PaDEP has estimated to be the net present value of all future treatment cost. ArcelorMittal USA has been funding the treatment trust and has a period of up to ten years to reach the current target value of approximately $20 million. After the treatment trust is fully funded, the treatment trust will then be used to fund the continuing cost of treatment of acid mine drainage. Although remote, ArcelorMittal USA could be required to make up any deficiency in the treatment trust in the future. ArcelorMittal USA's provisions for environmental liabilities include approximately $29 million for this matter.

On August 8, 2006, the U.S. EPA Region V issued ArcelorMittal USA's Burns Harbor, Indiana facility a Notice of Violation ("NOV") alleging that in early 1994 the facility (then owned by Bethlehem Steel, from whom the assets were acquired out of bankruptcy) commenced a major modification of its #2 Coke Battery without obtaining a Prevention of Significant Deterioration ("PSD") permit and has continued to operate without the appropriate PSD permit. ArcelorMittal USA has discussed the allegations with the EPA, but to date there have been no further formal proceedings. The U.S. EPA Region V also has conducted a series of inspections and submitted information request under the U.S. Clean Air Act relating to the Burns Harbor facility and several other ArcelorMittal facilities located in Indiana and Ohio. ArcelorMittal has held discussions with the EPA and state environmental agencies regarding their concerns. During such discussions, in addition to the matters raised in the NOV, EPA alleged that ArcelorMittal's Burns Harbor, Indiana Harbor and Cleveland facilities were non-compliant with certain requirements of the U.S. Clean Air Act. Some of EPA's allegations relate to recent compliance performance and some relate to acts by former facility owners that occurred 15-25 years ago. Preliminary analysis by counsel indicates that the allegations related to the acts of former owners appear to be unsound and that the current operations at the Burns Harbor, Indiana Harbor and Cleveland facilities achieve high rates of compliance with existing or, where applicable, anticipated permits and regulations under the U.S. Clean Air Act. Further discussions with EPA and affected state environmental agencies are planned with regard to EPA's expressed concerns.

Europe

Provisions total $385 million and are mainly related to investigation and remediation of environmental contamination at current and former operating sites in France ($169 million), Luxembourg ($105 million) and Belgium ($85 million). This remediation work relates to various elements such as decontamination of water discharges, waste disposal, cleaning water ponds as well as certain remediation activities that involve the clean-up of soil and groundwater. These reserves are also related to human health protection measures such as fire prevention and additional contamination prevention measures to comply with local health and safety regulations.

In Belgium, Cockerill Sambre SA has an environmental provision of $50 million, of which the most significant elements are legal obligations linked to the dismantling of steel making installations and soil treatment of sites.

In France, ArcelorMittal France has environmental provisions of $74 million, principally relating to the remediation of former coke plant sites and the capping and monitoring of landfills or basins previously used for residues and secondary materials. ArcelorMittal Atlantique et Lorraine has an environmental provision that principally relates to the remediation and the improvement of storage of secondary materials and disposal of waste at different ponds and landfills and an action plan for removing asbestos from the installations.

In Luxembourg, the provisions are essentially associated with post-closure monitoring and remediation of former landfill and mining sites.

Additionally, ArcelorMittal Belval and Differdange has a provision of $12 million to clean pond water in Differdange in order to meet the requirements of the Luxembourg Environment Administration (Administration de l'Environnement) regarding discharge in the Chiers River and maintain sufficient cold water reserves to permit the production of degassed steel in warmer months. The cleaning started in 2006 and is expected to continue for five years.

South Africa

ArcelorMittal South Africa has environmental provisions of $143 million, mainly relating to environmental remediation obligations that represent the present value of the costs of remedial action to clean and secure a site. These actions are primarily attributable to historical, or legacy, waste disposal activities. With subsequent changes in national environmental legislation, the unit has a legal obligation to remediate these facilities.

Asset Retirement Obligations ("AROs")

AROs arise from legal requirements and represent management's best estimate of the present value of the costs that will be required to retire plant and equipment. As of December 31, 2008, ArcelorMittal had established reserves for asset retirement obligations of $29 million in provisions relating to Canada and $26 million in provisions relating to South Africa. Most of the AROs relate to ancillary plants and equipment that will be retired as part of the closure of the facilities subject to remediation obligations.

Environmental Remediation Obligations ("EROs")

EROs arise from legal requirements and represent management's best estimate of the present value of the costs that will be required to restore a site at the end of its useful life. As of December 31, 2008, ArcelorMittal had established reserves for environmental remediation obligations of $120 million in provisions relating to Ukraine and $61 million in provisions relating to Russia.

