ArcelorMittal

Annual Report 2009

Management Report

Management Report 2009 Contents

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Disclaimer

In this Annual Report, ArcelorMittal has made, and will continue to make, forward-looking statements with respect to, amongst other things, its financial position, business strategy, projected costs, projected savings, and the plans and objectives of its management. Such statements are identified by the use of forward-looking words or phrases such as 'anticipates', 'intends', 'expects', 'plans', 'believes', or 'estimates', or words or phrases with similar meaning. The actual results may differ materially from those implied by such forward-looking statements on account of known and unknown risks and uncertainties, including, without limitation, the risks described in this Annual Report.

ArcelorMittal does not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved. Such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. ArcelorMittal undertakes no obligation to publicly update its forward-looking statements, whether as a result of new information, future events or otherwise.

Unless indicated otherwise, or the context otherwise requires, references herein to 'ArcelorMittal', the 'Group' and the 'Company' or similar terms are to ArcelorMittal, *société anonyme*, 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.

Our Philosophy

ArcelorMittal's core philosophy is to produce Safe, Sustainable, Steel. Safety is the Company's top priority. Our safety performance has improved consistently over the last three years, most recently by 25% in 2009, and we will continue to target our ultimate goal of zero accidents.

The Company's leadership position in the steel industry is the result of a consistent management strategy that focuses on product diversity, geographic reach and vertical integration – both into raw material production, designed to minimize risk caused by economic cycles, and downstream distribution, providing value-added and customized steel solutions through further processing to meet specific customer requirements. Our customers are the heart of our business. We collaborate closely with them to ensure that we evolve and develop our products in line with their continually changing needs.

ArcelorMittal is committed to its promise of 'transforming tomorrow' and the three values that underpin it – Sustainability, Quality and Leadership. These values shape our behavior. We recognize that the Company has a duty to its stakeholders to operate in a responsible and transparent manner and to safeguard the wellbeing of all its stakeholders, including employees, contractors and the communities in which it operates.

That is why we have a strong focus on Corporate Responsibility. This is evidenced in numerous areas, for example the Company's efforts to develop breakthrough steelmaking technologies, our leadership of the steel industry's Ultra Low Carbon Steel (ULCOS) program and the global activities of the ArcelorMittal Foundation.

No discussion of the Group's philosophy would be complete without reference to our employees. The Company is only as good as its people, and our journey through the crisis was helped by their efforts, flexibility and understanding.

In 2009, ArcelorMittal had sales of approximately $65.1 billion[1], steel shipments of approximately 71 million tonnes and crude steel production of approximately 73 million tonnes.

[1] *'US$', '$', 'dollars', 'USD' or 'U.S. dollars' refers to United States dollars, the official currency of the United States of America.*

Financial Highlights

Sales ($ million)

2009	65,110
2008	124,936

Shipments (million tonnes)

2009	71.1
2008	101.7

Net Income[1] ($ million)

2009	118
2008	9,446[2]

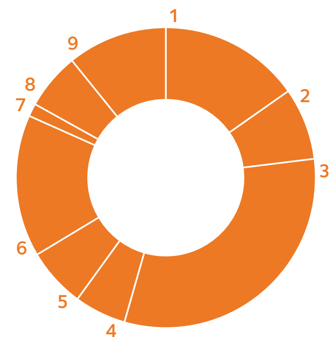
Basic Earnings per Share ($)

2009	0.08
2008	6.84[2]

[1] *Excluding non-controlling interests.*
[2] *As required by IFRS, the 2008 information has been adjusted retrospectively for the finalization in 2009 of the allocation of purchase price of acquisitions made in 2008 (see Note 3 to ArcelorMittal's consolidated financial statements).*
[3] *Shipments originating from a geographical location.*
[4] *Includes tubular business.*
[5] *Full Time Equivalent.*
[6] *EU15 includes Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom.*
[7] *EU27 includes the EU15 countries plus Bulgaria, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia.*

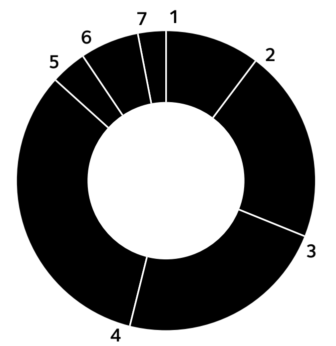
2009 Steel shipments by geographic location (in thousand of tonnes)[3]

Flat Carbon Americas:	**16,121**
1 North America	10,751
2 South America	5,370
Flat Carbon Europe:	**21,797**
3 Europe	21,797
Long Carbon:	**19,937**
4 North America	3,862
5 South America	4,486
6 Europe	10,753
7 Other[4]	836
Asia, Africa and CIS (AACIS):	**11,769**
8 Africa	4,417
9 Asia, CIS and other	7,352
Stainless Steel:	**1,447**



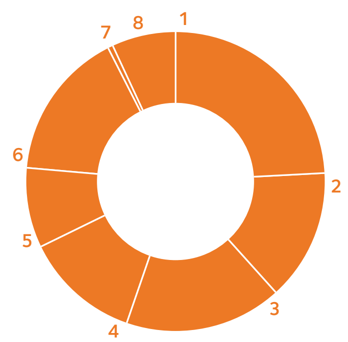
Number of employees[5] at December 31, 2009 according to segments

Segment	Total	%
1 Flat Carbon Americas	29,248	10.4
2 Flat Carbon Europe	58,965	20.9
3 Long Carbon Americas and Europe	63,693	22.6
4 AACIS	92,910	33.0
5 Stainless Steel	11,135	3.9
6 Steel Solutions and Services	17,409	6.2
7 Other activities	8,343	3.0
Total	**281,703**	**100**



Allocation of employees[5] at December 31, 2009 according to geographic location

1 EU15[6]	68,527	24.3
2 Rest EU (EU27)[7]	40,923	14.5
3 Other European countries	47,997	17.0
4 North America	34,809	12.4
5 South America	24,803	8.8
6 Asia	45,594	16.2
7 Middle East	135	0.1
8 Africa	18,915	6.7
Total	**281,703**	**100**



Message from the Chairman and CEO

Dear Shareholders,

It will come as no surprise to you that 2009 was not only the most challenging year since the creation of ArcelorMittal but also the most difficult period that many of us will have experienced in our business lives. Enough has been written on the causes of the global financial crisis that there is little point in elaborating further here. Suffice to say that what started with problems in the financial sector sparked a chain reaction that spilled over into the global economy, resulting in considerable challenges for our Company – a number of which I outlined to you in last year's report.

The fundamental issue for ArcelorMittal was the substantial drop in steel demand, further exacerbated by a period of considerable de-stocking throughout the steel supply chain. At the bottom of the cycle these combined factors resulted in a drop in apparent demand of approximately 50%.

Clearly this impacted the financial results for the year. Revenues dropped to $65.1 billion and net income dropped to $0.1 billion.

Whilst these numbers are disappointing – particularly when compared with results of the preceding years – it is a testament to the Company and its stakeholders that we recorded a marginal net income during such a difficult year. After a very challenging first half, we returned to profitability in the third quarter and subsequently improved on this in the fourth quarter as inventories stabilized, customers resumed buying and prices began to rise – albeit from low levels.

I am also pleased with the progress in Health and Safety that we achieved in 2009. Health and Safety has remained the absolute priority for the Company and is a critical component of our philosophy to produce Safe, Sustainable, Steel. Our Lost Time Injury Frequency Rate (LTIFR), which is the most important statistic we track to assess our progress in this area, continued to improve, falling from 2.5 per million hours worked in 2008 to 1.9 in 2009 for both steel and mining. This is good progress, but we will not be satisfied until we have reached our ultimate goal of Journey to Zero. To leverage best practices and improve the Health and Safety performance across the Group, we initiated in 2009 a program to commit additional resources for the development of specific programs to improve safety performance at 12 top priority sites. We have set ourselves a further LTIFR reduction target for 2010.

In general, whilst none of us would wish to go through a similar period again, I am pleased with the way in which ArcelorMittal weathered the crisis. Within the first few weeks after the collapse of Lehman Brothers, our Company rallied around a crisis strategy that focused on what we called the three Cs: Cash, Cost and Customers. Our ability to implement this strategy swiftly and decisively was underpinned not only by our global scale and scope, but also by the spirit and culture of the Company. A well-known challenge for fast-growing businesses is to hold on to the qualities that drove their success in the first place. The management of this Company has always placed great emphasis on maintaining the entrepreneurial spirit that enabled us to become the world's leading steel company. Therefore, we have both the scale to optimize production through temporary curtailments and the agility to respond quickly to changing circumstances. The ability to execute rapidly is as important as the actual decision. Cutting production approximately 50% at the worst point of the crisis – as our Company did - was unprecedented and very painful. However, it accelerated the required de-stocking period and also resulted in fixed cost savings of $9.4 billion. Out of this, sustainable management gains savings reached $2.7 billion by close of the fourth quarter of 2009, due to industrial optimization. Additionally, we conserved cash by reducing capital expenditures, temporarily putting almost all growth projects on hold and aggressively reducing working capital.

Regrettably, we also had to implement a Voluntary Separation Scheme across the Group. This is not a decision that management took lightly, but we are pleased that we were able to achieve the necessary reductions in our workforce without implementing forced redundancies. I would like to take this opportunity to thank our employees and trade unions across the world for understanding the severity of the situation, engaging with us in frank and open discussions and enabling us to find the right solutions at our plants.

As part of our three Cs strategy during the crisis, we also set ourselves a number of key financial targets:

- A $10 billion reduction of net debt[1] by the end of 2009 from the debt level at the end of the third quarter of 2008;
- Management gains of $5 billion over four years including selling, general and administrative savings with $2 billion to be achieved by the end of 2009;
- A reduction of the working capital rotation to a targeted range of 75-85 days.

