Longbow Basic Materials Conference

ArcelorMittal

March 2011

Disclaimer

ArcelorMittal

- **Forward-Looking Statements**

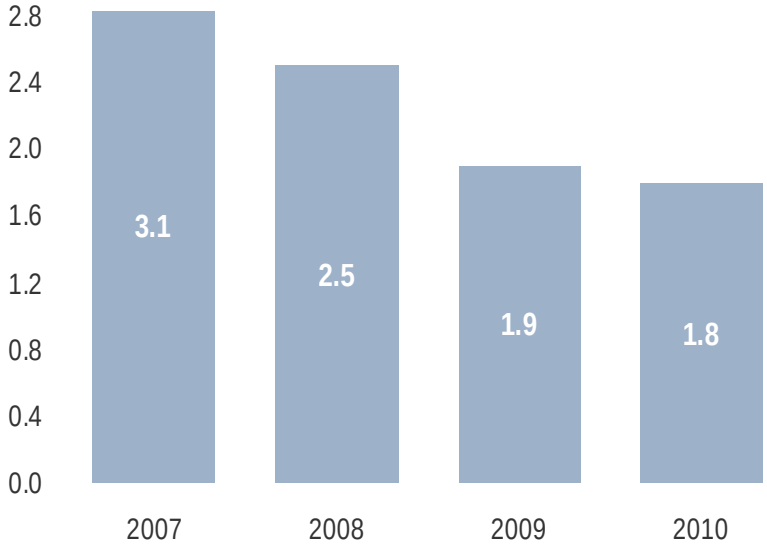
This document may contain forward-looking information and statements about ArcelorMittal and its subsidiaries. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements may be identified by the words “believe,” “expect,” “anticipate,” “target” or similar expressions. Although ArcelorMittal’s management believes that the expectations reflected in such forward-looking statements are reasonable, investors and holders of ArcelorMittal’s securities are cautioned that forward-looking information and statements are subject to numerous risks and uncertainties, many of which are difficult to predict and generally beyond the control of ArcelorMittal, that could cause actual results and developments to differ materially and adversely from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in the filings with the Luxembourg Stock Market Authority for the Financial Markets (Commission de Surveillance du Secteur Financier) and the United States Securities and Exchange Commission (the “SEC”) made or to be made by ArcelorMittal, including ArcelorMittal’s Annual Report on Form 20-F for the year ended December 31, 2010 filed with the SEC. ArcelorMittal undertakes no obligation to publicly update its forward-looking statements, whether as a result of new information, future events, or otherwise.

Agenda

- A brief update
  - Safety
  - Prospects for 2011
  - Focus on Growth
  - Unlocking value for shareholders
- Supplementary slides:
  - 4Q10 results
  - Liquidity
  - Mining disclosure

Safety is our primary focus

Annual Lost Time Injury Frequency rate* for mining & steel



- Safety is the No.1 priority of ArcelorMittal
- Since the merger there has been a significant improvement in LTIF rates…

  … but we still have a long way to go along our "journey to zero"
- In January 2011 ArcelorMittal held a Health & Safety summit to instil this core value
- Our goal is to be the safest Metals & Mining company

ArcelorMittal's Health and Safety performance improved again in 2010

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

Financial results

- EBITDA:
  - Full year EBITDA of $8.5 billion (excl. $0.4 billion for Aperam), 52% higher than 2009
  - 4Q 2010 EBITDA of $1.9 billion, including $0.1 billion from sale of CO_2 credits
- Shipments:
  - Full year shipments of 85.0 Mt, 22% higher than 2009
  - 4Q 2010 shipments of 21.1 Mt up 3% vs. 3Q 2010
- Strong cash flow generation:
  - Cash flow from continuing operations of $3.3 billion in 4Q 2010 ($3.8 billion for 2010)
  - Full year capex of $3.3 billion, 22% higher than 2009
- Net Debt reduced:
  - $2.3 billion reduction in net debt to $19.7 billion compared to $22.1 billion at 3Q 2010

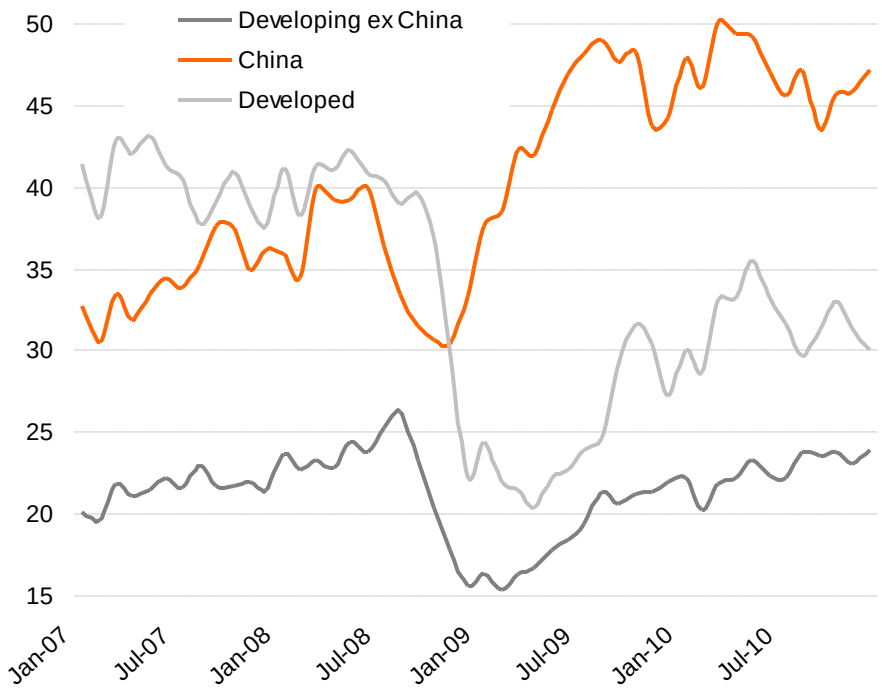
2010 EBITDA 52% higher than 2009

Note: Successful spin off of the stainless steel business (Aperam) following shareholders' approval on January 25, 2011. Accordingly, results of the stainless steel operations in 4Q 2010 are shown as discontinued operations. Prior periods results and operational KPIs presented have been recast to reflect the new presentation.

Operating environment

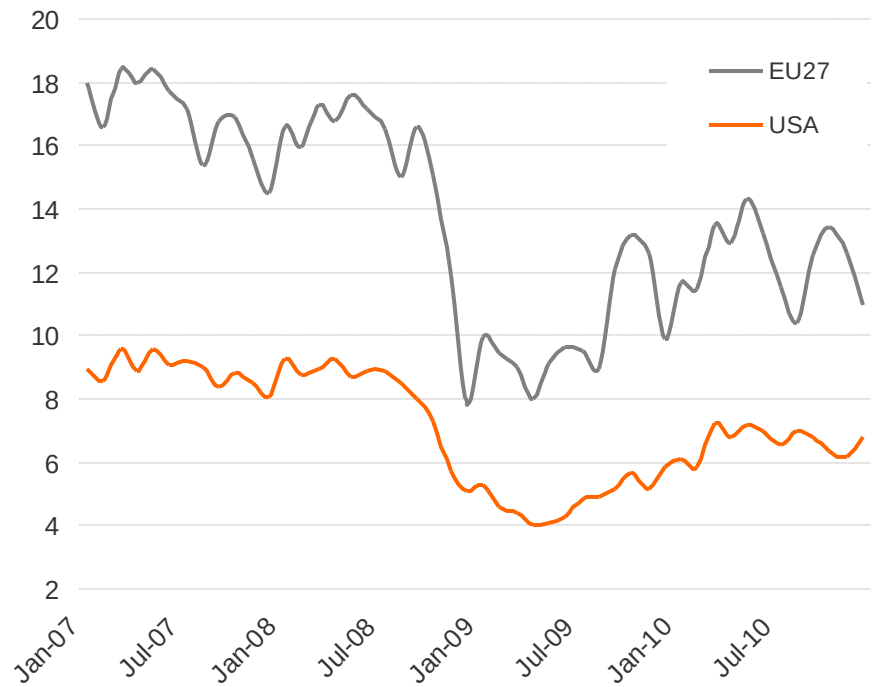
ArcelorMittal

Global Apparent Steel Consumption (ASC)
(million tonnes per month)