Legal Claims

ArcelorMittal is a party to various legal actions. The principal legal actions are disclosed below.

Environmental Claims

ArcelorMittal is a party to various legacy environmental claims. As of December 31, 2008, ArcelorMittal had not established reserves for the claims disclosed below.

United States

In July 2004, the Illinois Environmental Protection Agency (the "IEPA") notified Indiana Harbor (East) that it had identified that facility as a potentially responsible party in connection with alleged contamination relating to Hillside Mining Co. ("Hillside"), a company that Indiana Harbor (East) acquired in 1943, operated until the late 1940s and whose assets it sold in the early 1950s, in conjunction with the corporate dissolution of that company. The IEPA is requesting that ArcelorMittal USA and other potentially responsible parties conduct an investigation of certain areas of potential contamination. ArcelorMittal USA intends to defend itself fully in this matter. As of December 31, 2008, ArcelorMittal is not able to reasonably estimate the amount of liabilities relating to this matter, if any.

Europe

On December 16, 2008, the European Court of Justice ruled that certain European Union air pollution legislation does not discriminate against ArcelorMittal and other steel makers by exempting from its requirements other industries with similar levels of carbon dioxide emissions. ArcelorMittal had argued that the European Union had breached the principle of equal treatment by excluding the aluminium and chemical industries from legislation that imposed caps on carbon dioxide emissions.

Tax Claims

ArcelorMittal is a party to various tax claims. As of December 31, 2008, ArcelorMittal has established reserves in the aggregate of approximately $128 million for the claims disclosed below.

Brazil

The Brazilian Federal Revenue Service has claimed that ArcelorMittal Brazil owes $100 million for IPI (Manufactured Goods Tax) concerning its use of tax credits on the purchase of raw materials that were non-taxable, exempt from tax or subject to a 0% tax rate and the disallowance of IPI credits recorded five to ten years after the relevant acquisition. Recent Brazilian Supreme Court jurisprudence would tend to support the Brazilian Federal Revenue Service's position.

On March 31, 2009, ArcelorMittal Brasil participated in a Brazilian Federal Revenue Amnesty in relation to certain IPI disputes, the result of which is that ArcelorMittal Brasil will pay a reduced amount in respect of a significant number of these disputes. At this stage, ArcelorMittal Brasil is not able to calculate the precise amount of this saving.

In 2003, the Brazilian Federal Revenue Service granted ArcelorMittal Brasil (through its predecessor company, then known as CST) a tax benefit for certain investments. ArcelorMittal Brasil had received certificates from SUDENE, the former Agency for the Development of the Northeast Region of Brazil, confirming ArcelorMittal Brasil's entitlement to this benefit. In September 2004, ArcelorMittal Brasil was notified of the annulment of these certificates. ArcelorMittal Brasil has pursued its right to this tax benefit though the courts against both ADENE, the successor to SUDENE, and against the Brazilian Federal Revenue Service. The Brazilian Federal Revenue Service issued a tax assessment in this regard for $451.1 million in December 2007. In December 2008, the administrative tribunal of first instance upheld the amount of the assessment ArcelorMittal Brasil is appealing to the administrative tribunal of second instance.

The Brazilian Social Security Administration has claimed that ArcelorMittal Brasil owes certain amounts for social contributions in respect of amounts paid by ArcelorMittal Brasil to employees under its profit sharing scheme for the 1998-2005 period. In December 2007, it issued a further 11 tax assessments to ArcelorMittal Brasil in respect of the same subject matter, bringing the total amount claimed to $79 million. The various claims are at different stages in the administrative and judicial procedures. ArcelorMittal Brasil is unable reasonably to estimate when any or all of the cases may reach a definitive conclusion.

Spain

Spanish tax authorities have claimed that amortization recorded by the former Siderúrgica del Mediterraneo, S.A. (currently ArcelorMittal Segunto S.L.) in 1995, 1996 and 1997 is non-deductible for corporation tax purposes. Spanish tax authorities seek payment of $55 million, including the amount of tax, interest and penalties. A first instance judgment dated 30 April 2009 cancelled any liability for 1995 and 1996 and penalties for all three years. The tax liability of ArcelorMittal for 1997 was assessed at Euro 5.7 million (including interest). The decision is subject to appeal.