Looking ahead to the remainder of 2010, I am certainly more optimistic than I was 12 months ago.
The crisis has been very difficult for all of us. But it has also acted as a catalyst to make many positive and necessary changes that will see us emerge as a stronger, leaner and more robust organization.

[1] *Net debt is defined as long-term debt plus short-term debt less cash and cash equivalents and restricted cash.*

We have outperformed on all three aspects. $2.7 billion of management gains have already been achieved by year end with the target of $5 billion over four years still being relevant. Net debt by the end of 2009 was $18.8 billion – a reduction of $13.7 billion from $32.5 billion at the end of the third quarter of 2008. This reduction was achieved through a combination of cash flow generated by working capital release, the equity portion ($3.9 billion) of the $13.1 billion raised by our successful fundraisings in the capital markets, and a number of other non-recurring factors. In regard to working capital, rotation days improved from 96 days in December 2008 to 63 days in December 2009. These are excellent achievements, particularly in such a difficult year. We therefore ended the year not only with the worst of the crisis behind us but with a much strengthened balance sheet and strong liquidity.

Writing to you now, I can say with some conviction that we are through the worst. Whilst this is very welcome, we must not mislead ourselves that there will be a swift return to the buoyant levels of growth that we had become accustomed to in recent years. Although the major developed economies have now formally emerged from recession and manufacturing is again showing signs of growth, the reality is that actual growth and growth forecasts for the coming year remain low. It will be some time until we return to pre-crisis levels.

Perhaps the most interesting outcome from the recent crisis is the increasing importance the developing economies have in the global economy. The growing influence of these economies is of course not a new trend; we have been talking about the rise of the so-called 'BRICs[1]' and other emerging economies for some years now. Nevertheless their resilience in the face of financial crisis and the speed at which they have resumed their growth paths took many by surprise – evidence of the significant role they now occupy in the global economy. Whilst per capita GDP[2] in these economies still considerably lags that of their more developed counterparts, the massive populations in countries such as India and China imply that these countries will at some stage in this century be rivals for the position of the largest economy in the world. That they still have a long journey to make only further confirms their considerable long-term potential.

This bodes well for ArcelorMittal, which has long embraced growth in the developing economies as a cornerstone of its strategy. We have a significant presence in Brazil, South Africa and Eastern Europe, including Ukraine and Kazakhstan. And our largest and most ambitious expansion projects are our potential greenfield plants in India. As we start to resume growth expenditure once again, this will also be focused on these economies. Two notable examples are Saudi Arabia where we signed in 2007 a joint venture agreement with the Bin Jarallah Group for the design and construction of a seamless tube mill, and Brazil where we plan to expand capacity at the Monlevade plant with the construction of a second blast furnace. Also, in 2008, we started two joint venture projects in China with Hunan Valin Iron & Steel Group, related to electrical steel (Valin ArcelorMittal Electrical Steel) and automotive steel (Valin ArcelorMittal Automotive Steel). These are the regions from which long-term steel demand will emanate, and we will remain focused on these markets as the principal growth regions for our Company's strategy.

Although growth will come from the developing economies, our operations in the developed markets will always be an essential core of our Group, not least because they are the innovative heart of the Company and have a key role to play in expanding the possibilities of steel. Innovation has always played a critical role in the development of the steel industry - and never more so than in today's increasingly environmentally-focused world. Every business faces pressure to reduce its CO_2 emissions and this is particularly true for the steel industry, which relies on carbon to reduce iron ore in a fundamental chemical process for which no alternative currently exists. Nevertheless, steel is by nature the most sustainable of all materials and ArcelorMittal intends to play a leading role in further strengthening the future of steel by improving the characteristics of the product. Our Company is very active in addressing this challenge, both in terms of researching new breakthrough steelmaking processes such as ULCOS and through developing new and more energy-efficient products – thereby continually broadening the product scope that is a second pillar of our Company's strategy. To contribute to CO_2 emissions reduction through lighter vehicles, we continue to develop innovative ultra high-strength steels that will bring major environmental benefits in reducing the weight of some automotive parts up to 30%. Our expertise in Advanced High Strength Steels (AHSS) is being further applied in our 'S-in motion' project to produce new solutions that will reduce the weight of a 2008 reference vehicle by 20%, while maintaining the safety and performance that only steel can provide. Such continuous innovation is also demanded by our customers, with whom we maintain a regular and close dialogue to ensure we are able to meet their

[1] BRICs refers to Brazil, Russia, India and China.
[2] GDP refers to Gross Domestic Product.
[3] Effective January 1, 2010.

challenging requirements like the development of industrial gas cylinders with 30% weight reduction. In spite of the crisis, we did not reduce Research and Development (R&D) spending, and in 2009 we invested $253 million into this area.

The other strategic component of our business which has been reinforced through the crisis is the importance of our mining operations. ArcelorMittal has long favored an integrated business model and we firmly believe that self-sufficiency in key raw materials provides a competitive advantage that will continue to be enhanced over time. In 2009, our self-sufficiency was 64% in iron ore and 21% in metallurgical coal, although these numbers also reflect the impact of significantly lower steel production during the year because of the crisis. But we have ambitious plans to continue to expand in this area and increase our own levels of production. As a sign of the increasing importance of this side of the business, we have appointed Peter Kukielski to join[3] the Group Management Board as Senior Executive Vice President and Head of Mining. His extensive experience and leadership will further strengthen the foundations to become a truly integrated global steel production and mining business.

Even as we focus on improving our business performance, it is critical that we continue to live up to the responsibility we have as a leading global company. This means continuing to implement and improve our Corporate Responsibility program in all countries where we operate. During 2009 we published our second full Corporate Responsibility report, 'How will we achieve safe sustainable steel?' I am pleased that this report, which documented our responsibilities in four distinct areas and defined targets for which we will hold ourselves accountable, has been well received by our stakeholders. This acts as a benchmark against which we will hold ourselves accountable. The follow-up report, 'Our progress towards Safe Sustainable Steel' will be published shortly.

Looking ahead to the remainder of 2010, I am certainly more optimistic than I was 12 months ago. The crisis has been very difficult for all of us. But it has also acted as a catalyst to make many positive and necessary changes that will see us emerge as a stronger, leaner and more robust organization.

Finally, I would like to take this opportunity to thank all our stakeholders for the loyalty they have shown us during these difficult times. A company cannot thrive and grow without the support of its stakeholders; and this year has reinforced not only this point but also the importance of stakeholder dialogue. I would also like to take the opportunity to welcome Luxembourg Economy and Foreign Trade Minister Jeannot Krecké to the Board of Directors, who brings along his extensive knowledge in economic and European Union matters.

To our employees, customers, suppliers, the trade unions, shareholders, my colleagues on the Group Management Board and Management Committee and of course the Board of Directors – thank you for your understanding, support and loyalty. The Company has come through a very difficult period; but the worst is now behind us and, as the recovery takes shape, we will continue to further define ourselves as the world's leading steel company.

Lakshmi N. Mittal
Chairman and CEO

Questions for the Group Management Board

GMB members from left to right:
Peter Kukielski
Sudhir Maheshwari
Aditya Mittal
Gonzalo Urquijo
Lakshmi N. Mittal
Christophe Cornier
Michel Wurth
Davinder Chugh

Since January 1st, 2010, the Group Management Board (GMB) has been comprised of eight members: Lakshmi N. Mittal, Aditya Mittal, Michel Wurth, Gonzalo Urquijo, Christophe Cornier, Sudhir Maheshwari, Davinder Chugh and Peter Kukielski. Here, the members give their thoughts on the Company, its strategy and priorities.

When ArcelorMittal was created, the Company characteristically made some bold statements about what it wanted to stand for. Coming out of the crisis, does the Company still hold the same values?

Aditya Mittal: The purpose of our values is to set standards that the Company should maintain during all aspects of the economic cycle. This is not always easy to do, particularly in the midst of the worst crisis for many years, but we have worked hard to maintain our values and ensure they are still relevant to the business and our people. That doesn't mean that we haven't had to take some very tough decisions to adapt. And as a result of these decisions some things have changed. For example we are leaner, more cost focused and more targeted on our growth projects. Change is always difficult, but we've shown leadership, and as a result I believe we're now a better and stronger company.

Gonzalo Urquijo: We continue to live and work by our values, but we have had to adapt. Before the crisis, we saw leadership in terms of growth and size. Now the emphasis is on cost leadership, quality and customer service. Our target is still to be the most admired steel company. We have had to make difficult decisions in the past year but we have been careful to make them in accordance with our values, maintaining a social partnership with our workforce. And we improved the sustainability of our business – and of all our stakeholders – going forward.

Sudhir Maheshwari: Our experience of navigating through the most challenging business environment has reinforced more than ever the significance of ArcelorMittal's brand values, Sustainability, Quality and Leadership. Focusing on customer service, the quality of our products and services, and still being prepared to lead with bold strategic thinking, we were able to take the right decisions and emerge stronger from the crisis. I believe we have lived by the ArcelorMittal values.

How is the Company's business model evolving? Is it still a global, diversified, integrated model?

Davinder Chugh: We continue with our three-dimensional business strategy of geographical and product diversification, as well as expanding our footprint along the value chain. Going forward, our growth projects will be more focused towards clear long-term growth markets such as the BRICs, as well as enlarging our footprint on the steel value chain through further backward integration and enhancing our distribution solutions. Our policy of backward integration was vindicated as captive raw material sources helped us sustain the business through the crisis.

Michel Wurth: The importance of a global model was demonstrated in the crisis. We did not abandon any single market or country where we have production. It remains the key going forward. In 2010, it is clear that developing countries will do best, and we want to tap into that growth. As for integration, we continue to make our value chain as long as possible – from upstream integration to downstream distribution and steel processing. The ability to source a lot more of our raw materials in-house gives us a distinct advantage over the competition.