- Global ASC +1% in 4Q10 vs. 3Q10 (+14.7% in 2010 vs. ’09)
- China ASC +1.6% in 4Q10 vs. 3Q10 (+6.0% in 2010 vs. ’09)

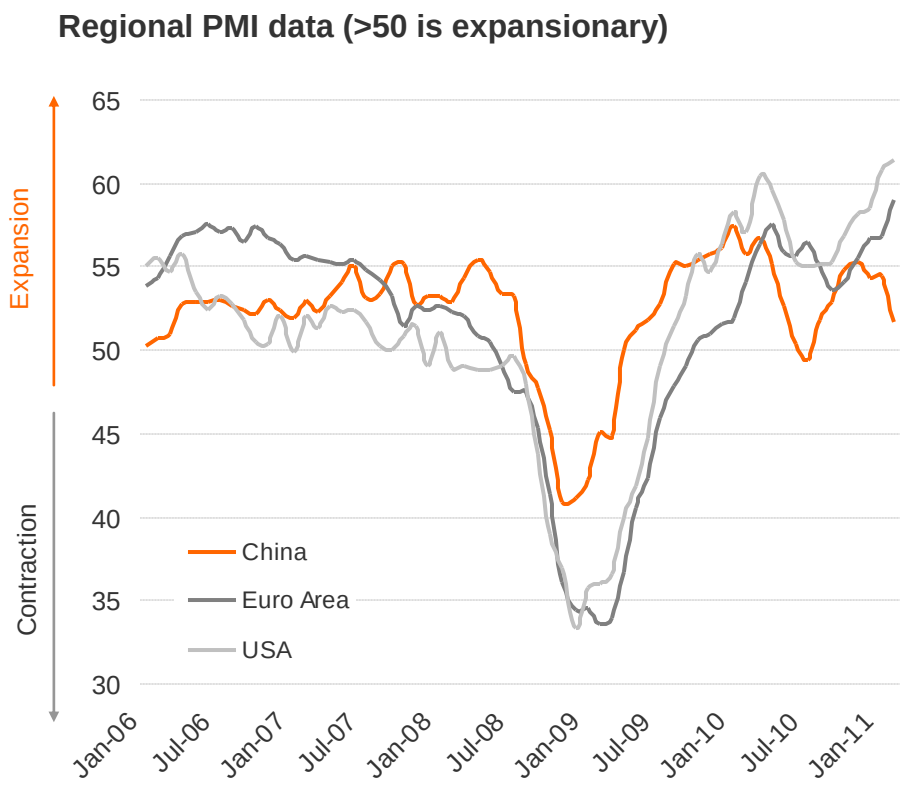
US and European Apparent Steel Consumption
(million tonnes per month)



- EU ASC +3.7% in 4Q10 vs. 3Q10 (+22% in 2010 vs. ’09)
- US ASC -5% in 4Q10 vs. 3Q10 (+38% in 2010 vs. ’09)

Global ASC rose ~15% in 2010 but momentum slowed in second half

Demand indicators are positive

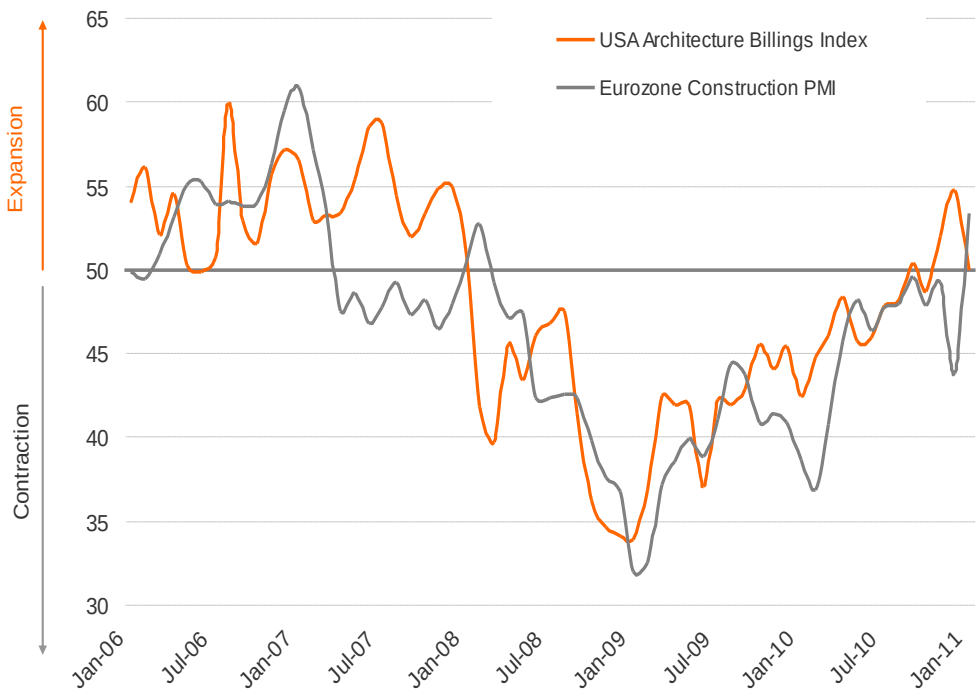


- After the temporary slowdown in H2'10, leading indicators in N.America & N.Europe have surprised positively
- Labour market appears to be gradually improving, though unemployment will remain high by historical levels.
- China growth momentum off to a strong start in 2011 with industrial production accelerating 13.5% y-o-y for Dec.
- China PMI slipped in Feb. but remains above 50… policy tightening likely to impact growth in H2'11
- World GDP growth projected to increase 4% (annualised rate) in H1'11 from 3% in H2'10.

Leading indicators point to solid economic conditions in 2011

Construction the only drag

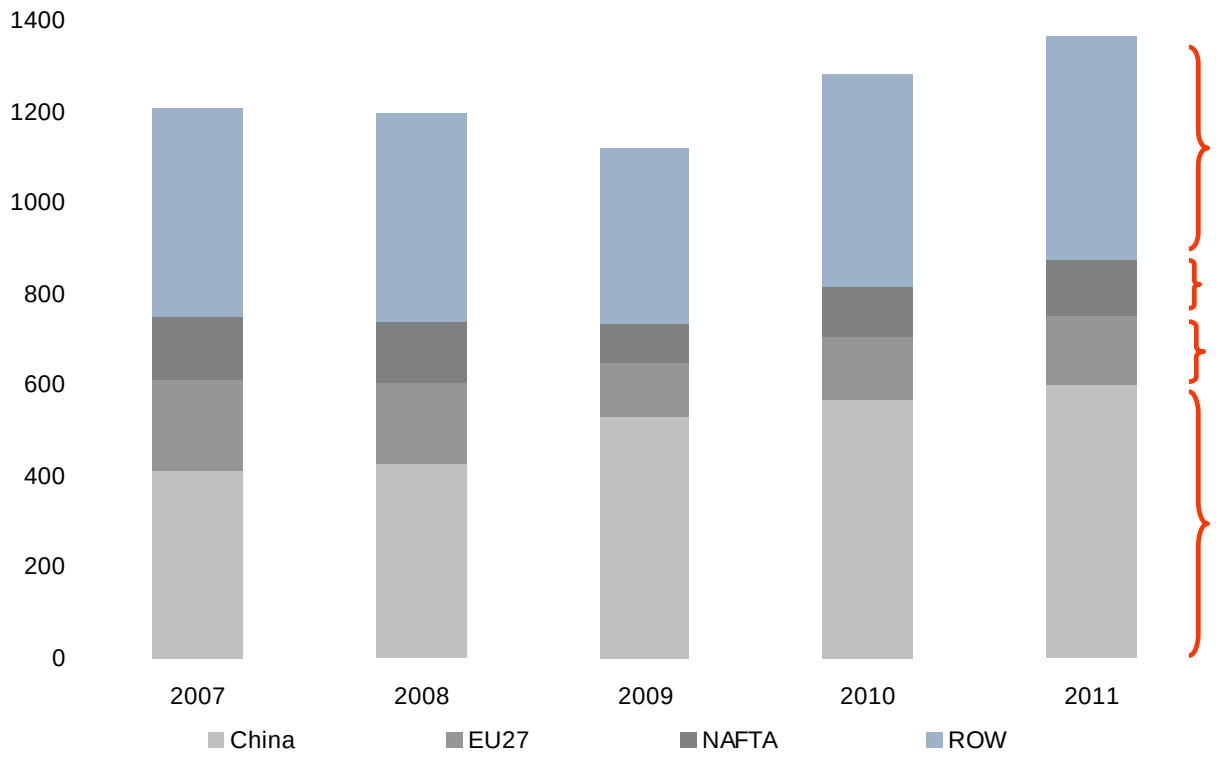
US ABI and Eurozone construction PMI



- In Europe:
  - Construction remains anaemic outside of Germany and its linked economies
  - Construction PMI >50 for first time since Feb 08
- In the US
  - Construction has reached a bottom
  - The ABI suggests a healthier non-residential construction in H2'11
  - Housing should also be higher off a very low base
  - Risks to public funded construction
  - Overall US construction spending should increase in 2011 vs. 2010

