Cheuvreux Pan Europe Forum 2011 Conference

Sudhir Maheshwari, Member of Group Management Board

17 May 2011

Disclaimer

ArcelorMittal

- **Forward-Looking Statements**

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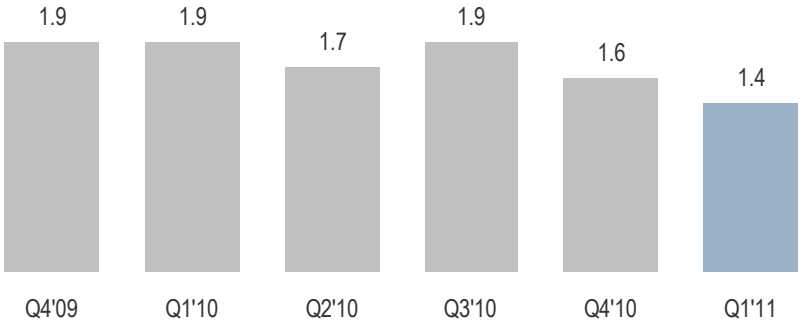
Safety

**Quarterly Health & Safety rate*
(mining & steel)**



Health and safety performance improved to a Lost Time Injury Frequency Rate of 1.4.

Improvement in the safety performance came from all segments with the exception of Distribution Solutions operations.

Governance, people, community and sustainability initiatives

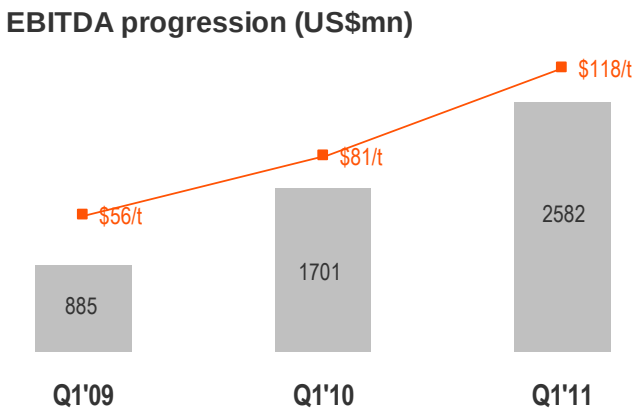
- ArcelorMittal USA earned the 2011 ENERGY STAR® Award for sustained excellence for the fourth time. The award is given to companies that demonstrate continuous growth and accomplishments of an energy management program and commitment to energy efficiency
- At the end of February 2011, ArcelorMittal Tubarão accomplished the important milestone of 365 days without a Lost Time Injury (LTI) for its own employees - a result of persistence, and continual improvement and, most importantly, the commitment and engagement of each employee
- ArcelorMittal 5th annual health and safety day held on April 28th 2011

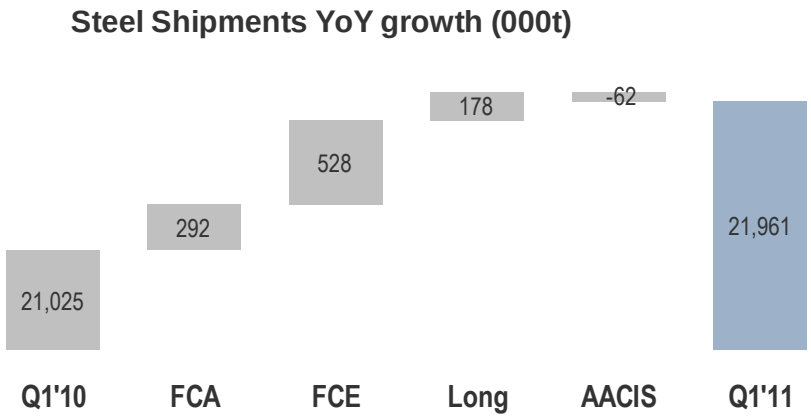
Safety remains the No1 priority for ArcelorMittal

* IISI-standard: Fr = Lost Time Injuries per 1.000.000 worked hours; based on own personnel and contractors

Recovery continues

- **EBITDA:** +52% YoY to $2.6bn (including $0.3bn provision reversals) with underlying improvement in all business segments
- **Net income:** +67% YoY to $1.1bn (including one time non-cash gain from 'discontinued operations' of $0.4bn)
- **Steel shipments:** +4% YoY to 22.0Mt; biggest increase FCE (+8%) and FCA (+6%)
- **Own iron ore production:** +12% YoY to 11.8Mt
- **Net Debt:** increased to $22.6bn