Christophe Cornier: The Company's global thrust remains as important as ever. The difference today is that the regions from which growth will come have changed, with Asia and the emerging markets becoming increasingly important. So we do have to adapt the model to the reality of the market place and rebalance our objectives. Diversification and integration remain key tenets of the model.

What are the priorities right now?

Davinder Chugh: Our critical focus area is to further improve our Health and Safety performance. We are working on contractor safety through training programs and active collaboration. Other critical areas include the improvement of our cost competitiveness by sustainable reduction in variable and fixed costs. To support this, our efforts are directed towards establishing strong relationships with our suppliers, full implementation of the TCO (Total Cost of Ownership) approach across the Group's supply chain and transforming our internal processes to smart and effective solutions.

Sudhir Maheshwari: The Company is today more battle-hardened than battle-weary and we aim to leverage that momentum to achieve the highest efficiency in our operations in terms of costs, processes, etc. Also, efficient allocation of capital remains a top priority. This requires us to be more selective when we evaluate opportunities as there will be limited capital available. Finally, we will need to continually develop our people so that the best continue to work for us to build a more sustainable and brighter future.

Peter Kukielski: Our top priorities start and finish with safety. We have a workforce of employees and contractors that is over 300,000 strong and spans 60-odd countries. While our safety metrics continue to show an improvement, and some of our mining operations produced outstanding safety results, it is tragic that we still had to report fatalities in 2009. The task for 2010 is to replicate the standards of the very best sites everywhere else. Beyond Health and Safety, the priority is to deliver value to our shareholders in terms of much enhanced profit – and quickly.

What did the Company learn from the crisis?

Michel Wurth: One of the major lessons was that our people are key. We should pay a tribute to all of them. It is down to them – their efforts and in some cases the sacrifices they made – that we got through the crisis. It was a painful exercise but we have come out stronger than when we went in. The other big lesson is that we need to think the unthinkable. Nobody anticipated the crisis: now we need to be prepared for anything.

Peter Kukielski: In general terms, we learned that cost is king. Cost drives cash and our ability to get our products profitably to our customers. Without our drive on costs last year, we would not have survived as well as we did. More specifically from my vantage point, we learned the value of de-linking mining operations from captive customers. With the captive approach, when a mill shuts down so does the mine. By contrast, mines with external customers can still thrive in a downturn. ArcelorMittal Mines Canada was a case in point, extending its sales to external customers in Europe, the Middle East and even China. As we build our mining operations, the focus must be on world-scale ore bodies with access to both internal and external customers.

Aditya Mittal: Whilst none of us would wish to go through 2009 again, it has served to reinforce the strongest parts of our business and strategy and highlight those areas where some element of change was needed. We have always been an entrepreneurial company and the crisis demonstrated that we had maintained our sense of entrepreneurship that enabled us to respond swiftly. But we also learned that we need to be as productive and as lean as possible at all times. We effected some considerable changes during the crisis and our ability to make these changes was made possible only because of the outstanding team of people we have at ArcelorMittal.

We have had very intense dialogue with our Trade Unions and employee representatives for all levels of employees. We thank them for their contribution which is so essential in these times.

Bernard Fontana
Executive Vice President of ArcelorMittal, Head of Human Resources

2009 Highlights

In January 2009, ArcelorMittal began trading on a single order book in Paris, Amsterdam and Brussels, under the symbol MT. ArcelorMittal remains a member of key NYSE-Euronext indices, including the CAC40 and the AEX.[1]

[1] *For information about additional exchanges where ArcelorMittal is listed, please refer to the 'Market Information' section in this Annual Report.*

January

Transaction with Soteg

ArcelorMittal contributed its 76.9% stake in Saar Ferngas AG to Luxembourg-based utility Soteg, in which it held a minority ownership stake. Upon completion, ArcelorMittal's stake in Soteg increased from 20% to 26.2%. ArcelorMittal then sold 2.48% of Soteg to the Government of Luxembourg and SNCI ('Société Nationale de Crédit et d'Investissement'), a Luxembourg government-controlled investment. ArcelorMittal retains a 25.3% stake in Soteg, renamed Enovos.

April

European Works Council talks

ArcelorMittal met with its European Works Council to provide an update on the temporary suspension of production at sites in Europe. In light of the ongoing exceptional economic environment, it was necessary to continue to suspend and optimize production to ensure the Company was well adapted to the market reality.
All production suspensions were temporary and reviewed on a regular basis.

May

Agreement with Czech Government

ArcelorMittal and the Czech Government agreed to resolve all pending arbitration and litigation regarding the privatization of Nova Hut and Vítkovice Steel.
ArcelorMittal agreed to an amicable settlement of all pending litigation and arbitration cases against the Czech Government and its related entities. In addition, ArcelorMittal increased its stake in ArcelorMittal Ostrava to approximately 83%.
As a part of the overall settlement agreement, ArcelorMittal Ostrava concluded a long-term supply agreement for hot metal with Evraz Vítkovice Steel.

October

Disposal

ArcelorMittal signed a definitive agreement to divest its minority interest in Wabush Mines, Canada, pursuant to which it will receive $34.28 million for its 28.6% stake. After the disposal, ArcelorMittal continued to have significant mining operations and resources in Canada including ArcelorMittal Mines Canada.

November

Increase of stake

ArcelorMittal acquired an additional 13.9% stake in ArcelorMittal Ostrava, increasing its stake to approximately 96.4%.
The transaction was completed in January 2010.

December

International Volunteer Work Day

ArcelorMittal held its second annual International Volunteer Work Day organized by the ArcelorMittal Foundation.
It consisted of a set of actions implemented by the Group's local units to encourage employees to invest time and expertise for the benefit of local communities.

Recent Developments

Increase of stake; joint venture and ArcelorMittal Foundation

Following the closing of a tender offer on January 7, 2010, ArcelorMittal acquired a 28.8% stake in Uttam Galva Steels Limited ("Uttam Galva"), a leading producer of cold rolled steel, galvanized products and color coated coils and sheets based in Western India that is listed on the major stock exchanges of India. The Company expects to purchase an additional 4.9% from the Promoter R.K. Miglani family in due course.

ArcelorMittal entered into initial discussions with BHP Billiton to potentially combine their respective iron ore mining and infrastructure interests in Liberia and Guinea within a joint venture.

ArcelorMittal, through the ArcelorMittal Foundation, donated $1 million to help the relief efforts in Port-au-Prince, Haiti, following the earthquake that struck the island on January 12, 2010.

Board of Directors

ArcelorMittal continues to place a strong emphasis on corporate governance. ArcelorMittal has eight independent directors on its 11-member Board of Directors. ArcelorMittal's Audit Committee and Appointments, Remuneration and Corporate Governance Committee are each comprised of three independent directors and half of the members of ArcelorMittal's Risk Management Committee are required to be independent.

On May 12, 2009, the expirations of the mandates of Sergio Silva de Freitas, Michel Angel Marti and Jean-Pierre Hansen were accepted by the annual general meeting. Narayanan Vaghul, Wilbur L. Ross and François Pinault were re-elected as members of the Board of Directors. After the annual general meeting held on May 12, 2009, Ignacio Fernandez Toxo resigned from the Board of Directors. On September 1, 2009, Malay Mukherjee resigned from the Board of Directors.

Georges Schmit resigned from the Board of Directors effective December 31, 2009. In replacement of Mr. Schmit, the Board appointed Jeannot Krecké as an interim board member starting January 1, 2010. Mr. Krecké's full appointment to the Board of Directors will be proposed to the shareholders at the Company's annual general meeting on May 11, 2010. Like Mr. Schmit, Mr. Krecké will serve on ArcelorMittal's Board of Directors as a shareholder representative.


Lakshmi N. Mittal


Lewis B. Kaden


Vanisha Mittal Bhatia

Lakshmi N. Mittal, 59, 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 the boards of directors of Goldman Sachs, EADS and ICICI Bank Limited. 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, 67, is the Lead Independent Director of ArcelorMittal. He has approximately 40 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 Center 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:

Narayanan Vaghul

Wilbur L. Ross, Jr

François Pinault

José Ramón Álvarez Rendueles

- Co-ordination 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, 29, 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, 73, has over 50 years of experience in the financial sector. He was the Chairman of ICICI Bank Limited between 2002 and April 2009. 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. Narayanan Vaghul was awarded the Padma Bhushan, the third highest civilian honor in India. The award will be formally conferred in April 2010 by the President of India.

Wilbur L. Ross, Jr., 72, 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, 73, set up his first company in 1963, in the timber business. In 1988, the Pinault Group was listed on the Paris stock exchange. Renamed PPR, the company founded by François Pinault is today led by his son François Henri Pinault, has two major activities:

- Retail business with CFAO, a leading distributor of household goods, La Redoute, a leader in mail order trading, La FNAC, a leading retailer of cultural products in Europe, and Puma, a leader in sports products;
- Luxury goods business with Gucci Group, the second biggest luxury group in the world with famous brands such as Gucci, Yves Saint-Laurent, Bottega Veneta, Sergio Rossi, Boucheron, Stella McCartney, Alexander McQueen, Bedat & Co and Balenciaga.


Jeannot Krecké


John O. Castegnaro


Antoine Spillmann


H.R.H. Prince Guillaume de Luxembourg

At the same time, François Pinault set up a separate structure in order to invest in companies with strong growth potential, but in sectors distinct from that of PPR. Founded in 1992 and fully controlled by François Pinault and his family, Artemis controls the famous French vineyard Chateau-Latour, the news magazine Le Point, the auction house Christie's, as well as part of the share capital of Vinci. François Pinault also owns the Rennes Football Club and the Marigny Theatre. As one of the largest collectors of contemporary art, François Pinault acquired the Palazzo Grassi in Venice in May 2005 to display its art collection and to organize cultural events. He also acquired La Punta Della Dogana in Venice to set up a contemporary art center. His collection is also displayed outside Venice.