Developed World Construction is the remaining weak spot

Global steel consumption growing



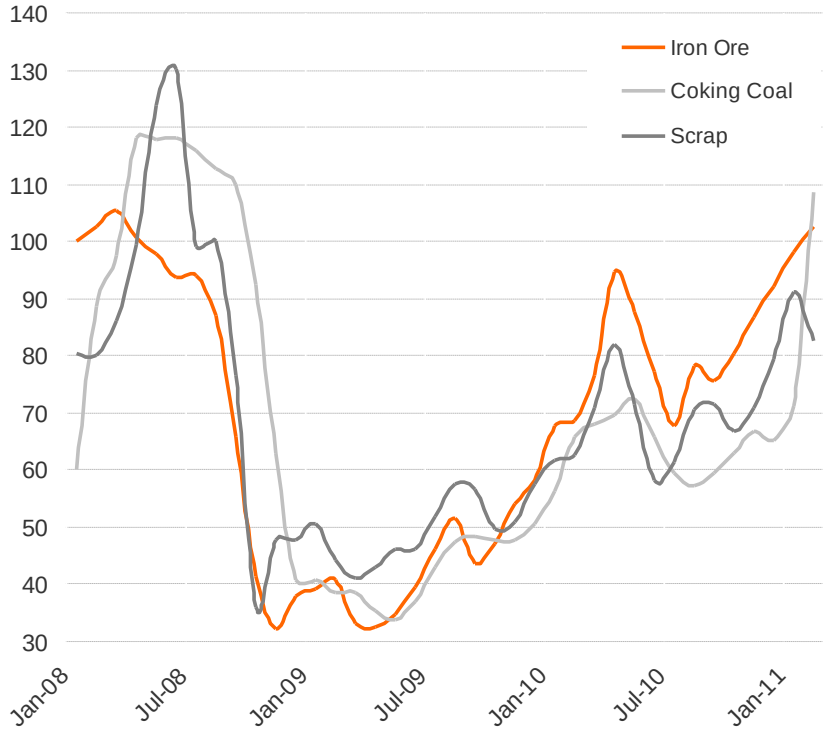
ASC growth 2011:

- **RoW: +7%**
- **NAFTA: +9-10%**
- **EU27: +5-5.5%**
- **China: +7%**

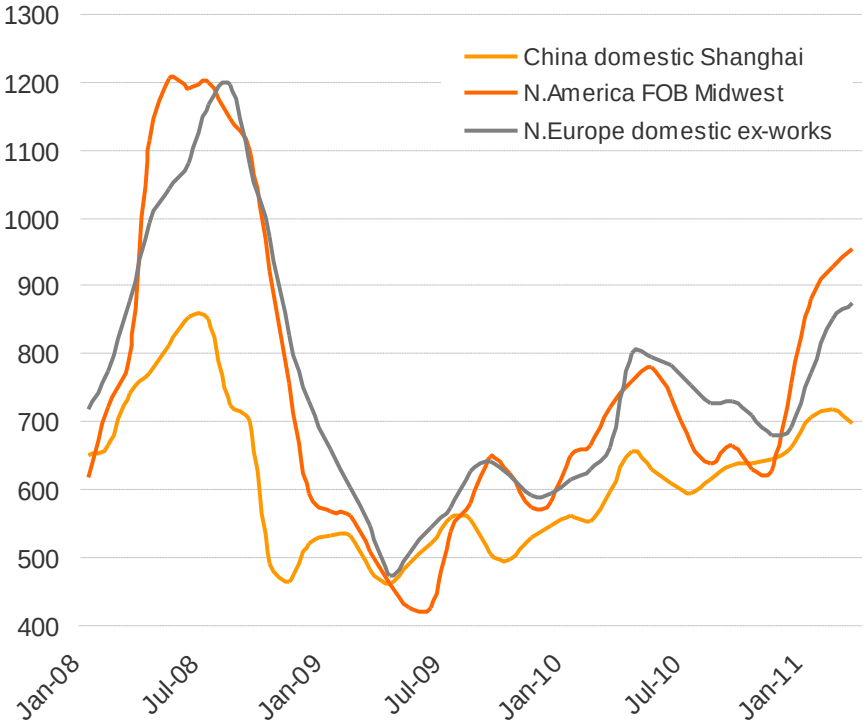
We expect global Apparent Steel Consumption growth of +6.5-7% in 2011

Prices are rising to reflect higher costs

Raw material prices (Indexed to Jan 2008)



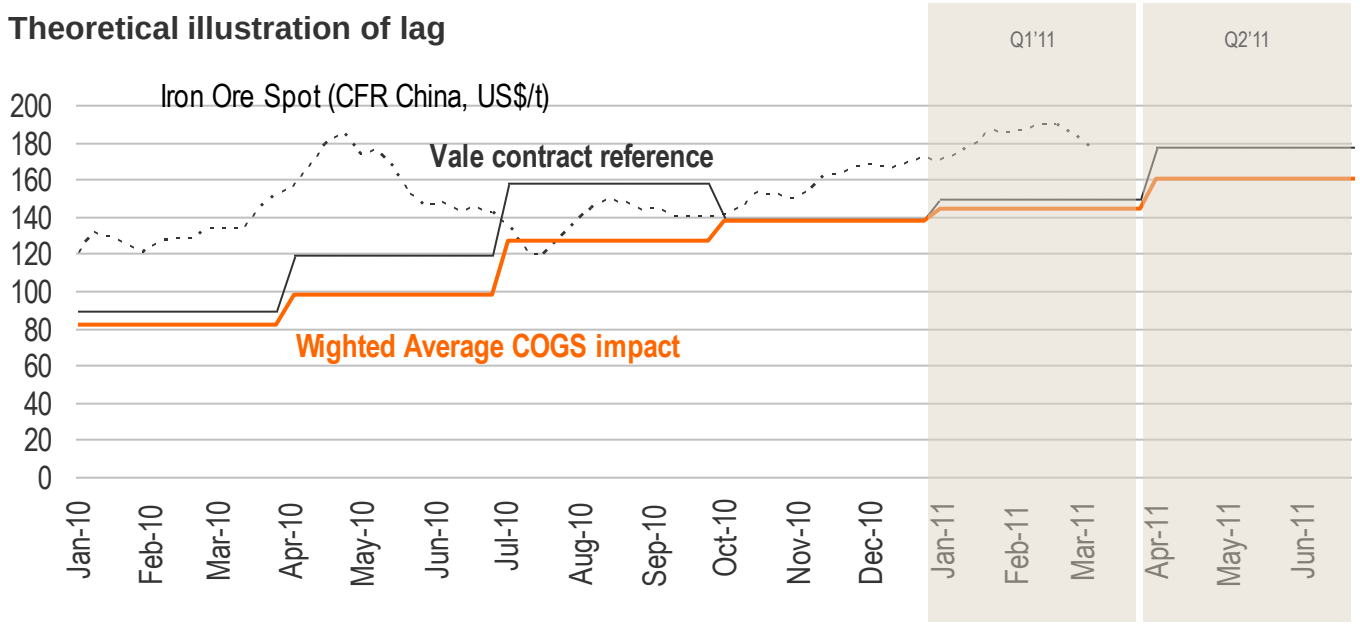
Regional HRC prices (US$/t)



Price increases since Nov 2010 reflect higher raw spot raw materials costs

Our costs will likely be higher in the H2'11

- We purchase iron ore under contract with a 4 month price lag
- Due to weighted average costing there is a further lag (or smoothing) to our costs