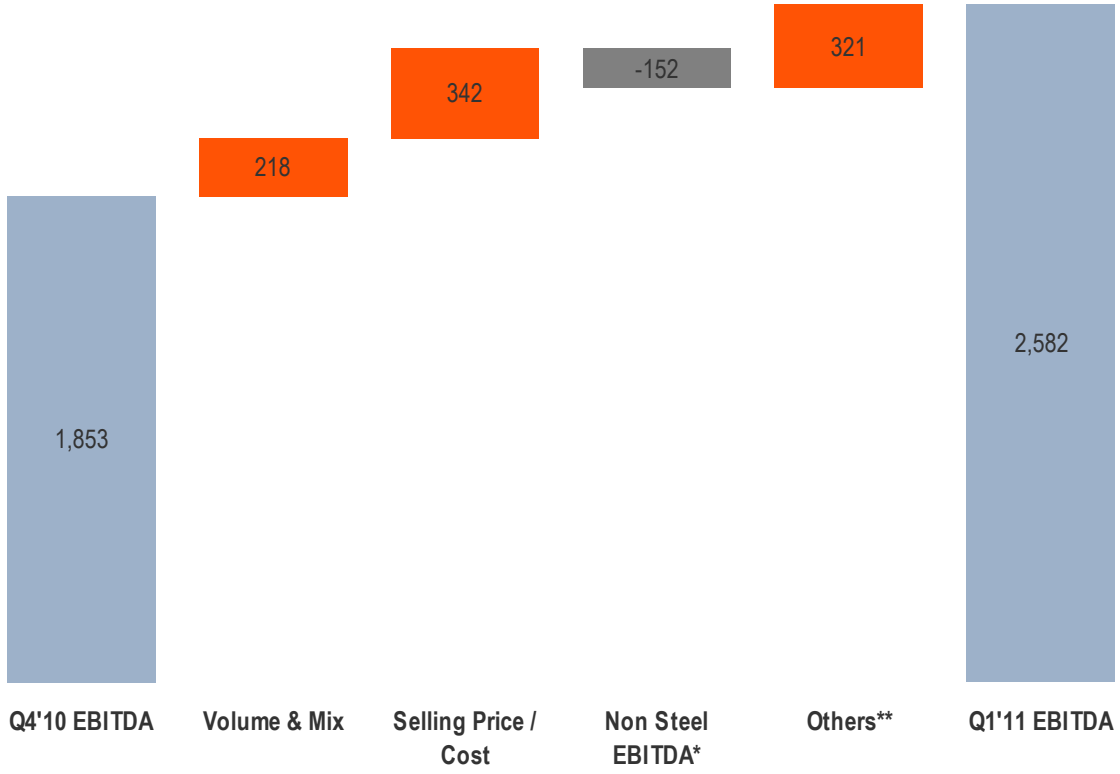


Q1'11 saw EBITDA improve in all business segments

EBITDA analysis 4Q10 v 1Q11

ArcelorMittal

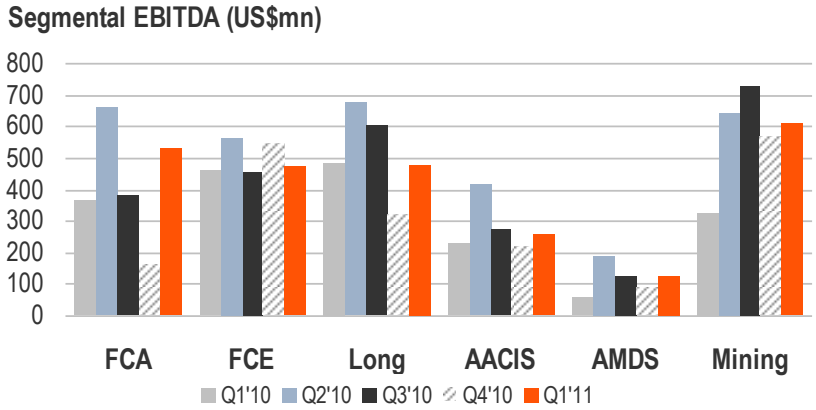
EBITDA bridge Q4'10 to Q1'11 ($million)