Competition/Antitrust Claims

ArcelorMittal is a party to various competition/antitrust claims. As of December 31, 2008, ArcelorMittal has established reserves of approximately $595 million in the aggregate for the claims disclosed below:

United States

On September 12, 2008, Standard Iron Works filed a purported class action complaint in U.S. District Court in the Northern District of Illinois against ArcelorMittal, ArcelorMittal USA Inc., and other steel manufacturers, alleging that the defendants had conspired since 2005 to restrict the output of steel products in order to fix, raise, stabilize and maintain prices at artificially high levels in violation of U.S. antitrust law. Since the filing of the Standard Iron Works lawsuit, other similar lawsuits have been filed in the same court and have been consolidated with Standard Iron Works. In January 2009, ArcelorMittal and the other defendants filed a motion to dismiss the claims. Argument on the motion was heard on February 26, 2009 and a decision was expected on or about the end of March 2009. It is too early in the proceedings for ArcelorMittal to determine the amount of its potential liability, if any. ArcelorMittal considers the allegations in the complaint to be entirely unfounded.

Brazil

In September 2000, two construction companies filed a complaint with the Brazilian Economic Law Department against three long steel producers, including ArcelorMittal Brasil. The complaint alleged that these producers colluded to raise prices in the Brazilian rebar market, thereby violating applicable antitrust laws. In September 2005, the Brazilian Antitrust Council (CADE) issued a decision against ArcelorMittal Brasil that resulted in ArcelorMittal Brasil's having to pay a penalty of $42 million. ArcelorMittal Brasil has appealed the decision to the Brazilian Federal Court. In September 2006, ArcelorMittal Brasil offered a letter guarantee and obtained an injunction to suspend enforcement of this decision pending the court's judgment.

There is also a related class action commenced by the Federal Public Prosecutor of the state of Minas Gerais against ArcelorMittal Brasil for damages based on the alleged violations investigated by CADE.

Europe

In late 2002, three subsidiaries of ArcelorMittal (Tréfileurope, Tréfileurope Italia S.r.l. and Fontainunion S.A.) - now known as ArcelorMittal Wire France, ArcelorMittal Verderio and ArcelorMittal Fontaine - and two former subsidiaries of ArcelorMittal España (Emesa and Galycas), along with other European manufacturers of pre-stressed wire and strands steel products, received notice that the European Commission was conducting an investigation into possible anti-competitive practices by these companies. In 2004, Emesa and Galycas were sold. ArcelorMittal and its subsidiaries are co-operating fully with the European Commission in this investigation. On October 2, 2008, the European Commission sent a Statement of Objections to (1) ArcelorMittal Wire France, ArcelorMittal Verderio and ArcelorMittal Fontaine for their involvement in the alleged practices under investigation; and (2) ArcelorMittal France (as successor of Usinor), ArcelorMittal Espana and ArcelorMittal (as legal successor to Mittal Steel) in their capacity as former or current parent companies of the current and former subsidiaries involved in the investigation. The Statement of Objections does not indicate the amount of the fine that the European Commission intends to impose on any of the companies. A response to the Statement of Objections was submitted in December 2008 and the hearing took place in February 2009. The European Commission can impose fines for breaches of EU competition law of up to a maximum of 10% of the worldwide annual revenues of the relevant entity in the business year preceding the Commission's decision. The amount of the fine is influenced by, inter alia, the relevant entity's direct or indirect involvement. ArcelorMittal is currently unable to assess the amount of any fines that will result. ArcelorMittal is contractually required to indemnify the present owner of Emesa and Galycas if a fine is imposed on it relating to any matters that occurred while these entities were owned by Arcelor.

On April 23, 2007, ArcelorMittal received a decision of the Financial Directorate in Ostrava, Czech Republic, which ordered ArcelorMittal Ostrava to pay approximately $106 million for allegedly abusing its economic position and, as a result, acquiring unjustified profits in respect of prices of blast furnace coke produced by ArcelorMittal Ostrava and delivered in 2004. The Financial Directorate subsequently ordered ArcelorMittal Ostrava to pay an additional fine of $24.7 million for the period from January to March 2005. After its previous decision in October 2006 was cancelled by the Czech Ministry of Finance, the matter was returned to the Financial Directorate in Ostrava for re-examination. ArcelorMittal Ostrava received notice on June 14, 2007 that the Ministry of Finance had upheld the Financial Directorate of Ostrava's decision. ArcelorMittal

Ostrava filed a petition against the decision with the Municipal Court of Prague on June 29, 2007. Filing the petition had the effect of suspending payment of the fines.

In 2004, the French competition authorities (*La Direction Générale de la Consommation et de la Repression des Fraudes*) commenced an investigation into alleged anti-competitive practices in the steel distribution sector in France, including Arcelor Négoce Distribution, a subsidiary of Arcelor. The case was then referred to the French Competition Council (Conseil de la Concurrence), which conducted an investigation. On March 5, 2008, a Statement of Objections was issued to three subsidiaries of ArcelorMittal (PUM Service d'Acier, Arcelor Profil and AMD Sud/Ouest). On December 16, 2008, the French Competition Council imposed fines of €575 million, of which €301.78 million was apportioned to subsidiaries of ArcelorMittal. In its decision, the French Competition Council concluded that these companies had agreed to fix prices and allocate markets and customers from the period of 1999 to 2004 through regular meetings and exchanges of information. On January 19, 2009, ArcelorMittal appealed the amount of the fine.