- Unless spot prices fall precipitously then Q3 and Q4 costs will likely be higher than Q2 levels

There is a lag between spot raw material prices and our costs

Current guidance

- **1Q'11 Production and shipments:** Group shipment volumes are expected to increase in from 4Q 2010, capacity utilization expected to rise to ~76% (vs. 69% in 4Q 2010)
- **1Q'11 Selling prices:** Average steel selling prices are expected to increase from 4Q 2010 as they adjust to rapid raw material increases
- **1Q'11 Margin:** EBITDA/tonne expected to increase from 4Q 2010

1Q 2011 EBITDA expected to be between $2.0 – 2.5 billion

- **Working capital:** to increase in 1Q 2011 due to increased activity levels
- **Other:** cash out to include acquisition of Baffinland
- **Capex:** full year capex to be $5.0bn, including $1.4bn in mining

Net debt to increase in 1Q 2011

Note: starting effective 1Q 2011 we will begin reporting Mining as a separate segment

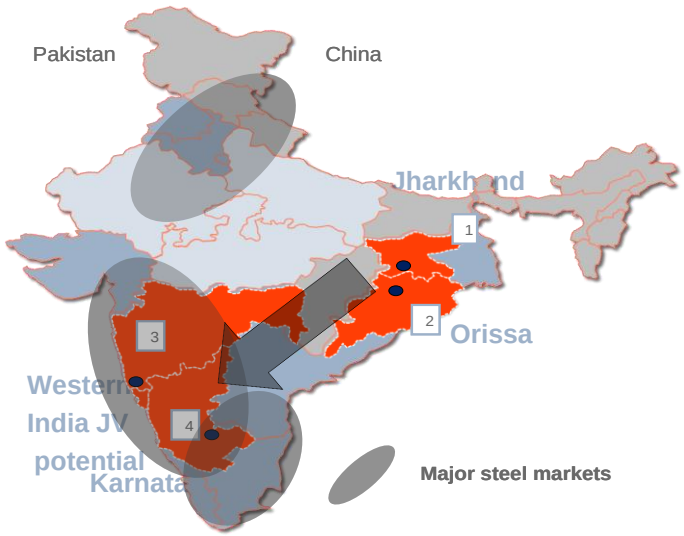
1Q11 EBITDA expected to improve with better market conditions despite higher costs

Growth focus: our steel footprint

- Latin-American

- 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

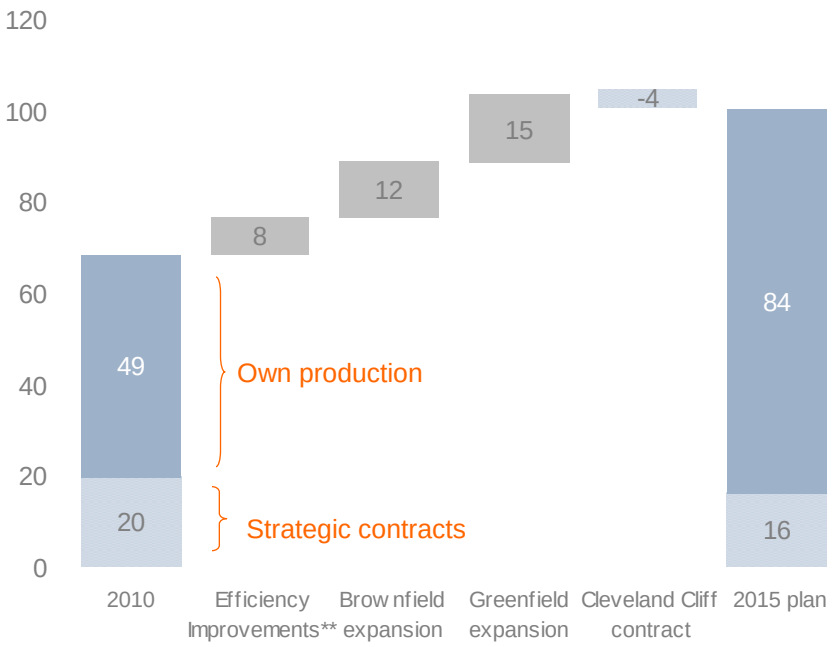


- In India we now plan smaller steps: 1.5-3 Mtpa modules In areas with easier access to land (and proximity to strong consumption
- Expertise of local partner is invaluable. Uttam Galva stake gives us:
  - Access to downstream network (we are already largest importer of steel into India)
  - Partner in developing service centres for auto/appliances
  - JV partner for potential greenfield in Western India
- GSTEEL is a low-cost entry in to Thailand and ASEAN

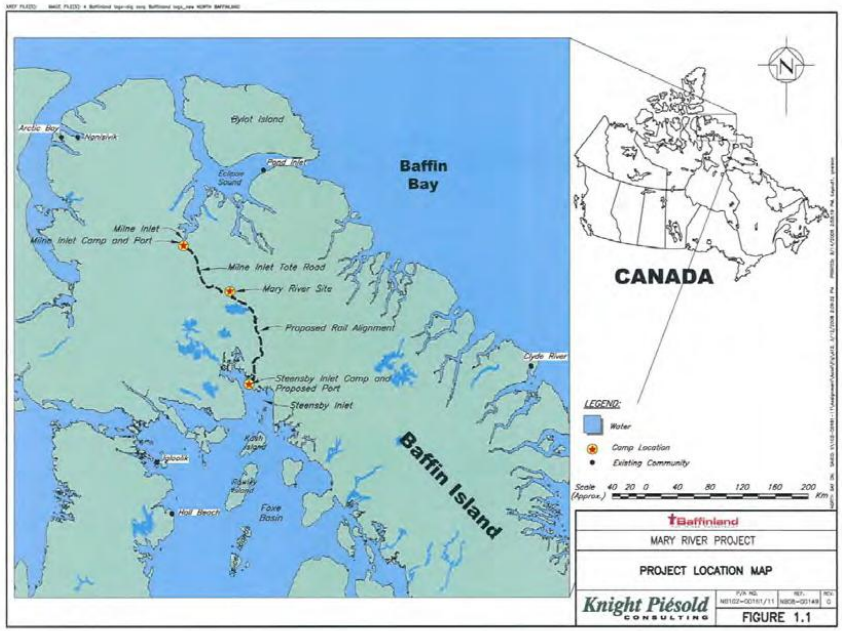
Our steel footprint expansion is focused on high-growth markets

Growth focus: … and our Mining output

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



Baffinland is a cornerstone asset for growth beyond 100Mt



Acquisition of Baffinland demonstrates our commitment to building a world-class mining business

Delivering value to shareholders

- Aperam demerger
  - demerger has been a success
  - Investment community has appreciated Aperam's Brazil growth story, its charcoal integration story, its European restructuring story and the valuation story

- Dilution management program
  - Its is highly likely that holders of the convertibles due in 2014 will exercise their option to convert which will lead to 88.2mn shares being issued
  - In Dec. we bough options to buy shares at the exercise price (effectively hedged) financed through transfer of treasury shares
  - This dilution management has increased the number of shares outstanding by 2.6% but now avoids a 6% increase in 2014
  - i.e. we have "saved" issuing additional new shares equivalent to 3.4% of existing
  - This dilution management has also removed the volatility in on our P&L (net financial income (expense) line) from the quarterly mark-to-market of the call options.