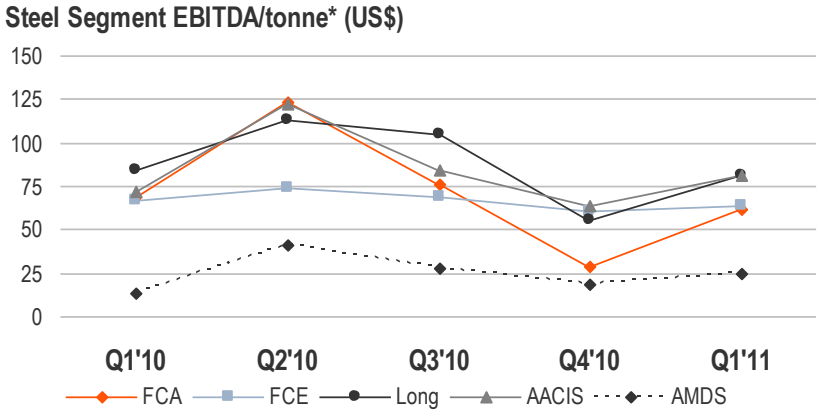


EBITDA increased by 39% in Q1'11 v Q410 driven by higher volumes and positive price/cost impact

* Non Steel EBITDA primarily included CO2 sale in FCE $140 million (booked in 4Q'10)
** Others primarily represents delta impact from provisions

Mining reported as a separate segment



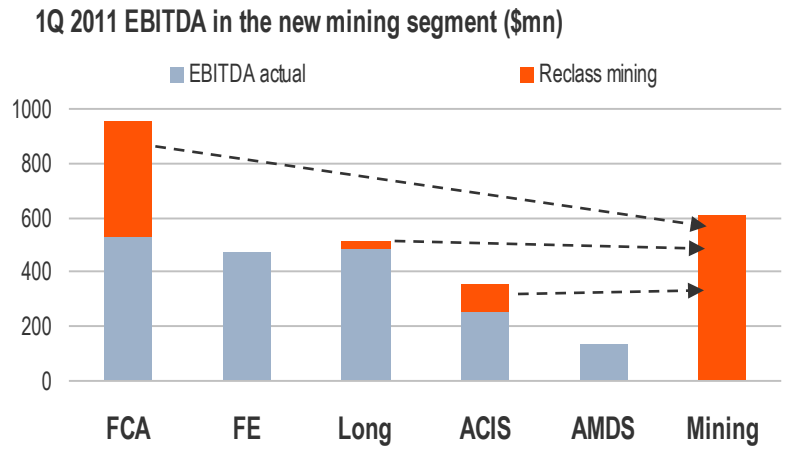


- All raw materials consumed from ArcelorMittal mines that could practically be sold outside the Group are now transferred internally at market prices.
- Production from “captive” mines (limited by logistics or quality) continues to be transferred at cost-plus to the steel facilities.
- The significant impact of this change has been to increase the costs of raw materials consumed by Flat Carbon Americas and AACIS segments.
- Mining segment reported Q1’11 EBITDA of $607mn based on 5.9Mt iron ore and 1.1Mt of coal shipped at market prices (internally and externally)
- New Mining segment represents ~25% of Group EBITDA
- Steel segments are now more comparable on a like-for-like basis
- FCA and to a lesser extent AACIS still benefit from “captive” raw material supplies (transferred at cost-plus basis)

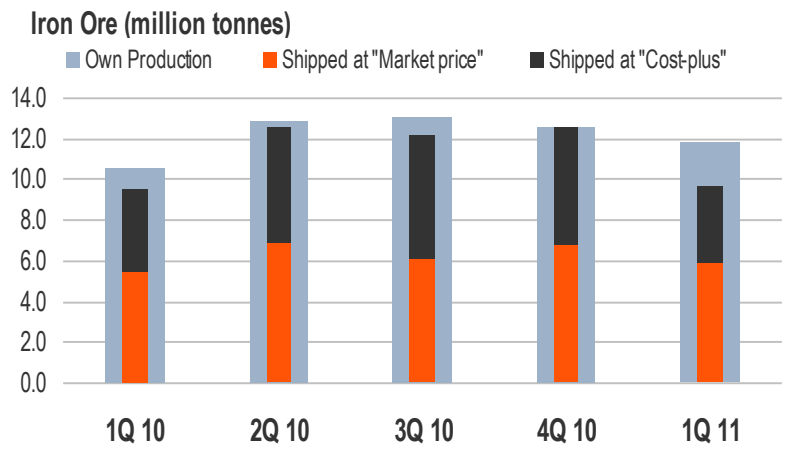
New Mining segmentation will promote better operating decisions and optimal capital allocation