South Africa

ArcelorMittal South Africa is involved in a dispute with Harmony Gold Mining Company Limited and Durban Roodeport Deep Limited in which the latter companies allege that ArcelorMittal South Africa is in violation of the Competition Act. On March 27, 2007, the Competition Tribunal decided that ArcelorMittal South Africa had contravened Section 8(a) of the Competition Act by charging an excessive price. On September 6, 2007, the Competition Tribunal imposed a penalty on ArcelorMittal South Africa of approximately $97 million, other behavioural remedies designed to prevent ArcelorMittal South Africa imposing or agreeing with customers any conditions on the resale of flat steel products and ordered that ArcelorMittal South Africa pay the costs of the case. ArcelorMittal South Africa has appealed the decision of the Competition Tribunal on the merits and its decision on the remedies. In November 2007, the Competition Appeal Court ordered the suspension of the Tribunal's decision on the remedies pending the appeal. On October 23 and 24, 2008, the hearing before the Competition Appeal Court took place. ArcelorMittal is unable at present to determine the outcome of the appeal. On 29 May 2009, The Competition Appeal court ordered a setting aside of both decisions of the Competition Tribunal of 2007, both on the merits and on the remedies thereof, and referred the matter back to the Competition Tribunal. ArcelorMittal is assessing the Court Order.

In February 2007, the complaint previously filed with the South African Competition Commission by Barnes Fencing, a South African producer of galvanized wire, alleging that ArcelorMittal South Africa, as a "dominant firm", discriminated in pricing its low carbon wire rod, was referred to the Competition Tribunal. The claimant seeks, among other sanctions, a penalty of 10% of ArcelorMittal South Africa's sales for 2006 in respect of low carbon wire rod and an order that ArcelorMittal South Africa cease its pricing discrimination. The complaint is under review by the Competition Tribunal. In March 2008, the Competition Tribunal accepted the claimants' application for leave to intervene, prohibiting, however, the claimant from seeking as relief the imposition of an administrative penalty. ArcelorMittal is unable to assess the outcome of this proceeding or the amount of ArcelorMittal South Africa's potential liability, if any.

Other Legal Claims

ArcelorMittal is a party to various other legal claims. As of December 31, 2008, ArcelorMittal has established reserves of approximately $54 million in the aggregate for the claims disclosed below.

Canada

In 2008, two complaints filed by Canadian Natural Resources Limited ("CNRL") in Calgary, Alberta against ArcelorMittal, ArcelorMittal USA Inc, Mittal Steel North America Inc. and ArcelorMittal Tubular Products Roman S.A were filed. CNRL alleges negligence in both complaints, seeking damages of $49.8 million and $22.4 million, respectively. The plaintiff alleges that it purchased a defective pipe manufactured by ArcelorMittal Tubular Products Roman and sold by ArcelorMittal Tubular Products Roman and Mittal Steel North America Inc. ArcelorMittal is unable to reasonably estimate the amount of ArcelorMittal's, ArcelorMittal USA Inc., Mittal Steel North America Inc.'s and ArcelorMittal Tubular Products Roman's liabilities relating to this matter, if any.

Mexico

Sicartsa is involved in a dispute with Ejido Santa Maria of the Municipality of La Union Guerrero over the payment of materials and related damages under a joint venture agreement between the parties. In October 2006, the Agrarian Unity Tribunal entered a judgment ordering Sicartsa to pay the plaintiff damages of $54 million. In April 2007, upon appeal by Sicartsa, a higher court set aside the judgment and ordered further expert evidence relating to the matters in dispute. The accounting expert appointed by the Agrarian Unity Tribunal filed its report on September 5, 2008 stating that the amount to be paid to Ejido Santa Maria is approximately $7,500. However, the report is still subject to dispute by the claimant.

France

In May 2008, the liquidator of SAFET brought an action in the Commercial Court of Nanterre against the Directors of SAFET, including ArcelorMittal Packaging, alleging that the Directors are liable for all of SAFET's debts amounting to $51.5 million due to their default in the management of SAFET's business. ArcelorMittal and the other directors are vigorously defending the action. It is too early in the proceedings for ArcelorMittal to determine the amount of its liability, if any. However, ArcelorMittal considers the allegations against it to be entirely unfounded.