José Ramón Álvarez Rendueles, 69, has extensive experience in the financial, economic and industrial sectors. He is a former Governor of the Bank of Spain and President of the Bank Zaragozano. He is the President of the Board of Directors of ArcelorMittal España, Peugeot España and Sanitas. He is also a retired full professor of public finance at the Universidad Autónoma de Madrid and a Director of Gestevisión Telecinco S.A., and Generali España.

Jeannot Krecké, 59, started his university studies at the Université Libre de Bruxelles in 1969, from which he obtained a degree in physical and sports education. He decided in 1983 to change professional direction. His interests led him to retrain in economics, accounting and taxation. Following the Luxembourg legislative elections of June 13, 2004, Jeannot Krecké was appointed Minister of the Economy and Foreign Trade as well as Minister of Sports on July 31, 2004. Upon the return of the coalition government formed by the Christian Social Party (CSV) and the Luxembourg Socialist Workers' Party (LSAP) as a result of the legislative elections of June 7, 2009, Jeannot Krecké retained the portfolio of Minister of the Economy and Foreign Trade on July 23, 2009. From July 2004, Jeannot Krecké represented the Luxembourg government on the Council of Ministers of the European Union in the Internal Market and Industry sections of its Competitiveness configuration as well as on the Economic and Financial Affairs Council and in the Energy section of its Transport, Telecommunications and Energy configuration. He was also a member of the Eurogroup from July 2004 to June 2009.

John O. Castegnaro, 65, 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, 46, worked for leading investment banks in London from 1986 to 2000. He is 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 and holds degrees from the London Business School in Investment Management and Corporate Finance.

H.R.H. Prince Guillaume de Luxembourg, 46, worked for six months at the International Monetary Fund in Washington, DC, 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, DC, from which he graduated in 1987.

Senior Management

Group Management Board

The strategic direction of the business is the responsibility of the GMB under the supervision of the Board of Directors. The GMB members are appointed by the Board of Directors and the GMB is headed by Lakshmi N. Mittal as Chief Executive Officer. On January 1, 2010, Peter Kukielski joined the GMB as Head of Mining, bringing a wealth of strategy, operations, project development and international experience to the Company. The senior management team continues to enjoy the relevant talent and expertise it needs to continue to deliver the best possible performance to all stakeholders.


Lakshmi N. Mittal


Aditya Mittal


Michel Wurth


Gonzalo Urquijo

Aditya Mittal, CFO, Responsible for Flat Americas, M&A, Investor Relations, Strategy and Communications

Aditya Mittal, 33, is Chief Financial Officer of ArcelorMittal with additional responsibility for M&A Business & 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 M&A responsibilities, Aditya Mittal was involved in post-integration, turnaround and improvement strategies. This led to Mittal Steel emerging as the world's largest and most global steel producer, growing its steelmaking capacities fourfold. 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. In 2009, he was also ranked 4th in the '40-under-40' list of *Forbes* magazine. He is a member of the World Economic Forum's Young Global Leaders Forum, the Young President's Organization, a Board Member at the Wharton School, a Board Member at Bennett, Coleman & Co., a Board Member at PPR 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.

Michel Wurth, Responsible for Flat Europe, Steel Solutions and Services, Products Development and R&D, Global Customers

Michel Wurth, 55, 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


Christophe Cornier


Davinder Chugh


Peter Kukielski

Gonzalo Urquijo, Responsible for Long Products, China, Stainless, Tubular Products, Corporate Responsibility: ArcelorMittal Foundation, Investment Allocation Committee (IAC) Chairman

Gonzalo Urquijo, 48, previously member of the Group Management Board and 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.

Sudhir Maheshwari, Responsible for Corporate Finance, M&A and Business Development including India, and Risk Management; Alternate Chairman of the Corporate Finance and Tax Committee and Chairman of the Risk Management Committee (reporting to CFO)

Mr. Maheshwari, 46, was previously a Member of the Management Committee of ArcelorMittal, Responsible for Finance and M&A. Prior to this, he was Managing Director, Business Development and Treasury at Mittal Steel from January 2005 until its merger with Arcelor in 2006 and Chief Financial Officer of LNM Holdings N.V. from January 2002 until its merger with Ispat International in December 2004. Mr. Maheshwari has over 23 years of experience in the steel and related industries. He has played an integral and leading role in all acquisitions in recent years including the ArcelorMittal merger and turnaround and integration thereof. He also plays a key leading role in various corporate finance, funding and capital market projects, including the initial public offering in 1997 and the various banking and public market financing transactions since then.

Over a 21-year career with ArcelorMittal, he 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 M&A at Mittal Steel. Mr Maheshwari also serves on the Board of various subsidiaries of ArcelorMittal. 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, 57, 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, 53, 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 Senior Executive Vice President of ArcelorMittal responsible for Shared Services until 2007. Before becoming a Senior Executive Vice President of ArcelorMittal, 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.

Peter Kukielski, Senior Executive Vice President, Head of Mining

On December 15, 2008, Peter Kukielski, 53, was appointed Senior Executive Vice President and Head of Mining of ArcelorMittal. Mr. Kukielski will be responsible for the Company's mining business and for driving its development. Mr. Kukielski was most recently Executive Vice President and Chief Operating Officer at Teck Cominco Limited. Prior to joining Teck Cominco, he was Chief Operating Officer of Falconbridge Limited before which he held senior engineering and project management positions with BHP Billiton and Fluor Corporation. Mr. Kukielski holds a Bachelor of Science degree in civil engineering from the University of Rhode Island and a Master of Science degree in civil engineering from Stanford University. Effective as of January 1, 2010, Peter Kukielski was appointed member of the Group Management Board.

Management Committee

Name	Age[1]	Position
Bhikam Agarwal	57	Executive Vice President, Head of Finance
Vijay Bhatnagar	62	Executive Vice President, CEO India
Philippe Darmayan	57	Executive Vice President, CEO Steel Solutions and Services
Phil du Toit	57	Executive Vice President, Head of Mining Projects and Exploration
Bernard Fontana	48	Executive Vice President, Head of Human Resources
Jean-Yves Gilet	53	Executive Vice President, CEO Stainless
Pierre Gugliermina	58	Executive Vice President, Chief Technology Officer
Robrecht Himpe	51	Executive Vice President, CEO Flat Europe
Gerson Alves Menezes	60	Executive Vice President, CEO Long Carbon Americas (LCA)
Michael Pfitzner	60	Executive Vice President, Head of Marketing and Commercial Coordination
Arnaud Poupart-Lafarge	44	Executive Vice President, CEO Africa and Commonwealth of Independent States (CIS)
Gerhard Renz	62	Executive Vice President, CEO Long Europe
Michael Rippey	52	Executive Vice President, CEO USA
Lou Schorsch	60	Executive Vice President, CEO Flat Americas
Bill Scotting	51	Executive Vice President, Head of Strategy

[1] *Age as of December 31, 2009*

Business Strategy

ArcelorMittal's success has been built upon a consistent strategy that emphasizes size and scale, vertical integration, product diversity, continuous growth in higher value products and a strong customer focus.

The Group intends to continue to be the global leader in the steel industry, in particular through its 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 steelmaking operations in 20 countries on four continents, including 65 integrated, mini-mill and integrated mini-mill steelmaking facilities which provide a high degree of geographic diversification. Approximately 35% of its steel is produced in the Americas, approximately 47% is produced in Europe and approximately 18% is produced in other countries, such as Kazakhstan, South Africa and the 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 geographic and product diversity.

Worldwide steel demand in recent years has been driven by growth in developing economies, in particular in the BRICET[1] countries. The Company's expansion strategy in recent years has given it a leading position in Africa, Central and Eastern Europe, South America and Central Asia. The Company is also building its presence in China and India and recently made its first strategic investment in India in Uttam Galva.

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. As these economies develop, local customers will require increasingly advanced steel products as market needs evolve. 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 Company produces a broad range of high-quality finished, semi-finished carbon steel products and stainless steel products.

Worldwide steel demand in recent years has been driven by growth in developing economies, in particular in the BRICET[1] countries.

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 Company 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 services for the construction industry. In addition, the Company 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 its experience in developed markets.

Growth Prospects

Notwithstanding the difficult market conditions of 2008 and 2009, ArcelorMittal's management believes that there will be strong global steel demand growth in the medium to long term. The Company will continue to invest opportunistically in expanding the production capacity of its existing facilities depending on market conditions and projected global and regional demand trends.

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 difficult economic and market conditions prevailing in late 2008 and 2009, ArcelorMittal curtailed mergers and acquisitions and greenfield investment activity. To the extent market conditions continue to improve, however, the Company gradually expects to resume mergers and acquisitions and other investment activity in order to take advantage of selected growth opportunities, mainly in emerging markets. In addition the Company remains focused on pursuing its greenfield growth opportunities.

[1] BRICET refers to the countries of Brazil, Russia, India, China, Eastern Europe and Turkey.

Communication arguably becomes even more important during a downturn as stakeholders need to feel reassured that the Company is taking all the right measures to adapt.

Nicola Davidson
Vice President of ArcelorMittal, Head of Corporate Communications

Corporate Responsibility

ArcelorMittal believes the sustainability of its business and the creation of long-term shareholder value go hand-in-hand with the wellbeing of its people and the communities in which it operates.

The Group's Corporate Responsibility (CR) approach plays an important role in helping it address key issues – both local and global – affecting its operations. Key impact areas are addressed through its dedicated CR strategy. By operating in a responsible and transparent manner and establishing good relationships with stakeholders, ArcelorMittal is better able to attract and retain top talent, manage risk and enhance value creation.