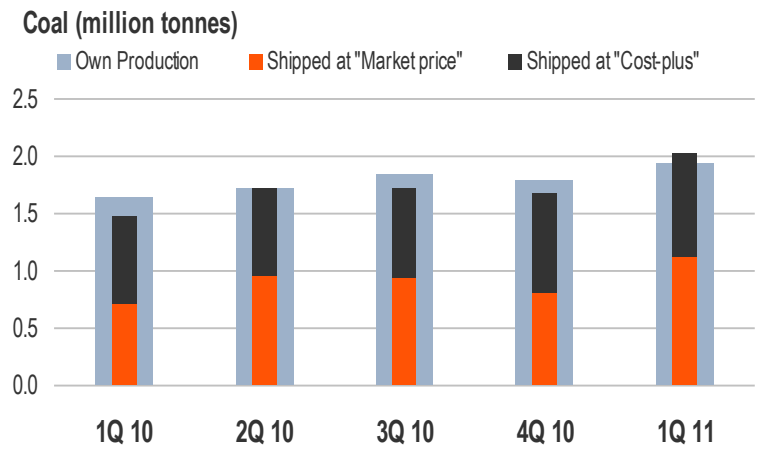
* Segmental EBITDA adjusted for provision reversals

Mining



- Q1 2011 own iron ore production +12% YoY to 11.8Mt:
- Total iron ore shipments at 9.6Mt (+2% YoY), of which 5.9mt at "market" prices (+8.7% YoY) and 3.7Mt on "cost-plus" basis (down -8.1% YoY)
- Own coal production +19.5% YoY to 1.9Mt
- 2011 own iron ore and coal production growth target of +10% and 20%, respectively.





Mining benefited from higher market prices offsetting lower production

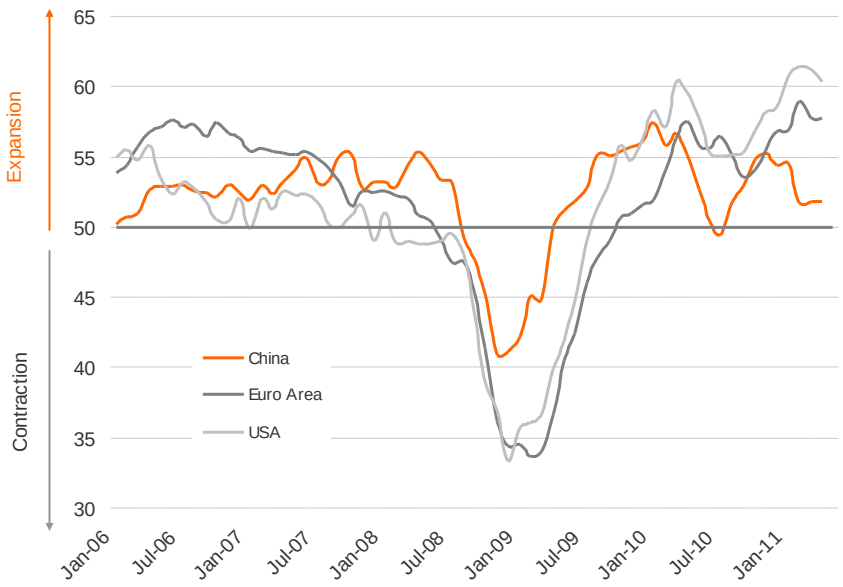
Definitions: "Market priced" tonnes represent amounts of iron ore or other raw materials from ArcelorMittal mines that could be sold to third parties on the open market. Market priced tonnes that are not sold to third parties are transferred from the Mining segment to the Company's steel producing segments at the prevailing market price. Shipments of raw materials that do not constitute market price tonnes are transferred internally on a cost-plus basis.