We continue to seek and pursue options to create sustainable value for shareholders

Recap

- The outlook for underlying demand continues to improve – we expect ASC growth of 6.5-7% in 2011
- A recovery in Construction is the key to higher utilisation levels
- Prices are rising to reflect higher raw material costs; this will support better margins and profitability
- ArcelorMittal costs will continue to rise due to weighted-average accounting… presenting a risk to margins in H2'11
- We continue to focus on growing our steel footprint in the high-growth markets… and expanding our mining output
- We will continue to seek all opportunities to deliver value to our shareholders

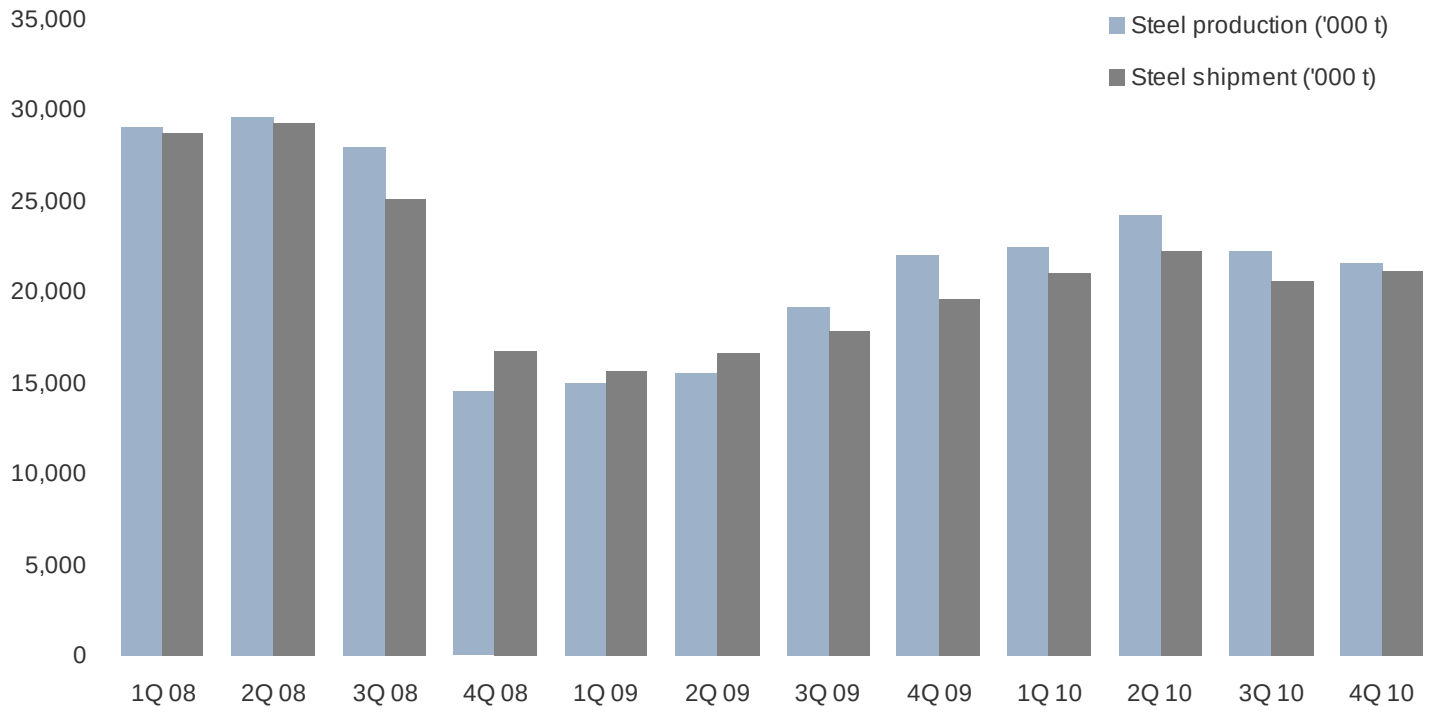
2011 should be a better year than 2010

Appendix

ArcelorMittal Dofasco, Hamilton Port and Steel works

Steel production and shipments

ArcelorMittal quarterly crude steel production and steel shipments (‘000 t)



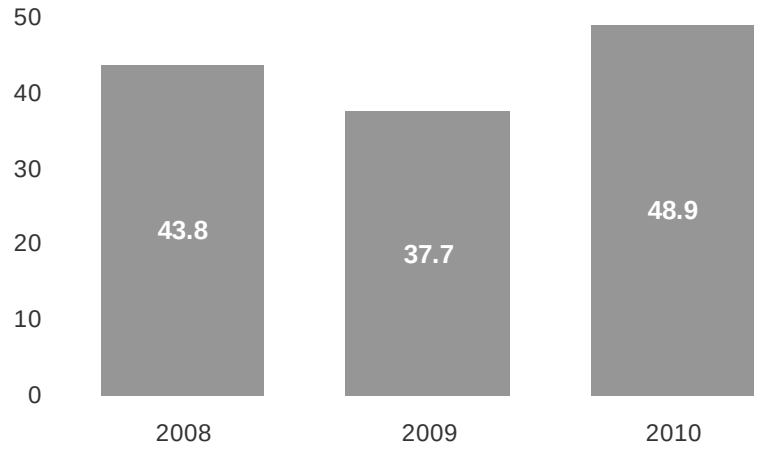
While our steel production declined 3% in 4Q10 v 3Q10, our steel shipments increased by 3%

Note: In a “steady state” environment, finished steel shipments will be lower than crude steel production due to the yield loss between crude steel and finished steel of typically ~10% depending on the product

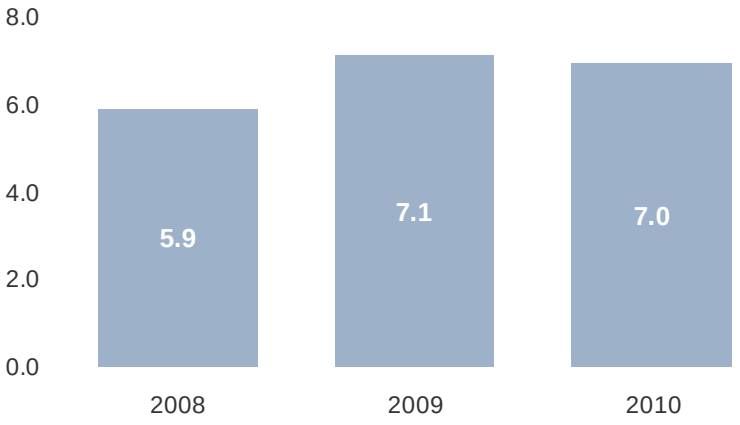
Mining production

ArcelorMittal

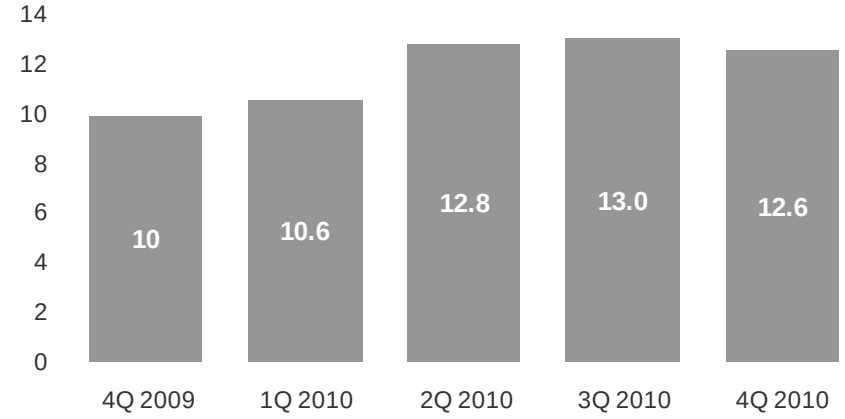
Annual iron ore production* (Mt)



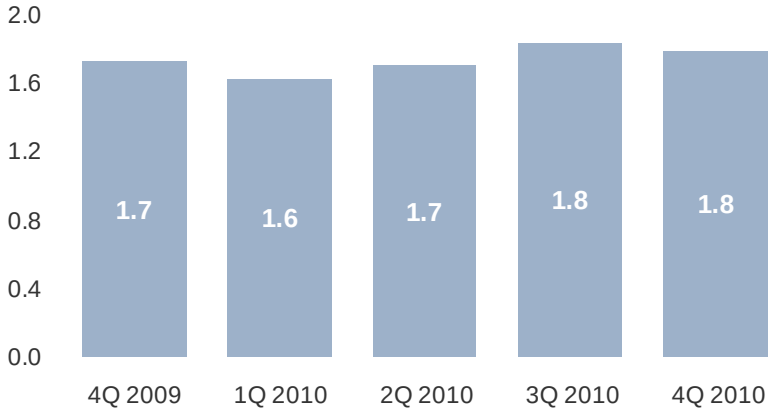
Annual coal production* (Mt)



Quarterly iron ore production* (Mt)



Quarterly coal production* (Mt)



