



ArcelorMittal

news release

At least 6.5% salary growth in ArcelorMittal Ostrava subsidiary company

Feb. 7 – Ostrava – Collective labor bargaining for 2008 has been successfully completed in Valcovny plechu the subsidiary company of the biggest Czech steel company ArcelorMittal Ostrava. According to the agreed amendment to the collective labor agreement the average salaries of the employees of Frýdek Místek rolling mills will grow by 6.5% this year. If the company meets its planned results salaries may grow by another 1.8% and in the case of the plan exceeding the additional growth could be more than 2.5%. The average salary in the company employing 572 people is going to exceed the level of CZK 24 000 this year.

The collective labor agreement was signed today by the company CEO and the chairman of the board Mr. Tomáš Mischinger and the company CFO and the member of the board Mrs. Marcela Mikšová-Blachová and Mr. Luděk Lučan the chairman of the company trade union organization. “ This year we were bargaining just the salary part of the collective labor agreement, however the negotiations were not easy. I am glad that we eventually found the compromise acceptable for the both sides in order to assure good conditions for the whole collective of employees,” says Tomáš Mischinger the company CEO.

Besides the salary growth the collective labor agreement provides also other benefits. Each employee is entitled for five weeks of leave, a catering contribution, an award at leaving for retirement or at work anniversaries, a contribution to additional pension insurance, reconditioning stays, protective drinks and others. The employer’s contribution to the additional pension insurance has been increased by CZK 100 and this year it is going to reach an average of CZK 600. The extra for work at night is going to growth by CZK 1 to CZK 16 per hour.

Through the trade union organization the company contributes also to sports and cultural events for its employees and for their children also blood donors are rewarded. The company also renders advantageous loans for housing purposes and in some cases for social assistance for some of its employees.

Rolling mills also take care for their former employees and in cooperation with the trade unions they organized meetings with them at the occasions of significant life anniversaries attended by TU and company management. “In this we are quite unique. The events are not very costly, but what is very important for our former

employees is that fact that they are not forgotten,” says the company CFO in agreement with TU chairman Mr. Lučan.

“The guaranteed growth represents a solid social cushion for our employees and further growth should motivate them in their work,” says the vice-chairwoman of the company board. “At the beginning of the negotiations our positions were quite faraway, we were afraid of high inflation rate, however the compromise that we reached is the good assurance for elimination of inflation impacts on our employees,” adds Lučan.

Similar salary growth conditions were agreed also in the subsidiary companies of Valcovny plechu – BESS, Technotron and Vlacovny za studena in Ostrava.

Válcovny plechu a.s. Frýdek - Místek is the only Czech producer of transformer sheets and together with its subsidiaries the are belong to the biggest employees in Frýdek-Místek region.

ArcelorMittal Ostrava a.s. is the largest steel company in the Czech Republic and belongs to the largest global steel making group Arcelor Mittal. In 2006 the company produced 3.06 million tons of steel, exported 59% of its production, sold its products in 88 countries all over the world. Currently the company has 7 200 employees, together with subsidiaries it has 10 200 employees. The largest shareholders of ArcelorMittal Ostrava are: MITTAL STEEL HOLDINGS A.G. (71.579 % of shares), The Ministry of Finance of the Czech Republic (13.881 %), and Czech Consolidation Agency (10.969%). In the accounting year 2006 (1st March 2006 to 28th February 2007) the company generated profit after tax of CZK 9.6 billion. The overall revenue was CZK 58.7 billion. Mittal Steel Ostrava is one of the ten biggest tax-payers in the Czech Republic.