Outlook

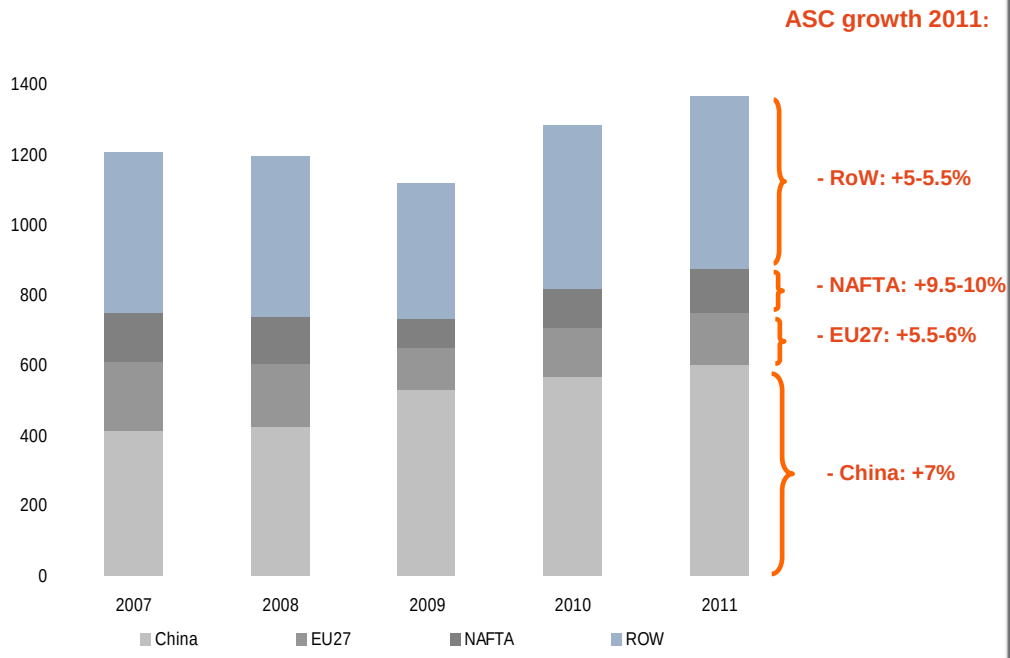
ArcelorMittal Dofasco, Hamilton Port and Steel works

Global apparent steel consumption

Regional PMI data (>50 is expansionary)



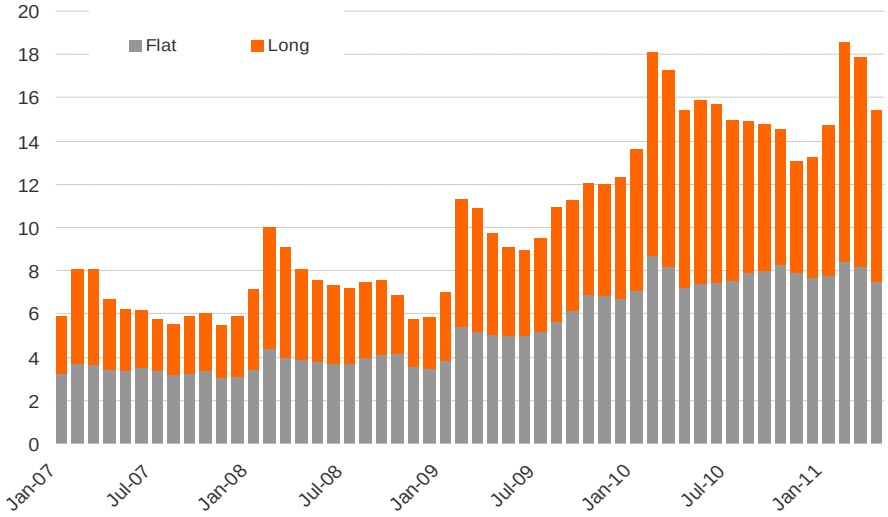
Global apparent steel consumption growth 2011