ArcelorMittal aims to adhere to best-practice guidelines in its environmental, social and governance reporting. While the following pages provide an outline of the Group's CR strategy and performance, more detailed information and analysis is available in a separate CR report published in tandem with this Annual Report. This is available at *www.arcelormittal.com*.

CR Governance

The Board of Directors oversees CR across the Company. Reports covering disclosure, environment, Health and Safety, community and employee engagement, and ArcelorMittal Foundation investments were submitted at each of its meetings during 2009.

The Group Management Board representative for CR is Gonzalo Urquijo. Matters of specific relevance to the Group, such as community engagement, human rights and local CR governance, as part of summary CR reports, were discussed at least every quarter at the Group Management Board meetings. In parallel, specific presentations were made on among other subjects: Health and Safety and environment. Key risks and mitigating actions are detailed in subsequent sections of this chapter.

At Group level, the corporate CR team is supported by the CR Coordination Group which acts as an adviser; reviewing standards, examining possible risks, monitoring the implementation of the CR strategy, and guiding communications. It consists of senior management from other corporate areas, including Risk, Internal Assurance, Company Secretary, Communications and Legal. The CR Coordination Group meets periodically through formal meetings and workshops.

At local level, the Group is in the process of establishing a participatory CR governance structure to promote effective community relations and CR management. This is supported by roles and accountability descriptions for CEOs/plant managers and CR Coordinators at all levels within the Group.

CR Strategy

ArcelorMittal's CR strategy is structured around four focus areas that reflect the key priorities of its business and its stakeholders:

- *Investing in our people* – It is a core tenet of Group policy that each and every person working for ArcelorMittal feels valued.
- *Making steel more sustainable* – The Group is focused on achieving a continuous improvement in environmental performance through the development of cleaner processes and greener products.
- *Enriching our communities* – ArcelorMittal plays an important role in all the communities where it operates.
- *Transparent governance* – The Group's business strategy, operations and everyday practices are underpinned by transparent corporate governance.

The four CR strategy areas are measured through 14 measurable Key Performance Indicators (KPIs). These are described in more detail in the stand-alone CR report.

Investing in our People

Health and Safety: The Journey to Zero

Whatever the economic backdrop, ArcelorMittal's first priority is to ensure the highest standards of Health and Safety. The Group's 'Journey to Zero' Health and Safety improvement process is delivering concrete results – helping ArcelorMittal realize its goal of becoming one of the safest steel companies in the world.

Journey to Zero

At ArcelorMittal, Health and Safety is the top priority. The Group's Health and Safety policy aims at reducing the frequency of accidents and the occurrence of fatalities on a continuing basis, and underlines the commitment ArcelorMittal has made to the wellbeing and safety of all employees – both on and off the job.

Journey to Zero, ArcelorMittal's Health and Safety improvement process launched in September 2008, is now the platform for all measures aimed at improving Health and Safety in the Group. The focus is on preventative activities and improved standards through the effective implementation of best practices – including hazard identification and risk analysis, accident/incident investigation, critical task analysis, follow-up on performance indicators, system review and much more.

Performance

In 2009, the Group's Lost Time Injury Frequency Rate improved again – falling to 1.9 per million hours worked. That compares with 2.5 in 2008, for both steel and mining. A 20% reduction is again targeted for 2010. To leverage best practice and improve the Health and Safety performance around the Group, 12 top priority sites have been identified, for which a specific approach has been defined to stimulate progress.

Benchmarking is of major importance for the Group since it will help the sites to make faster progress on their Journey to Zero. Benchmarking will be supported by an appropriate multilingual IS/IT tool, of which a first version became available in December 2009. It will be fully ready and deployed by April 2010.

Global Joint Health and Safety Agreement

ArcelorMittal signed a Global Joint Health and Safety Agreement, the first of its kind, with its labor unions in June 2008. In 2009, meetings of the Joint Global Health and Safety Committee were held in Lázaro Cárdenas, in Mexico, Temirtau, in Kazakhstan (a follow-up visit), Ostrava, in Czech Republic, and Galati, in Romania. The Committee also followed up on all actions undertaken as a consequence of visits made since the start of this cooperation. A questionnaire was launched and evaluated on how the sites perceive the Joint Health and Safety Committees and the advantages they can draw from the process. The results were very positive.

Health and Safety Day

Despite the economic crisis, an enormous effort was made across the Group to maintain the momentum of previous Health and Safety Days. As in prior years, the Group-wide Health and Safety Day was observed in all of ArcelorMittal's worldwide operations. It is an occasion to involve all staff in discussing safety improvements, new targets and associated safety programs at Group as well as plant level. The date – April 28 – was chosen to coincide with the International Labor Organization's World Day for Safety and Health at Work. Since 'Leading by Example' is essential, the theme for Health and Safety Day was 'Leading the Journey' – integrating 'Leading by Example' and 'Journey to Zero'. Extra emphasis was placed on health and the sharing of best practices within the Group-wide health network. The 2010 Health and Safety Day will again take place on April 28 and will reinforce the 'Leading by Example' theme, as well as health topics.

Achieving a quick reduction in fatalities

Conscious of the Company's responsibility to do all it can to avoid fatalities, new initiatives were launched in 2009 to speed up the progress on fatality prevention. Implementation of the Fatality Prevention Standards of all sites is now being audited. This approach has been especially adopted for the top priority sites while other sites are required to undertake self-assessments based on questionnaires used Group-wide. The process involves the implementation of appropriate action plans by the sites to close any gap between the standards and reality, the dissemination of lessons learned from fatalities in a closed loop approach and a detailed investigation of other serious occurrences. A database for the follow-up has been created.

Lost Time Injury Frequency Rate

Segment	2009	2008
Flat Carbon Americas	2.1	2.1
Flat Carbon Europe	1.8	2.4
Long Carbon Americas and Europe	1.8	3.4
AACIS	1.1	1.2
Stainless Steel	1.8	2.2
Steel Solutions and Services	3.9	3.8
Total Steel	**1.8**	**2.4**
Total Mines	**2.4**	**3.4**
TOTAL (Steel and Mines)	**1.9**	**2.5**

Investing in our People

ArcelorMittal the health of as a key elem success of its

Health initiatives:
Paying more attention to health

ArcelorMittal views the health of its workforce as a key element in the success of its operations. Maintaining good health is critical to the Company's Health and Safety record. In this respect a major effort was made to develop a check list for all sites to deal with the H1N1 Influenza.

The network of ArcelorMittal medical specialists collaborating globally with the Group was expanded in 2009, leading to the creation of Communities of Practice. This will permit the Group to mount a stronger campaign of preventative health measures in 2010, targeting such problems as asbestos and fibers, noise, harmful particulates, radiation, gasses, stress, ergonomics and respiratory protection. Other, more general areas to be targeted will include vaccinations, travel, malaria, HIV, addiction and stress management (some of which are non-occupational).

Product Safety initiatives:
REACH and Product Stewardship

ArcelorMittal has continued to prepare the registration of all relevant substances in conformity with the EU's REACH legislation, concerning the registration, evaluation, authorization and restriction of chemicals. For some it is assuming the role of lead registrant and taking an active role with others. Registration will be completed by the end of November 2010.

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its workforce
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operations.

The Product Stewardship team has confirmed that in 2009, all required certificates of products and by-products have been provided to customers, supporting their selling. This approach leads to cooperation with external partners and R&D whenever required or appropriate, and will continue throughout 2010.

Investing in our People

Human Resources

The ArcelorMittal Human Resources (HR) professionals help the Company leadership attract, develop and retain tomorrow's leaders, enable employees at all levels to manage their performance, realize their potential and build and maintain good relations and social dialogue with employees and their representatives. In 2009, they played a key role in developing the necessary cost adaptation measures in response to the economic crisis.

Dialogue with trade unions and employees

Efforts were stepped up in 2009 to keep employees informed about the impact of the economic crisis on the business and to outline the measures taken to overcome the global downturn and to position the Company for future growth.

The vast majority of ArcelorMittal employees are represented by trade unions. The Group is party to collective bargaining agreements with many employee organizations as part of its commitment to open dialogue.

Social dialogue structure at all levels in the Company facilitates regular, constructive discussions between management and employee representatives. An intense social dialogue has taken place while necessary cost adaptation measures were designed and deployed. The Select Committee of the European Works Council met on a monthly basis in order to be continuously informed of the situation of the Company.

To further enhance dialogue, ArcelorMittal signed an 'anticipation of change' agreement with the European Metalworkers Federation. The agreement aims to enhance and support sustainability and competitiveness of ArcelorMittal operations in Europe specifically.

Following the signing of a landmark Joint Global Health and Safety (JG H&S) Agreement with all of its trade unions a JG H&S Committee comprising both management and union representatives has been established and meets quarterly. A Joint Health and Safety Committee in every plant now meet at least monthly. The process is monitored by the JG H&S Committee.

Workforce plans, skills requirement identification and training

The growth plans and the performance continuous improvement programs of the Company require the participation and the development of numerous performers and talents all over the world.

Through the Global Executive Development Program (GEDP), ArcelorMittal aligns the performance objectives of employees with the strategic goals of the Company and regularly assesses its managers, providing them with feedback and coaching and supporting their development needs according to the employees' aspirations, the Company values and core competencies. Appointments to new challenging jobs and participation in training programs are confirmed in Career Committees that cover all units.

In 2009, ArcelorMittal University delivered more than 40,000 days of training to ArcelorMittal managers.

Since September 2008, ArcelorMittal has specifically followed 1,096 employees indentified as 'talents', providing them with development opportunities to participate to internal forums on strategy, finance, human resources, as well as contributing to key Company projects.

In ArcelorMittal's plants, workforce plans are deployed at all levels in order to identify the future skill gaps and to train ArcelorMittal employees accordingly. Workforce plans for the management population are consolidated to assess future scarce categories for which specific resourcing plans are then developed. In 2009, all ArcelorMittal major units updated their workforce plans.