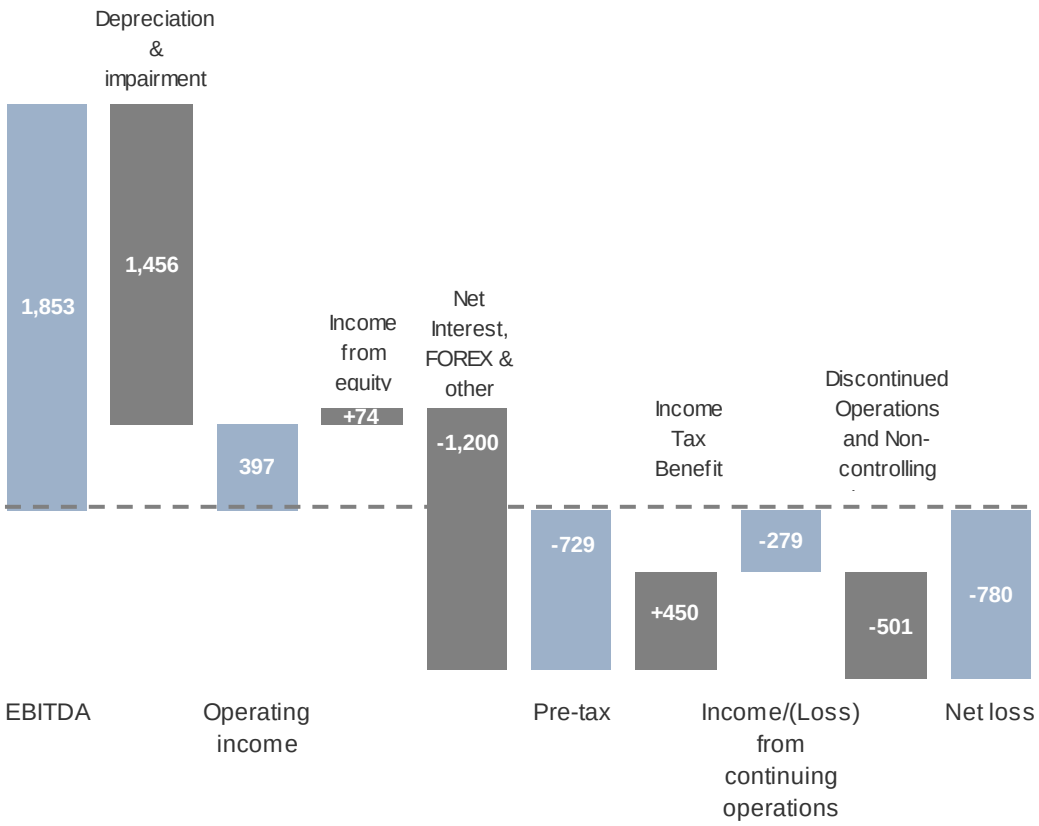
Own iron ore production of 48.9 Mt in 2010, up 29.9% as compared to 2009

* Excluding strategic agreement and long-term supply contracts

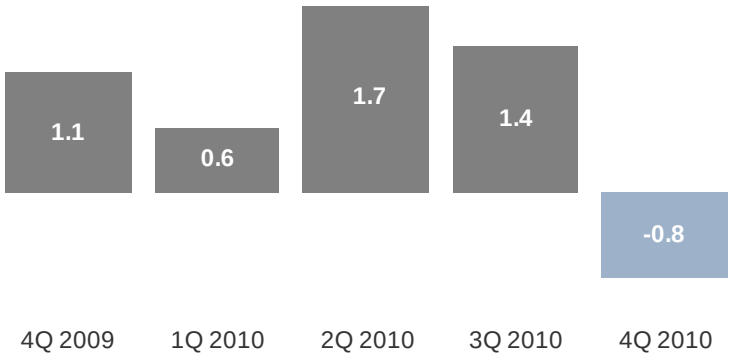
P&L highlights

ArcelorMittal

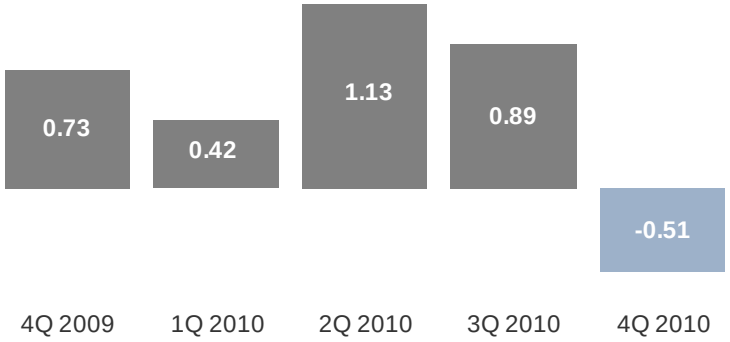
4Q10 EBITDA to Net Loss (USD million)



Net income/ (loss) (USD billion)



Earnings/ (loss) per share (USD)



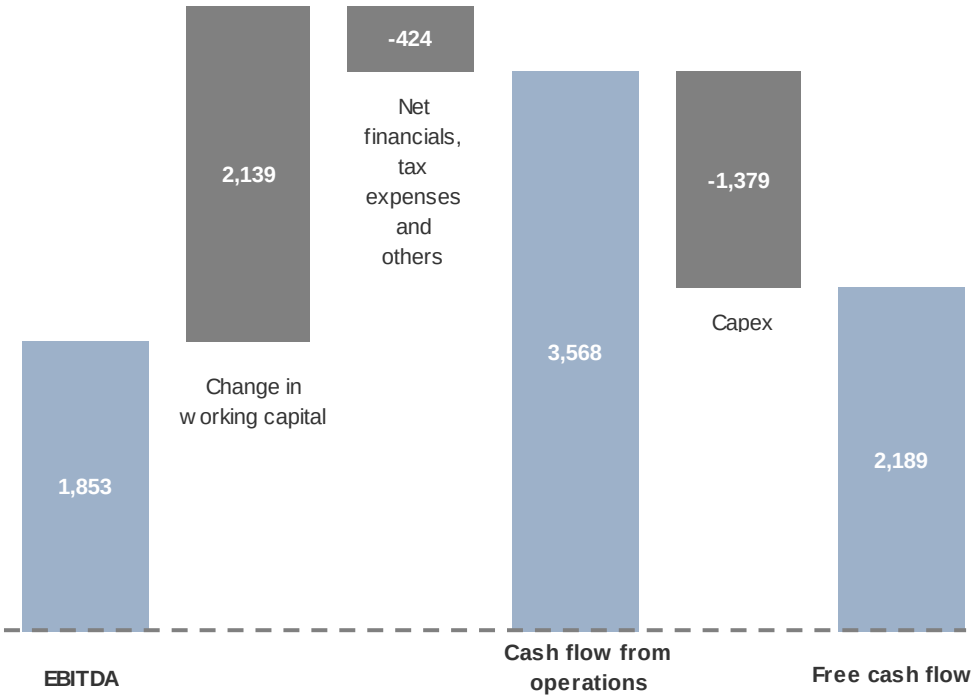
Lower EBITDA and impairment charges resulted in a net loss of $0.8 billion for 4Q 10

In accordance with IFRS the Company has adjusted the 2009 financial information retrospectively for the finalization in 2010 of the allocation of purchase price for certain business combinations carried out in 2009. The adjustments have been reflected in the Company's consolidated financial statements for the year ended December 31, 2009

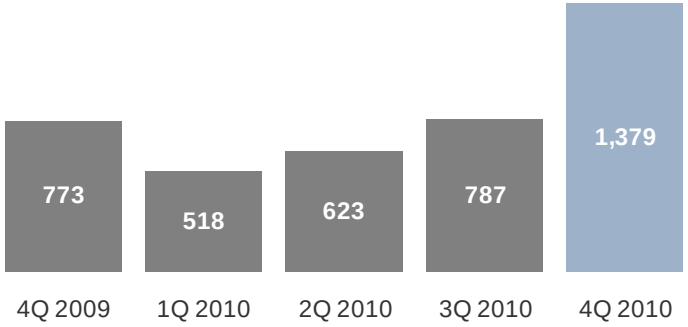
Cash flow highlights

ArcelorMittal

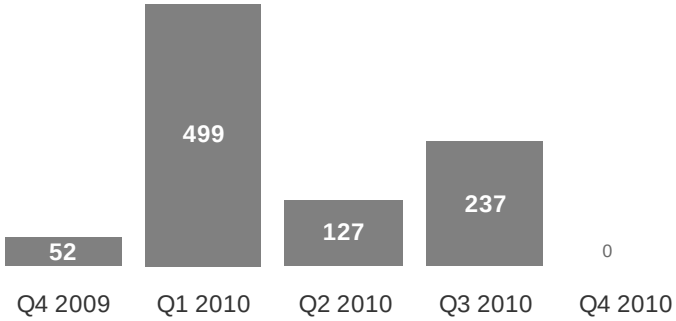
4Q 10 Free cash flow (USD million)