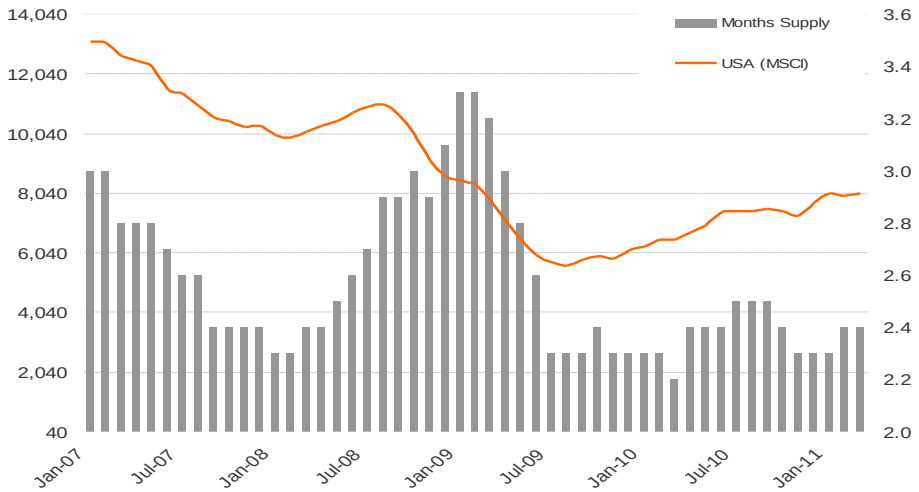
We expect global Apparent Steel Consumption growth of +6.5-7% in 2011