Various retired or present employees of certain French subsidiaries of the former Arcelor have initiated lawsuits to obtain compensation for asbestos exposure in excess of the amounts paid by French social security ("Social Security"). Asbestos claims in France initially are made by way of a declaration of a work-related illness by the claimant to the Social Security authorities resulting in an investigation and a level of compensation paid by Social Security. Once the Social Security authorities recognize the work-related illness, the claimant, depending on the circumstances, can also file an action for inexcusable negligence (*faute inexcusable*) to obtain additional compensation from the company before a special tribunal. Where procedural errors are made by Social Security, the company is required to assume full payment of damages awarded to the claimants. This has generally been the case to date.

The number of claims outstanding for asbestos exposure at December 31, 2008 was 431, as compared to 449 at December 31, 2007. The range of amounts claimed for the year ended December 31, 2008 was €7,500 to €865,000 (approximately $10,000 to $1,150,000). The aggregate costs and settlements for the year ended December 31, 2008 were €383,825 (approximately $510,000) and zero respectively. The aggregate costs and settlements for the year ended December 31, 2007 were €350,141 (approximately $515,000) and zero respectively.

	2007	2008
	(in number of cases)	
Claims unresolved at beginning of period	421	449
Claims filed	191	63
Claims settled, dismissed or otherwise resolved	(163)[1]	(81)
Claims unresolved at December 31	449	431

Note:

(1) After purchase of a new company, sale of a subsidiary and further verification.

Minority Shareholder Claims Regarding the Exchange Ratio in the Second-Step Merger of ArcelorMittal into Arcelor

Several former minority shareholders of Arcelor or their representatives have brought legal proceedings relating to the exchange ratio in the second-step merger between ArcelorMittal and Arcelor. In proceedings that remain ongoing following the completion of the merger process that are summarized below, the claimants make the following principal allegations:

- The exchange ratio in the second-step merger should have been the same as that of the secondary exchange offer component of Mittal Steel's June 2006 tender offer for Arcelor (i.e., 11 Mittal Steel shares for seven Arcelor shares), and investors had a legitimate expectation that this would be the case based on Mittal Steel's and Arcelor's disclosure and public statements;
- The exchange ratio applied in the second step merger was unfair to minority shareholders of Arcelor, particularly in light of developments between the June 2006 tender offer and the merger of Mittal Steel into Arcelor;
- Mittal Steel's disclosure regarding the merger of Mittal Steel into Arcelor and specifically the exchange ratio (in the second-step merger) was late, insufficient and misleading;
- The two-step process was detrimental to interests of Arcelor minority shareholders; and
- The second step merger did not comply with certain provisions of Luxembourg company law.

ArcelorMittal believes that the allegations made and claims brought by the minority shareholders regarding the exchange ratio applied in the second step merger and the merger process as a whole are without merit and that such exchange ratio and process complied with the requirements of applicable law, were consistent with previous guidance on the principles that would be used to determine the exchange ratio in the second step merger and that the merger exchange ratio was relevant and reasonable to shareholders of both merged entities.

The following summarizes the current status of proceedings brought by minority shareholders in this regard:

In June and July 2007, two hedge funds that were shareholders of Arcelor wrote to the Netherlands Authority for the Financial Markets (the Stichting Autoriteit Financiële Markten, or the "AFM"), the Dutch securities regulator, requesting it to take various measures against Mittal Steel relating in particular to disclosure regarding the proposed exchange ratio, and making in substance the allegations summarized above. On August 17, 2007 the AFM rejected the claimants' demands.

On September 20, 2007, the claimants filed formal objections with the AFM against the decision of August 17, 2007, asking the AFM to overturn its decision on the same grounds as those presented in support of their initial request. On February 4, 2008, the AFM confirmed its decision of August 17, 2007. On March 13, 2008, the claimants lodged an appeal against the AFM's decision with the Rotterdam Administrative Court. By judgment dated December 10, 2008, the Court nullified the AFM's decision of February 4, 2008, on the grounds that the AFM's limited investigation was an insufficient basis for its decision, and requiring it to conduct a further investigation and issue a new decision. AFM and ArcelorMittal have both appealed the court's ruling before the Netherlands Trade and Industry Appeals Tribunal. ArcelorMittal filed its appellate brief on March 10, 2009.

On October 18, 2007 and November 19, 2007, ArcelorMittal (the entity resulting from the first step merger) and Arcelor were notified of an appeal by three former hedge fund shareholders of Arcelor before the administrative court of Luxembourg against the March 2, 2007 decision of the CSSF exempting the Significant shareholder from the obligation (under the Luxembourg law implementing the European Takeover Directive) under specified circumstances to launch a tender offer for all Arcelor shares outstanding after the merger. The CSSF had based its grant of an exemption on the fact that the merger would not result either in an acquisition of shares or in a change of the ultimate control of the company. The hearing took place on July 7, 2008.