Diversity & Inclusion Policy

ArcelorMittal strives to build a modern and flexible work environment which unleashes the diversity, talent, and originality of its workforce. The Company's commitment towards reaching this goal is embedded in its 'Diversity & Inclusion' policy that was launched in April 2009.

JobMarketOnline (JMO)

JobMarketOnline, the Company's web-based e-resourcing solution, allows for the managing of internal and external resourcing across businesses, functions and within countries. The internal JMO is available in ten languages. The usage of JMO, which recorded over 22,000 internal unique visitors in 2009, was considerably boosted with the launch of a monthly e-newsletter that promotes a selection of vacancies.

Business Leaders Program

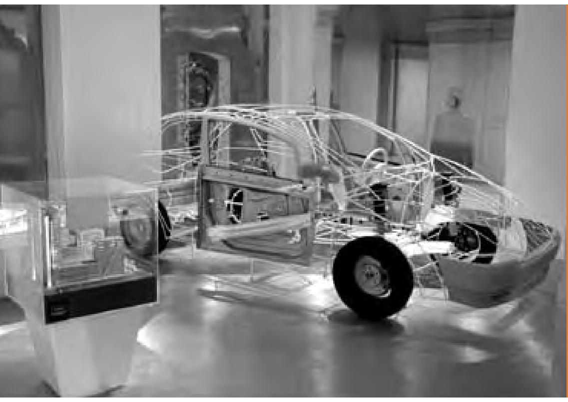
This program targets external recruitment of MBAs or other functional Masters degrees with proven managerial experience and gives them the opportunity to develop into the Group's future leaders. By the end of 2009, there were 68 individuals on the program and six had graduated after completing two assignments in developed and emerging markets or by becoming a senior leader within the organization.

Group Engineers Program (GEP)

The GEP was developed in order to attract recently graduated, talented and mobile engineers. Its aim is to create a pool of internationally mobile engineers – with strong potential for growth and the ability to assume leading positions in the future. In 2009, 133 Group Engineers continued the program of which 109 completed a one-year training and development period.

International mobility

International mobility is a key lever for the career development of employees and a key competitive advantage for ArcelorMittal. Some 220 mobility plans were finalized in 2009.



The purpose of the Steel and Mining Academy is to disseminate an understanding and mastery of steelmaking and related activities.

Training and Development: ArcelorMittal University

ArcelorMittal University plays a lead role in the training and development of Group employees. In 2009, the University changed the way it delivered much of its training under the motto 'Grow with us'.

Training employees is essential for ArcelorMittal. As a consequence, to maintain high levels of training in light of the economic environment in 2009 and cost-saving efforts, a number of the University's programs moved online – allowing employees to learn anywhere, anytime at their own pace. Synchronized distance learning was introduced, making use of 'virtual classrooms' for scattered target groups such as communities of subject experts based in different locations. In 2009, about 10,000 employees spent 278,000 hours learning with online programs. The number of users of the Online English and the Online Campus programs increased during 2009, showing the success of these learning tools. However, local classroom training remains the most cost-effective solution for larger groups and consequently ArcelorMittal University has rolled out its corporate programs for local delivery. Among the new initiatives were 'Lunch & Learn' local sessions on key topics for the Company and 'ULearn', a biweekly 'e-magazine' featuring articles, podcasts and white papers.

The Leadership Academy introduced a specially designed program called 'Recognizing Potential'. Launched with 700 participants from more than 40 countries, the program combined e-learning, virtual conferences and optional project work. A new program of 'Talent Pipeline' training will recommence in spring 2010.

The Management Academy offers a range of programs to improve and enhance personal and team effectiveness, business acumen and interpersonal skills, thus giving opportunity to every employee to enhance leadership and management capabilities. They were similarly delivered through online modules in 2009. Training and specific tools on team effectiveness and cross-cultural awareness will be developed in 2010.

Functional Academies have been set up to offer learning, development, skill and competency enhancing training opportunities. They target each specific functional population, including, in 2009, Steel and Mining, Human Resources, Purchasing, Internal Assurance, IT, Sales and Marketing, Finance and R&D.

Steel and Mining Academy

The purpose of the Steel and Mining Academy is to disseminate an understanding and mastery of steelmaking and related activities. The academy now operates the University's longstanding programs such as 'Steel for Steel People' and 'Understanding Steel', for which there was increased participation in 2009. New programs were created in sintering and wire drawing and modules on metallurgy, blast furnaces and cold rolling were developed at the request of different plants. In all, more than 1,100 people took part in the academy's programs, an increase of more than 20% on the previous year. The Mining Academy, initiated in 2009, will provide a similar offer for the mining activities in 2010.

New Group programs

The Project Leaders Program aims to create project management experts within the Company who understand the ArcelorMittal 'way' of managing projects and who can be quickly deployed to manage existing brownfield and upcoming greenfield projects. A total of 128 participants were nominated for the one-year program.

A new 18-month program focused on 'talents' with a strong financial background and interested by key financial roles in CIS countries was initiated. The program, titled 'CIS-Finance Future Leaders Program' commenced with 22 participants from CIS countries (Ukraine and Kazakhstan), who are interested in transitioning into local leadership positions in finance.

In 2010, ArcelorMittal University will continue to support the strengthening of ArcelorMittal's leadership and management skills. Training is a priority for the whole Company, especially after reshuffling teams in 2009. The Climate Survey circulated throughout the Company acknowledged the employees' desire for a continuous learning environment. Programs are designed to facilitate the development of skilled people that will lead ArcelorMittal into the future. As a result, training will be promoted further through the Functional Academies and specific programs such as 'Project Leaders Program' and 'Future Leaders Program'. The 2010 programs combine online, distance and classroom training, thus providing an efficient and cost effective learning solution, which proved successful in 2009.

Making Steel more Sustainable

Confronting climate change

ArcelorMittal recognizes its responsibility towards helping reduce greenhouse gas emissions. Steelmaking is a carbon-intensive process. However, the steel industry in Europe has already taken considerable strides to reduce its carbon footprint, having more than halved its emissions in the past 30 years. Achieving further reductions is a major challenge.

However, the Group is responding to that challenge with a variety of initiatives. Some will bear fruit over the medium term; others are essentially long term in nature.

ArcelorMittal is committed to making a progressive reduction in the amount of CO_2 emitted in the steelmaking process over the next decade. The Group has set a target of reducing emissions by 170kg per tonne of steel produced by 2020. That is equivalent to an 8% reduction in specific emissions.

The target will be achieved through a combination of process improvements and increased energy efficiency. It is defined for the 2007 perimeter of industrial activities applying a rigorous accounting method taking into account all the emissions including upstream and plant emissions. The target excludes the specific use of scrap or direct reduced iron (DRI) as a means to lower the carbon emission.

While many of the Group's plants in Europe, North America and South America are close to the technical limits of what can be achieved in emissions reduction, there is still work to be done to bring other plants up to the standards of the best. To that end, the Group has put in place a benchmarking system that highlights where improvements can still be made. Detailed action plans have been drawn up that set realistic targets for improved efficiency and reduced energy usage. As part of the process, 2009 saw an acceleration in the sharing of best practice around the world.

Recycling is an important part in combating climate change. Each year, more than 25 million tonnes of products are recovered and recycled, saving around 36 million tonnes of CO_2. At the same time, ArcelorMittal has stepped up the recycling of steelmaking residues. For instance, at the former steelmaking site at Isbergues, northern France, residues from other French and Belgian plants are being reprocessed into ferro-alloys iron, road-building slag and zinc oxide dust, from which other producers extract zinc.

Due to the global economic crisis, the production levels of the Group were drastically reduced as compared with previous years. At the same time the emissions of green house gases decreased accordingly. Therefore, the emissions will increase again when the economic activity picks up. In the meantime, however, plans and actions are being executed to improve the carbon efficiency of the operations in line with the commitment for 2020.

As part of its longer-term approach, ArcelorMittal is working to develop breakthrough technologies. As a key member of the EU Ultra Low CO_2 Steelmaking project (ULCOS), the Group is developing a technology that combines CO_2 capture through top gas recycling and a possible storage later on. A demonstration project including a small blast furnace at ArcelorMittal Eisenhüttenstadt in Germany and a full scale blast furnace at the Florange plant in France is now being studied by a consortium consisting of most European steelmakers.

By using pure oxygen instead of air and recycling gas at the top of the blast furnace, ArcelorMittal expects to achieve a 25% reduction in the amount of carbon used. Around half of the CO_2 emitted will then be captured and stored. The technology has the potential to transform the steel industry's carbon footprint. For more information, please see *www.ulcos.org*.

ArcelorMittal receives second consecutive ENERGY STAR® honor

On March 2, 2009, ArcelorMittal was selected for the second consecutive year as an ENERGY STAR® Partner of the Year for its excellent energy management. ArcelorMittal continues to be the only steel company to achieve this respected distinction granted by the US Environmental Protection Agency and the US Department of Energy. Since 2006, ArcelorMittal's US facilities have focused on improving energy efficiency and reducing costs – all while increasing productivity. To accomplish these goals, the Company launched an Energy Reduction Initiative that, over the past three years, has helped it reach a 4.1% improvement in energy intensity. This is equivalent to $131 million of annualized savings. Over the past two years, ArcelorMittal's US facilities have achieved energy savings by reducing use of natural gas, fuel oil and purchased electricity. ArcelorMittal USA has also worked hard to spread the word about energy conservation to its employees, families, suppliers, end users and the general public.

Making Steel more Sustainable

Environment

The Group constantly invests to develop new processes and more sustainable practices, while working in partnership with its customers to help them develop more sustainable and more energy-efficient products.

ArcelorMittal monitors air, water, energy and waste data from all of its facilities and continuously reviews all its environmental impact worldwide. By the end of 2009, 93% of all main production sites had achieved certification to ISO 14001. ISO 14001 is the internationally recognized standard for environmental management systems. Between 2008 and 2009, the plants achieving certification increased from 142 to 168.