Capex (USD million)



Net acquisition spending (USD million)

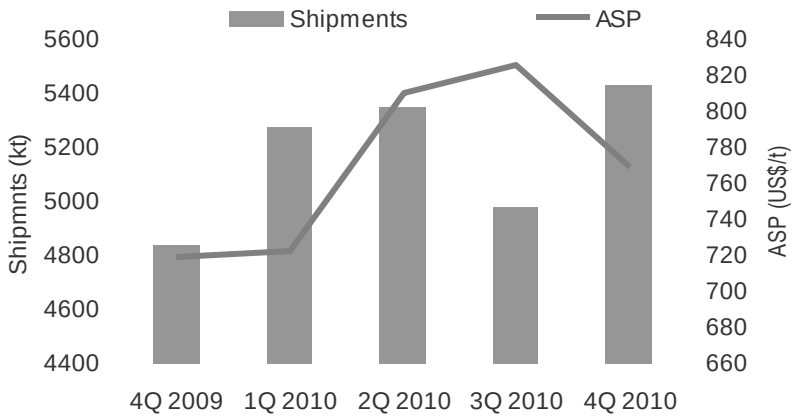


$3.6 billion cash provided from operations in 4Q 10

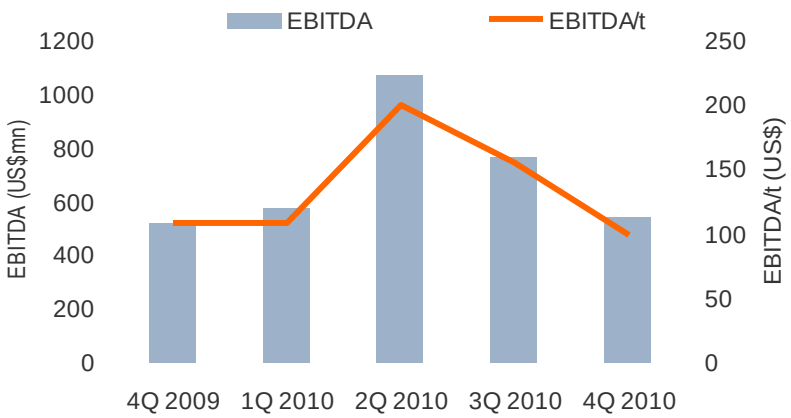
Segmental highlights

ArcelorMittal

FCA

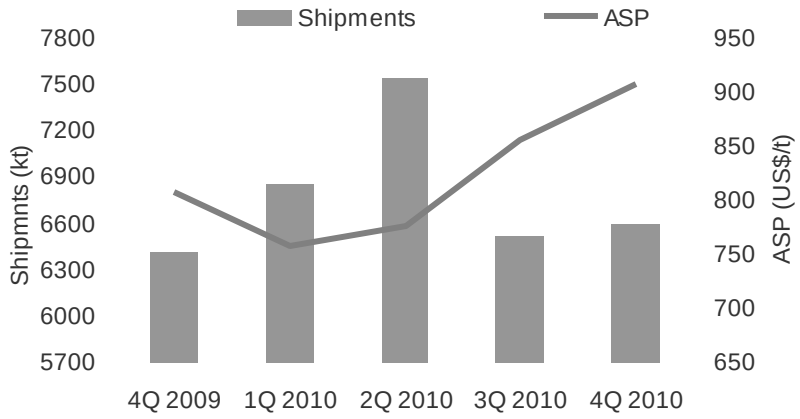


- Shipments higher 9.1%
- Average Selling Price (ASP) down 6.9%

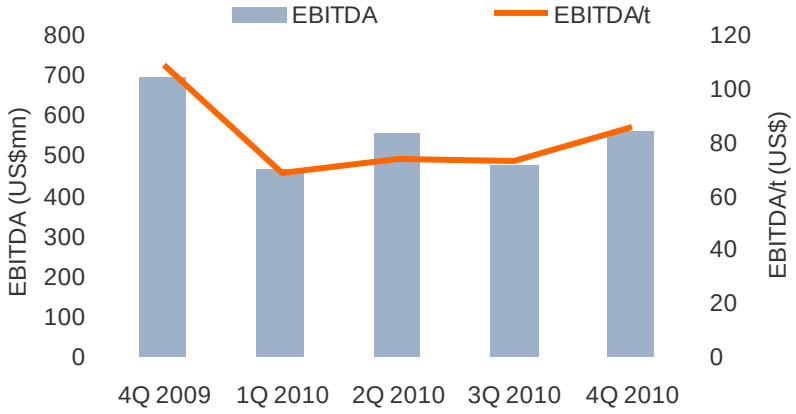


- Costs higher in Latam
- Ebitda down 29.8%

FCE



- Shipments marginally higher 1.1%
- ASP higher 6.1%



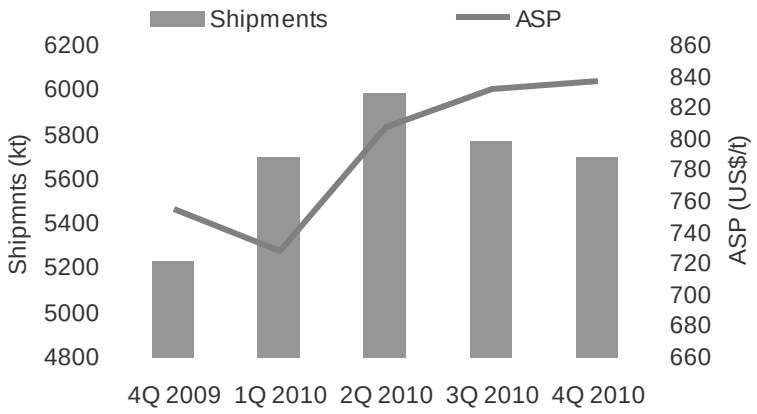
- Costs higher
- EBITDA up 18.3%; 4Q10 incl. $140M CO2 gain