On January 8, 2008, ArcelorMittal received a writ of summons on behalf of four hedge fund shareholders of Arcelor to appear before the civil court of Luxembourg. The summons was also served on all natural persons sitting on the Board of Directors of ArcelorMittal at the time of the merger and on the Significant shareholder. The claimants request, among other things (1) the cancellation and the amendment of the corporate decisions relating to the second-step merger in order to reflect an exchange ratio of 11 ArcelorMittal (the entity resulting from the first step merger) shares for seven Arcelor shares (ignoring the impact of the share capital restructuring of Arcelor) accompanied by the allocation by the Significant shareholder or the company of additional shares to the claimants to reflect this revised ratio, and alternatively, (2) the payment of damages by the defendants (jointly and severally or severally, at the court's discretion), in an amount of €180 million. ArcelorMittal submitted its brief in response on October 16, 2008, challenging the validity, the admissibility and the merits of the claims. Claimants were expected to file any potential answer on January 16, 2009, but no brief has been received yet. Hearing and judgment in the first instance are not expected before the end of 2009 or early 2010.

Taxation

Luxembourg

The statements herein regarding taxation in Luxembourg are based on the laws in force in the Grand Duchy of Luxembourg as of the date of this Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own, exchange or dispose of the Bonds. Each prospective holder or beneficial owner of Bonds should consult its tax adviser as to the Luxembourg tax consequences of the ownership and disposition of the Bonds.

Luxembourg tax residency of the Bondholders or Couponholders

A Bondholder or Couponholder will not become resident, or be deemed to be resident, in Luxembourg by reason only of the holding of the Bonds, or the execution, performance, delivery and/or enforcement of the Bonds.

Withholding tax

On 3 June 2003, the European Union ("**EU**") adopted the European Council Directive 2003/48/EC on the taxation of savings income (the "**Directive**"). The Directive and several agreements concluded between Luxembourg and certain dependent or associated territories of the EU were implemented in Luxembourg by two laws dated 21 June 2005 (the "**Laws**").

Under the Laws, a Luxembourg-based paying agent (within the meaning of the Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another member state ("**Member State**") or in certain EU dependent or associated territories, unless the beneficiary of the interest payments opts for the procedure of exchange of information or for the tax certificate procedure. The same treatment is applicable to payments of interest and other similar income made to certain so-called "residual entities" within the meaning of article 4.2 of the Directive (i.e., an entity without legal personality (the Finnish and Swedish companies listed in Article 4.5 of the Directive are not considered as legal persons for this purpose) and whose profits are not taxed under the general arrangements for the business taxation and that is not, or has not opted to be considered as a UCITS recognised in accordance with Council Directive 85/611/EEC) established in a Member State or in certain EU dependant or associated territories.

The withholding tax rate is currently set at 20 per cent., and shall increase to 35 per cent. as from 1 July 2011. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

Interest payments made by Luxembourg paying agents (defined in the same way as in the Directive) to Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entity has opted either to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC or for the exchange of information regime) are subject to a 10 per cent. withholding tax (the "**10 per cent. Luxembourg Withholding Tax**").

Taxation of the Bondholders or Couponholders

Taxation of Luxembourg non-residents

Bondholders or Couponholders who are non-residents of Luxembourg and who have neither a permanent establishment, a permanent representative nor a fixed base of business in Luxembourg with which the holding of the Bonds is connected are not liable for any Luxembourg income tax, whether they receive payments of principal, payments of interest (including accrued but unpaid interest), payments received upon redemption or repurchase of the Bonds, or realise capital gains on the sale of any Bonds.

Taxation of Luxembourg residents

Bondholders or Couponholders who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

Luxembourg resident individuals

Pursuant to the Luxembourg law of 23 December 2005 as amended by the law of 17 July 2008, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10 per cent. tax (the "**10 per cent. Tax**") on interest payments made after 31 December 2007 by paying agents (defined in the same way as in the Directive) located in an EU Member State other than Luxembourg, a Member State of the European Economic Area or in a State or territory which has concluded an international agreement directly related to the Directive. The 10 per cent. Luxembourg Withholding Tax or the 10 per cent. Tax represents the final tax liability on interest received for Luxembourg resident individuals receiving the interest payment in the course of their private wealth. Luxembourg resident individual Bondholders or Couponholders receiving the interest as business income must include this interest in their taxable basis. If applicable, the 10 per cent. Luxembourg Withholding Tax levied will be credited against their final income tax liability.