Inventories

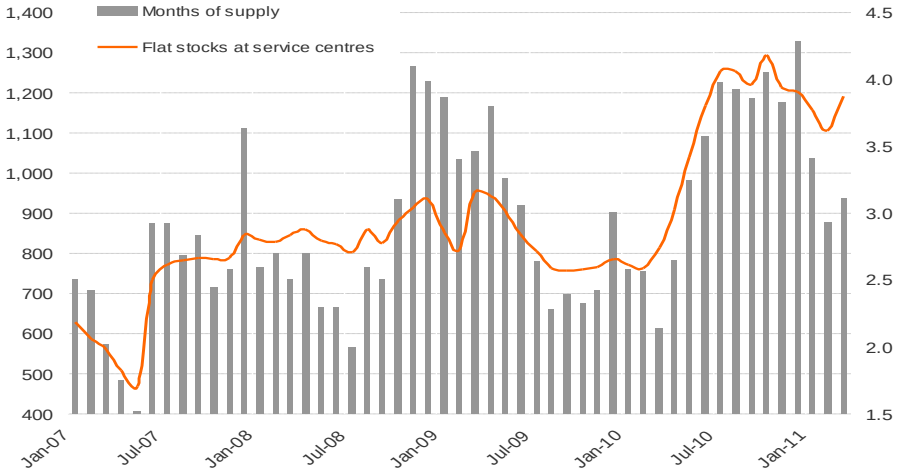
Inventory in China



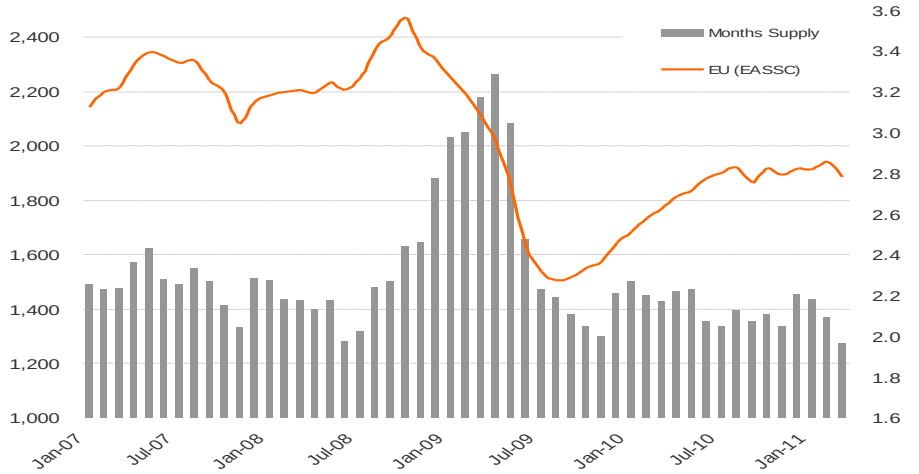
Steel Service centre inventory in US



Steel Service centre inventory in Brazil



Steel Service centre inventory in EU

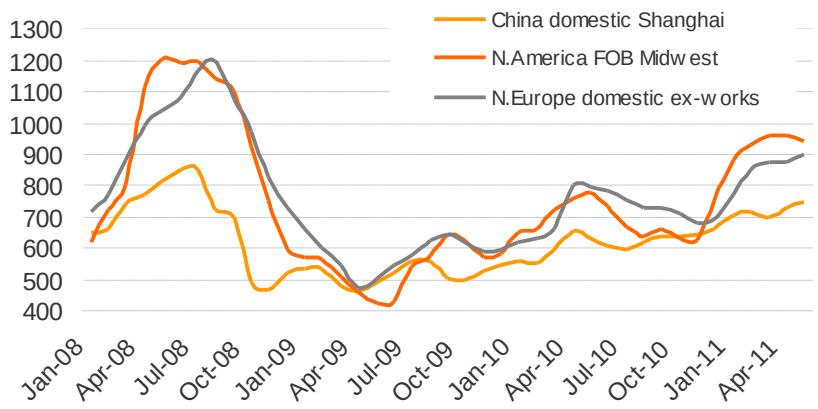


Inventories down from peak but balanced in current economic climate; Destocking to continue in China

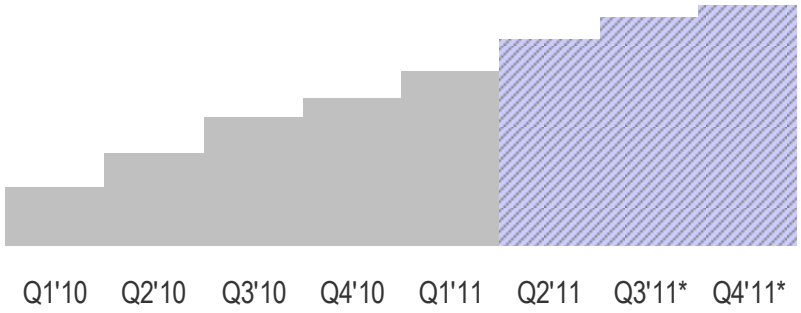
Months of supply are seasonally adjusted by source except in Brazil which are not seasonally adjusted

Outlook and Q2'11 guidance

Regional HRC prices (US$/t)



Index of raw materials cost per tonne (integrated route, Q1'10 = 100)



- Volumes are expected to increase in-line with the normal seasonal pattern
- Capacity utilisation expected to be ~80%
- Benefits of price increases seen in Feb, Mar, April expected to largely flow through to spot sales
- Steel price increases expected to more than offset the impact of higher costs in 2Q due to inventory timing effects
- Mining expected to benefit from higher volumes and higher market prices
- **Group EBITDA expected to be approximately $3.0bn - $3.5bn**
- Net financial debt expected to increase due to investment in working capital due to higher prices and activity

Q2'11 EBITDA expected to improve to $3.0bn - $3.5bn

* Cost illustration for Q3'11 and Q4'11 assumes no change in contract prices from Q2'11 levels (i.e. purely the accounting impact)

Growth

Upgraded railway line linking mine with port at Liberia

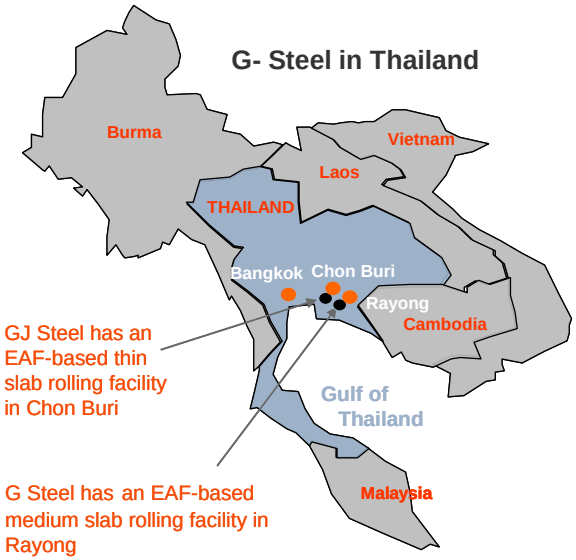
Growth focus: our steel footprint

- Latin-American

Brazil

- Brazilian long products capacity expansions:
  - 2010: Monlevade project from 1200 ktpy to 2400 ktpy (US$1.2 billion capex)
  - 2011*: AM Cariacica from 600 to 800 ktpy (under evaluation)
  - 2013*: AM Juiz de Fora from 1000 ktpy to 2200 ktpy (under evaluation)
- Brazilian flat products business has excess primary capacity so the rolling mill at Tubarao will be expanded, or a new rolling mill built

- Asia



India

- Plan smaller steps: 1.5-3 Mtpa modules in areas with easier access to land (and proximity to strong consumption)
- Expertise of local partner is invaluable. Uttam Galva stake gives us: access to downstream network (we are already largest importer of steel into India).