Group-wide environmental and energy policies, together with the Company's energy management system, cover every aspect of energy purchase and usage. In 2009, new energy management objectives were set for every plant. They target an average energy saving of 5% by 2013 and are supported by a list of best operational practices and technology standards.

Innovations targeted at reducing environmental impact

Major advances are already being made. In 2009, ArcelorMittal Kryviy Rih in Ukraine won three prizes in a national energy efficiency competition having implemented 179 different energy saving measures over the previous year. These resulted in savings of 19,000 tonnes of equivalent fuel and more than 15,000 kWh of energy.

ArcelorMittal also works to reduce water consumption and is targeting high-priority sites in areas where there are water shortages. The challenge is to employ water re-use techniques from the Group's top-performing plants. Eight sites – in Brazil, Spain and South Africa – currently generate zero effluent.

Reduction of by-products, such as dust, nitrous oxide, sulfur dioxide and volatile organic compounds, are another environmental area of the Company's focus. In Ostrava, in Czech Republic, modernization of sinter plants North and South is expected to reduce dust emissions by 70% and SO_2 emissions by 60%; the ongoing project will cost $80 million. In Galati, Romania, the installation of de-dusting equipment, completed in May 2009 at a cost of $20 million, has led to a 95% reduction in dust emissions – beyond EU norms.

In the quest for ever more sustainable products, a dedicated environment, life-cycle and materials team quantifies the end-to-end impact of the Group's steel products, including the evaluation and validation of new products in partnership with the Research and Development team. It applies the techniques conforming to the ISO 14040-44 life-cycle analysis standard.

ArcelorMittal has led in the development of stronger steels that enable its customers to create lighter and more energy-efficient products or reduce the environmental impact of their own activities. Its advanced high-strength steels can reduce the weight of industrial gas cylinders by 30% and the weight of automotive parts by 30%. The Group's 'S-in motion' project, due for deployment in mid-2010, uses the Group's expertise in Advanced High Strength Steels (AHSS) to produce new materials and propose solutions that will reduce the weight of a typical automotive component by a further 20%, while maintaining safety and performance.

In the construction market, the Group's high-strength HISTAR™ steel offers an unprecedented combination of strength, safety and weldability, reducing the weight of steel columns by 32%, which in turn can reduce the CO_2 produced in the construction process by as much as 30%. The Group's range of solar panel solutions, relaunched under the amhelios™ name, was extended in 2009. Over a 30-year lifetime, amhelios™ can save 75 tonnes of CO_2 in typical Western European weather and up to 400 tonnes in other locations.

Research and Development

In the difficult climate in 2009, Research and Development has shown great flexibility and determination at the same time. With15 major research centers, R&D spending in 2009 amounted to $253 million. While the focus shifted to projects capable of speedy value creation, expenditure on breakthrough research was unchanged and new areas such as mining and mineral processing started generating a high return on investment.

One of the lessons of 2009 is that technological differentiation is crucial to sustainability. The ability to offer a range of products that is clearly differentiated in terms of quality and functionality, and to do so at the lowest possible cost, is especially important at a time of economic contraction. R&D has played a key role in minimizing the impact of the economic crisis by deploying new products and solutions that help customers maintain their long-term competitiveness, by providing increased technical assistance to plants worldwide and by supporting production stoppages and contributing to the fast re-start of the Group's blast furnaces and coke ovens.

Automotive

R&D's five-year development plan recognizes four key factors that are driving the evolution of the automotive market: globalization that combines worldwide vehicle design with regional production, increased passenger safety, reduction in CO_2 emissions, and a shift to low-cost cars. ArcelorMittal continues to reinforce its relationship with customers at the early stage of vehicle conception. Through worldwide projects that bring together its European and US automotive research centers, the Group aims to meet auto manufacturers' need for identical or equivalent product delivered worldwide in a timely fashion.

ArcelorMittal continues to launch new Advanced High Strength Steels (AHSS) to satisfy the demand for increased safety together with weight reduction.

Primarily, the offer of coated products for hot stamping has been extended. Last year also saw the further development of the Group's new coating product offer with the roll out of products with enhanced paint appearance for outer panels and coatings, delivering better and cheaper corrosion resistance.

In the area of steel solutions for vehicle design, the Group has reinforced its catalogue of lightweight steel design solutions. ArcelorMittal is working as well on the 'S-in motion' project which will deliver in 2010 up-to-date and efficient ideas for optimizing weight and costs for key modules of the vehicle.

Appliances

Last year saw the implementation of a global R&D project organization to service customers with a worldwide footprint. A number of new products were brought to fruition for launch in 2010. They included innovation in the field of steels for enameling and several new products in the surface and coatings area. A new coating offer for improved energy efficiency is proposed for development in 2010.

Packaging

The major development in 2009 was a new 'Easy Open End' offer, designed to reduce the weight of the ends of cans. It will be launched commercially in 2010.

Construction

The Group is recognized as a world leader in structural products and has played a major role in some of the world's most remarkable constructions – including the Burj Khalifa Tower in Dubai, the tallest building in the world. R&D focuses on reinforcing the appeal of the Group's products and solutions in a variety of ways, especially in comparison to the design of other materials or to competing suppliers.

Recent examples include new Weathering Steel grades for bridges and a corrosion-resistant steel grade for improved corrosion resistance for sheet piles. In the area of improved surface performance, examples include Granite®Diamond, a stone-look organic coating, Hairclyn and Granite®Forever, easy-to-clean coated steels for outdoor applications.

R&D also develops solutions that combine steel with complementary materials to deliver improved thermal, acoustic, mechanical or aesthetic performance. The recently launched Granite®Comfort range of Infrared-reflective paints improves energy efficiency by reducing the solar heat input.

Harvesting renewable energies is a strong societal driver which is reflected within R&D by the launching of the Ekinox, photovoltaic roof and co-engineering actions for wind turbines.

ArcelorMittal Piracicaba develops eco-brick solution in Brazil

ArcelorMittal Piracicaba, in partnership with the University of the State of São Paulo, São Carlos unit, has finished developing a new technology to produce construction bricks, replacing the mix of sand and crushed rock commonly used. The bricks are produced using steel mill slag, a by-product from steelmaking that has historically been considered a waste product. The new bricks reduce the need for natural resources, such as sand and rock, that have to be extracted from the local environment.

Part of ArcelorMittal's commitment to making steel more sustainable is to find innovative ways to manage its residues. Not only will this result in cost savings to the Company, but it will also improve the environment by reducing the amount of waste we produce. The efficacy of this new brick-making technology was proven by the construction of an experimental model house using bricks created from slag. The house was finished in July 2009 and the environmental viability of these bricks is being assessed by the São Paulo State Organ for Environmental Sanitation.

Process

Process R&D focused on raw material substitution through the increased use of internal resources and support for blast furnace and coke oven stoppages and re-starts. In addition, R&D contributed by improving rebar corrosion at Kryviy Rih and accelerated the implementation of a number of plant-specific solutions. R&D activity was initiated in two areas associated with ArcelorMittal's mining operations. The first was the characterization of mineral deposits to assess the qualities of the iron and coal from existing and prospective ArcelorMittal mines. The second area, based on the characterization data, was laboratory work to advise on optimization of the beneficiation route, the energy consumption involved and the possible upgrading of currently discarded ores. Studies were performed for both the Group's existing operations and those reserves under development.

ULCOS

During the year, the work on the ULCOS project aiming at developing new steel production technologies with low CO_2 emissions progressed well. The EU-backed ULCOS 1 project will finish at the end of 2010. Plans for further developments of the most promising technologies are also advancing.

Stainless, alloyed steels, specialties and tubular products

R&D has mainly focused on synergies between the different market segments and the development of new grades with reduced alloying elements without compromising service properties.

This has resulted for example in the development of:

- Lean alloyed high strength steels in U.S., European and Algerian production mills;
- A new duplex stainless steel offer in the Group's European and Brazilian facilities for the most severe corrosion resistance applications;
- New stainless ferritic grades without Nickel, designed to replace the more expensive austenitics;
- A new mold steel family for plastic injection applications as dashboards for car industry;
- New tenasteel grade designed to improve the punching conditions of high strength steels.

The second major R&D contribution has been in the development of new products and solutions in the area of green energies. This includes the strong involvement in the development of new designs for photovoltaic and thermal solar panels, as well as new electrical steels with low losses and high magnetic properties for the next generation of electrical vehicles and transformers.

The future

In 2010, the scope of the Group's Process R&D activities will be extended to commit more resources to areas such as coke and coal, refractories, environmental issues, by-products and water conservation. There will also be a new focus on pipes and tubes. Most exciting of all, the year is expected to mark the industrialization of a number of breakthrough products with important implications for the Group's future competitiveness.

Enriching our Communities

Community Engagement Standard

ArcelorMittal plays an important role in all the communities where it operates. Many of the Group's plants are located in developing countries that are facing economic and social challenges. This makes it even more important to encourage economic growth and foster the development of strong and sustainable local communities. The Group does this by working in active partnership with local organizations in an open and transparent manner that is sensitive to local issues and priorities.

ArcelorMittal recognizes that what it does has an impact on others. The Group needs to understand exactly what these impacts are and manage them proactively, taking people's rights and priorities into account. ArcelorMittal has started to invest significant time and resources in improving and growing our community engagement programs. There is a mandatory community engagement standard in place that all major industrial sites have to follow. This is supported by a detailed manual and an online training course that offers practical guidance about setting up and running community engagement activities.

In 2009, ArcelorMittal engaged in a wide range of different projects – aimed at education and skills development, employment, healthcare, infrastructure and a variety of social issues. Further details are available in the Group's CR Report.