Luxembourg resident individual Bondholders or Couponholders are not subject to taxation on capital gains upon the disposal of the Bonds, unless the disposal of the Bonds precedes the acquisition of the Bonds or the Bonds are disposed of within six months of their date of acquisition. Upon the sale, redemption or exchange of the Bonds, accrued but unpaid interest will be subject to the 10 per cent. Luxembourg Withholding Tax or to the 10 per cent. Tax if the Luxembourg resident individuals opt for the 10 per cent. Tax . Luxembourg resident individual Bondholders or Couponholders receiving the interest as business income must also include the portion of the price corresponding to this interest in their taxable income. The 10 per cent. Luxembourg Withholding Tax levied will be credited against their final income tax liability.

Luxembourg resident companies

Luxembourg resident companies (*sociétés de capitaux*) holding Bonds or foreign entities of the same type which have a permanent establishment or a permanent representative in Luxembourg with which the holding of the Bonds is connected, must include in their taxable income any interest (including accrued but unpaid interest) and the difference between the sale or redemption price (received or accrued) and the lower of the cost or book value of the Bonds sold or redeemed.

Luxembourg resident companies benefiting from a special tax regime

Bondholders or Couponholders which are holding companies subject to the law of 31 July 1929 as repealed or to the law of 11 May 2007 on family estate management companies or undertakings for collective investment subject to the law of 20 December 2002 as amended or to the law of 13 February 2007 are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg income tax (i.e. corporate income tax, municipal business tax and net wealth tax) other than the subscription tax calculated on their share capital or net asset value.

Net wealth tax

Luxembourg net wealth tax will not be levied on a Bondholder or Couponholder, unless (i) such holder is a Luxembourg fully taxable resident company or (ii) such Bonds are attributable to an enterprise or part thereof which is carried on through a Luxembourg permanent establishment by a non-resident company.

Other taxes

There is no Luxembourg registration tax, stamp duty or any other similar tax or duty payable in Luxembourg by Bondholders or Couponholders as a consequence of the issuance of the Bonds, nor will any of these taxes be payable as a consequence of a subsequent transfer, exchange or redemption of the Bonds.

There is no Luxembourg VAT payable in respect of payments in consideration for the issuance of the Bonds or in respect of the payment of interest or principal under the Bonds or the transfer of the Bonds. Luxembourg VAT may, however, be payable in respect of fees charged for certain services rendered to the Issuer, if for

Luxembourg VAT purposes such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg VAT does not apply with respect to such services.

No Luxembourg inheritance taxes are levied on the transfer of the Bonds upon death of a Bondholder or Couponholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes. No Luxembourg gift tax will be levied on the transfer of the Bonds by way of gift unless the gift is registered in Luxembourg.

Subscription and Sale

Banco Santander, S.A., CALYON, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, HSBC Bank plc and J.P. Morgan Securities Ltd. (the "**Joint Lead Managers**") and Banco Bilbao Vizcaya Argentaria, S.A., Crédit Industriel et Commercial, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trading as Rabobank International) London Branch, Fortis Bank (Nederland) N.V. and ING Belgium SA/NV (together with the Joint Lead Managers, the "**Managers**") have, pursuant to a Subscription Agreement dated June 2 2009 (the "**Subscription Agreement**"), jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe the Bonds at (i) in the case of the 2013 Bonds**,** 99.589 per cent. of their principal amount and (ii) in the case of the 2016 Bonds, 99.381 per cent. of their principal amount. In each case certain commissions and expenses will be paid to the Managers by the Issuer. The Subscription Agreement entitles the Managers to terminate it in certain circumstances prior to payment being made to the Issuer. The yield of the 2013 Bonds is 8.375 per cent. and the yield of the 2016 Bonds is 9.5 per cent. per annum, in each case on an annual basis. The yields are calculated as at the relevant Closing Date on the basis of the relevant issue price. It is not an indication of future yield.

General

Neither the Issuer nor any Manager has made any representation that any action will be taken in any jurisdiction by the Managers or the Issuer that would permit a public offering of the Bonds, or possession or distribution of this Prospectus (in preliminary, proof or final form) or any other offering or publicity material relating to the Bonds (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. Each Manager has agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Bonds or has in its possession or distributes this Prospectus (in preliminary, proof or final form) or any such other material, in all cases at its own expense. It will also ensure that no obligations are imposed on the Issuer or any other Manager in any such jurisdiction as a result of any of the foregoing actions.