Note: Percentage comparison provided for 4Q 2010 versus 3Q 2010

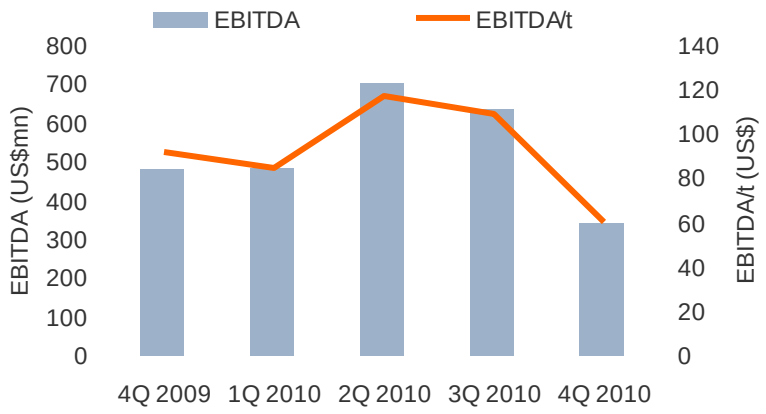
Segmental highlights

ArcelorMittal

LONG

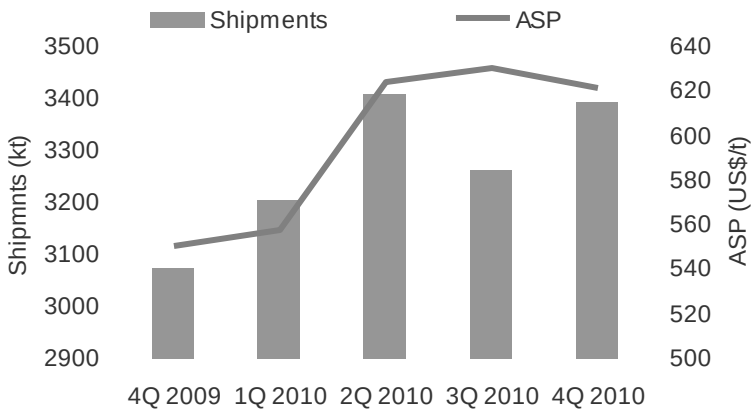


- Shipments marginally lower 1.3%
- ASP stable

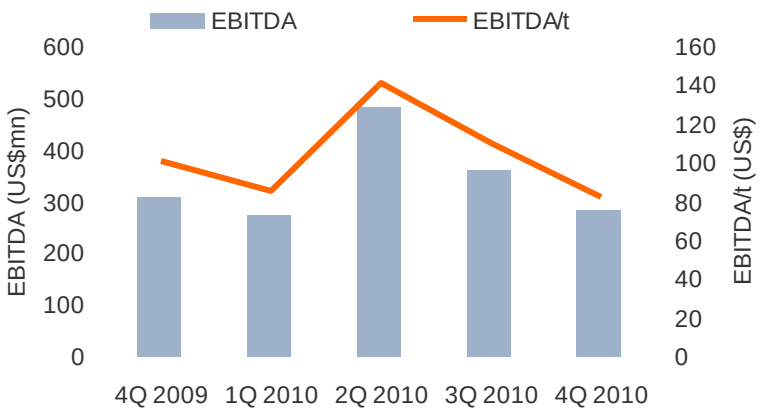


- Costs higher in Latam
- Ebitda down 45.8%

AACIS



- Shipments higher 4%; improving CIS market
- ASP down 1.4%; weak S.African domestic market

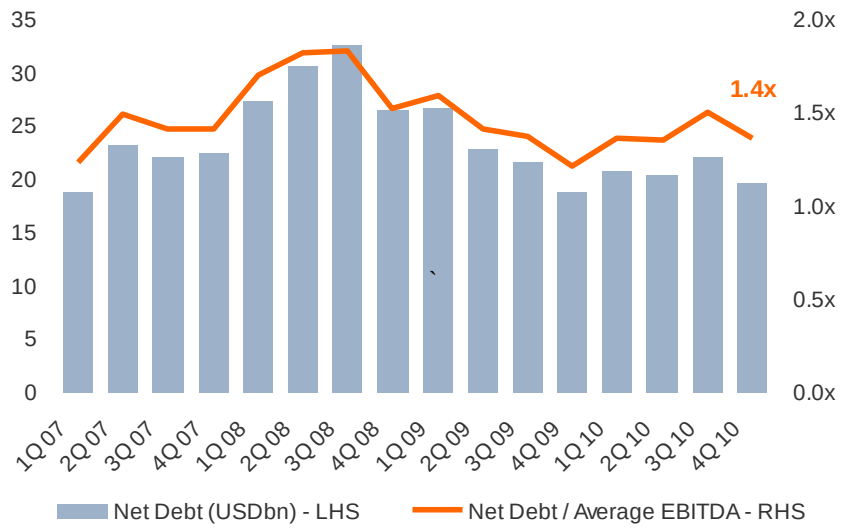


- Domestic market in South Africa weak
- EBITDA down 21.9% vs. 3Q 10

Note: Percentage comparison provided for 4Q 2010 versus 3Q 2010

Our balance sheet is a strong platform

Net Debt (USD billion) & Net Debt/Average EBITDA Ratio (x)**



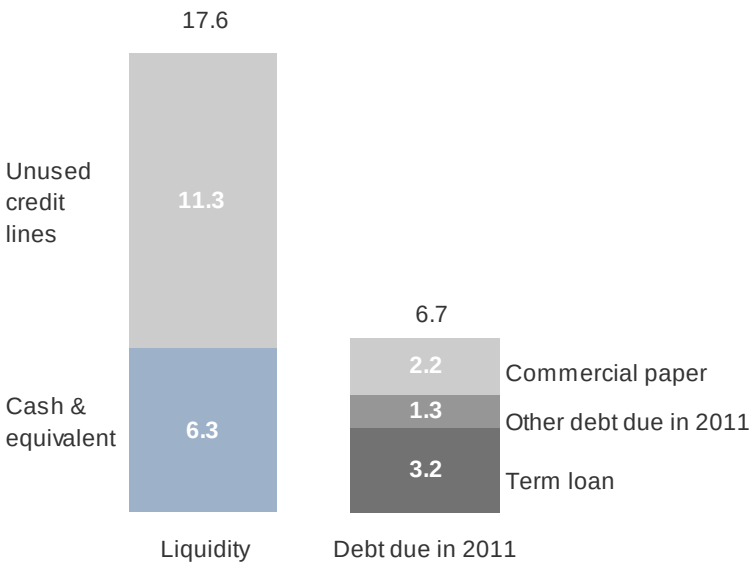
- Since the crisis, over $16bn of debt has been refinanced in the capital markets
- ArcelorMittal has diversified away from a reliance on bank debt towards the bond market
- Recent $3bn issue in February was a tremendous success
- Our debt maturity now averages 5.6 years vs. 2.1 pre-crisis following the recent bond
- We will protect the strength of the balance sheet and do not expect to significantly increase leverage
- Capital allocation is now key. We will only spend what we generate

Investment grade rating is a strategic asset and will be protected

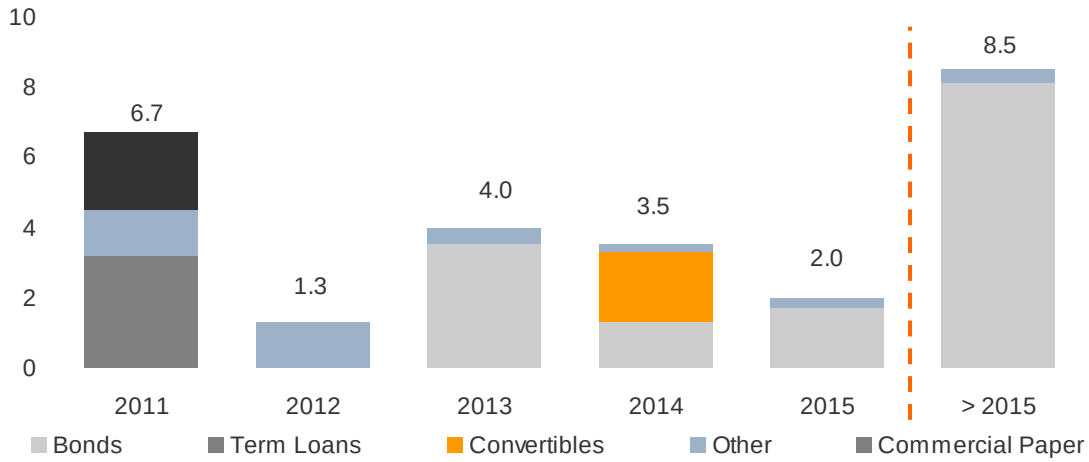
Liquidity and debt maturity profile

ArcelorMittal

Debt structure December 31, 2010



Debt maturities (US$ billion)



- ✓ Approximately $13.1 billion of successful capital markets refinancing in 2009
- ✓ Successful extension of the maturity profile from 2.6 years at end Q3 2008 to 5.1 years at the end of 2010

Continued emphasis on strong liquidity position and lengthening of debt maturities

Mining disclosure - Effective from 1Q11

ArcelorMittal

- **Basic objective of the mining as a separate segmentation:**
  - Create world class mining operations for AM
  - Price externally marketable Iron Ore and Coal to steel units at market price
  - Ensure appropriate capital allocation for mining business for long term sustainability and growth
  - Focus on mine safety, mine planning, MRMR, quality, expansion, capex and logistics
  - Ensuring world class project control and management systems

- **Basic Principles that will be applied for mining as a separate segmentation:**
  - **Iron Ore:**
    - Iron ore not considered currently marketable due to quality and/or logistic constraints will continue to be transferred at cost (Andrade, Kazakhstan, Bosnia, Algeria, Ukraine Opencast & Underground, Hibbing and Minorca).
    - Simultaneously work on addressing the issues of logistic, quality and market for these mines.
    - Marketable ores from other mines to be priced with reference to market prices.
  - **Coal:**
    - Kuzbass and Princeton coal to be priced with reference to the relevant market price.
    - Kazakhstan coal – Shippable volume to be priced with reference to market price.

Starting effective 1Q 2011 we will begin reporting Mining as a separate segment