Thailand

- On March 2, 2011, ArcelorMittal signed agreements acquire 40% in G Steel a low-cost entry into Thailand and ASEAN region (deal subject to a credit restructuring agreement and approvals)
- G Steel and its subsidiary GJ Steel produce hot-rolled coils with a combined annual capacity of over 2.5MT pa

Our steel footprint expansion is focused on high-growth markets

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Plans in place to grow iron ore output

Existing Plans for Iron Ore Development will take our production to 100Mt by 2015

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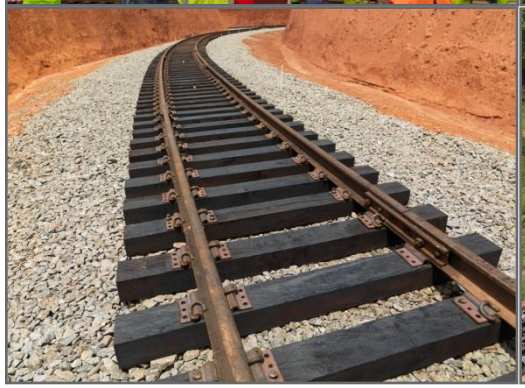
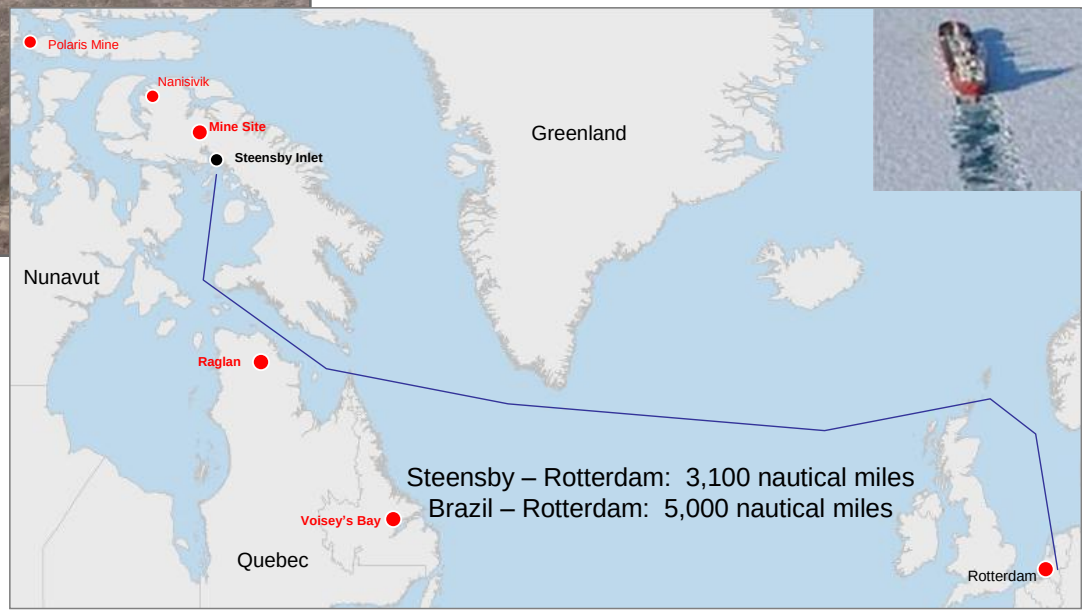
Update on Liberia iron ore project



- 240km rail rehabilitation and infrastructure development near completion
- Upgrade of Buchanan port and material handling facilities to be completed in May
- First DSO product to be shipped in Q3'11 - 1Mt in FY11 ramping up to 4Mt in 2012
- The expansion to 15Mt at Liberia will require investment in a concentrator which is currently under the final stages of approval.

First Liberia DSO production on track to be shipped in Q3'11

Baffinland update



Baffinland represents iron ore growth beyond 2015

Questions

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