United States

The Bonds have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Bonds in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder. Each Manager has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Bonds, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (as defined in the Subscription Agreement) within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons. In addition, until 40 days after the commencement of the offering, an offer or sale of Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

Each Manager has represented, warranted and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of

Section 21 of the FSMA) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

General Information

1. Application has been made to the Luxembourg Stock Exchange for the Bonds to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.

2. The Issuer has obtained all necessary consents, approvals and authorisations in the Grand Duchy of Luxembourg in connection with the issue and performance of the Bonds relating to the Bonds. The issue of the Bonds was authorised by the Issuer on 22 May 2009.

3. Each Bond and Coupon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".

4. The Bonds have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records) with a Common Code of (i) in the case of the 2013 Bonds, 043192876, and (ii) in the case of the 2016 Bonds, 043192841. The International Securities Identification Number (ISIN) for the 2013 Bonds is XS0431928760 and for the 2016 Bonds is XS0431928414. The address of Euroclear Bank S.A./N.V. is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg.

5. At the date of this Prospectus, the Issuer is not aware of any conflicts of interest material to the Bonds between the duties of the members of the Group Management Board to ArcelorMittal and their private interests and/or their other duties.

6. There are no material contracts entered into in the ordinary course of the Issuer's business, which could result in any member of the Issuer's group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the Bondholders.

7. As long as any relevant Bonds remain outstanding, copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the specified office of the Principal Paying Agent (whose address appears on the back page of this Prospectus):

   (a) the Agency Agreement (which includes the form of the Global Bonds, the definitive Bonds and the Coupons) relating to each of the 2013 Bonds and the 2016 Bonds;

   (b) the Deed of Covenant relating to each of the 2013 Bonds and the 2016 Bonds;

   (c) the Articles of Incorporation of the Issuer;

   (d) the documents incorporated by reference in this Prospectus; and

   (e) a copy of this Prospectus together with any Supplement to this Prospectus or further Prospectus.

   The Prospectus will be published on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

8. The consolidated financial statements of ArcelorMittal and its subsidiaries for the year ended 31 December 2008, incorporated by reference in this Prospectus, have been audited by Deloitte S.A., a *reviseurs d'entreprises*, as stated in their report, which is incorporated by reference in this Prospectus (which report expresses an unqualified opinion on the consolidated financial statements).

9. The consolidated financial statements of ArcelorMittal and its subsidiaries for the year ended 31 December 2007, incorporated by reference in this Prospectus, have been audited by Deloitte S.A. and KPMG Audit S.à.r.l., a *reviseurs d'entreprises*, as stated in their report, which is incorporated by reference in this Prospectus (which reports express an unqualified opinion on the consolidated financial statements). The auditors employed by Deloitte S.A. and KPMG Audit S.à.r.l. are members of the *Institut des*

Reviseurs d'Entreprises in Luxembourg or equivalent European bodies and/or the American Institute of Certified Public Accountants ("**AICPA**"). The address of the auditors referred to above can be found on the back page of this Prospectus.

10. Except as disclosed in the section entitled "Information on the Issuer - Recent Developments" of this Prospectus, there has been no significant change in the financial or trading position of the Issuer or the Group since 31 March 2009 and no material adverse change in the financial position or prospects of the Issuer since 31 December 2008.

11. Except as disclosed in the sections entitled "Information on the Issuer – Recent Developments", "Information on the Issuer - Legal Proceedings, Claims and Contingencies", "Risk Factors - Product liability claims could adversely affect ArcelorMittal's operations" and "Risk Factors - ArcelorMittal is subject to regulatory risk, and may incur liabilities arising from investigations by governmental authorities and litigation regarding its pricing and marketing practices or other antitrust matters" of this Prospectus, the Issuer is not nor has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.

12. The registered office of the Issuer is at 19, avenue de la Liberté, L-2930 Luxembourg and its telephone number is +352 4792 2652. The Issuer was incorporated on 8 June 2001 and is a Luxembourg registered company, operating under the Laws of Luxembourg with registration number B 82.454.

Registered Office of the Issuer

ArcelorMittal
19, avenue de la Liberté
L-2930 Luxembourg
Grand Duchy of Luxembourg

Auditors of ArcelorMittal

Deloitte S.A.
560, rue de Neudorf
L-2220 Luxembourg
Grand Duchy of Luxembourg

KPMG Audit S.à r.l.[(1)]
9, allée Scheffer
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Grand Duchy of Luxembourg

Fiscal Agent, Principal Paying Agent and Listing Agent

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Legal Advisers

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Grand Duchy of Luxembourg

To the Managers
as to English law

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CS 50018
75038 Paris Cedex 01
France

(1) Joint auditor for 2007 with Deloitte S.A.