ArcelorMittal Foundation

Established in 2007, the ArcelorMittal Foundation is a non-profit organization, with the mission to promote ArcelorMittal's commitment to the local communities where the Group operates and to contribute to their development in a sustainable manner. Working with the local business units, its priority areas are education, health and social promotion. The Foundation engages in initiatives that maximize long-term economic growth and foster entrepreneurship, while respecting the needs of local people. Preference is given to projects that can quickly become self-sustainable since these tend to benefit the maximum number of people. The Foundation operates in 27 countries and it also acts as a worldwide organization investing in global programs to support humanitarian initiatives. In 2009, it supported more than 550 projects with a monetary value of $31.3 million, reaching 8.86 million direct beneficiaries.

The Foundation's initiatives are aligned with the United Nation's eight Millennium Development Goals.

International Volunteer Work Day

Friday, December 4, 2009 marked the Group's second International Volunteer Work Day, organized by the ArcelorMittal Foundation. More than 8,500 employees gave a part of their day to contributing to their local community. Highlights of the day included:

- In France, employees of ArcelorMittal Atlantique reaffirmed their commitment to the French bone marrow registry and took part in a swim-a-thon to raise money for the French Association against Myopathies.
- In Kazakhstan, employees painted and repaired the apartments of World War II veterans and opened the youth club at a school for orphaned children.
- In Brazil, employees from Timóteo joined those from 50 other organizations in an educational and healthcare event that attracted 3,000 local residents. One of the objectives of the event was to collect food supplies and more than 1,600 basic food kits were provided.

Preparing India's 'green leaders'

ArcelorMittal has committed significant donations over four years to work with the Indian NGO, the Centre for Environment Education (CEE), in a two-phase campaign aimed at spreading environmental awareness among the nation's schoolchildren. In the first phase, conducted over 18 months, children were invited to vote for an 'Environment Ambassador of India'. More than 200,000 children took part, voting for their teachers, environmentalists and celebrities in a poll called 'CO_2: Pick Right'. The poll was conducted in 15 different languages. The children chose Dr APJ Abdul Kalam, a former President of India and a highly respected scientist and engineer, who will now become a spokesperson on climate change and other environmental issues. In the second phase of the campaign, the CEE, supported by ArcelorMittal, will work to spread awareness of environmental issues among 20 million children from 200,000 schools and prepare them as 'Green Leaders'. This phase will run through to 2012.

Xinhuamen Primary School

In the Sichuan earthquake in 2008, Xinhuamen Primary School in China's Gansu Province suffered irreparable damage and had to be demolished. The ArcelorMittal Foundation subsequently made a significant donation to help with its reconstruction, using a steel design to offer a high degree of earthquake resistance.

The building also boasts a number of 'green' features which students can see at work as part of their environmental education. These include a solar collector for hot water, a rainwater collection system for irrigation and a green roof which reduces the temperature within the building and increases the durability of the roof.

Now is the time
that the lessons we
over the past tw
become a permanent
culture and future

to ensure
have learned
elve months
part of our
development.

Lakshmi N. Mittal
Chairman and CEO

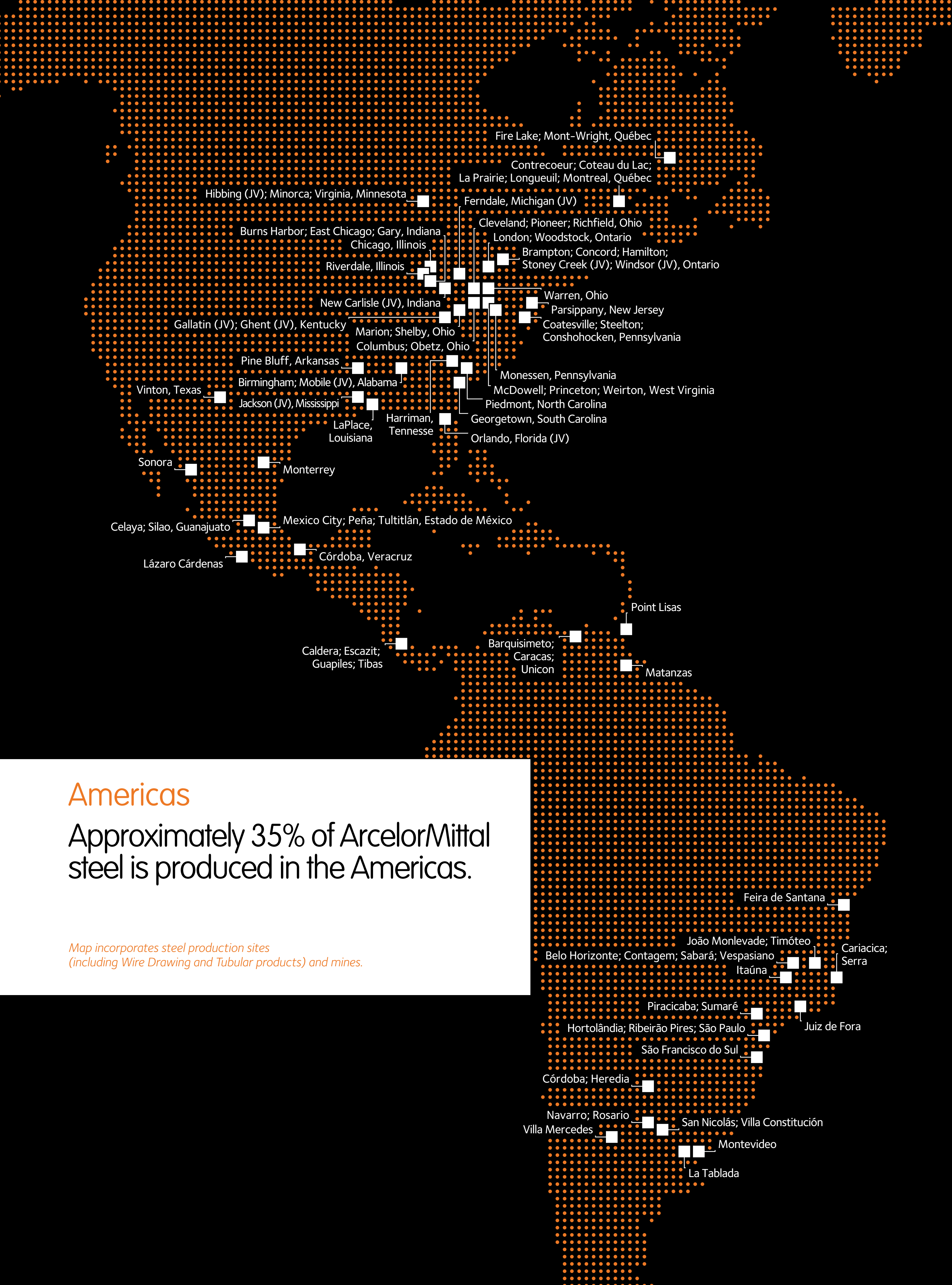
Global Presence

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 steelmaking operations in 20 countries on four continents, including 65 integrated, mini-mill and integrated mini-mill steelmaking facilities which provide a high degree of geographic diversification.

Americas

Approximately 35% of ArcelorMittal steel is produced in the Americas.

Map incorporates steel production sites (including Wire Drawing and Tubular products) and mines.



Europe

About 47% of ArcelorMittal steel is produced in Europe.

Map incorporates steel production sites
(including Wire Drawing and Tubular products) and mines.

Africa

About 14% of ArcelorMittal steel is produced in Africa.

Map incorporates steel production sites (including Wire Drawing and Tubular products) and mines.

Asia

About 4% of ArcelorMittal steel is produced in Asia.

Map incorporates steel production sites (including Wire Drawing and Tubular products) and mines.

The Company gradually expects to resume mergers and acquisitions and other investment activity in order to take advantage of selected growth opportunities, mainly in emerging markets. In addition the Company remains focused on pursuing its greenfield growth opportunities.

Operational Review

ArcelorMittal reports its operations in six segments: Flat Carbon Americas, Flat Carbon Europe, Long Carbon Americas and Europe, Asia, Africa and CIS (AACIS), Stainless Steel and Steel Solutions and Services. The information in this section relates to the year ended December 31, 2009, compared to the year ended December 31, 2008.


ArcelorMittal

Segment	Sales for the Year ended December 31[1] 2008 (in $ millions)	2009 (in $ millions)	Steel Shipments for the Year ended December 31[1] 2008 (thousands of MT)	2009 (thousands of MT)	Changes in Sales (%)	Steel Shipments (%)	Average Steel Selling Price (%)
Flat Carbon Americas	27,031	13,340	25,810	16,121	(51)	(38)	(24)
Flat Carbon Europe	38,300	19,981	33,512	21,797	(48)	(35)	(22)
Long Carbon Americas and Europe	32,268	16,767	27,115	19,937	(48)	(26)	(30)
AACIS	13,133	7,627	13,296	11,769	(42)	(11)	(37)
Stainless Steel	8,341	4,234	1,958	1,447	(49)	(26)	(31)
Steel Solutions and Services[2]	23,126	13,524	19,143	16,794	(42)	(12)	(34)
Total	**124,936**	**65,110**	**101,691**	**71,071**	**(48)**	**(30)**	**(27)**

Sales, Steel Shipments and Average Steel Selling Prices

The table above provides a summary of ArcelorMittal's sales by reportable segment for the year ended December 31, 2009 as compared to the year ended December 31, 2008.

[1] *Amounts are prior to intra-company eliminations and include non-steel sales.*
[2] *Steel Solutions and Services shipments are eliminated in consolidation as they primarily represent shipments originating from other ArcelorMittal operating subsidiaries.*

ArcelorMittal had sales of $65.1 billion for the year ended December 31, 2009, representing a decrease of 48% from sales of $124.9 billion for the year ended December 31, 2008 primarily due to decreases in average steel selling prices and lower shipments resulting from the global economic crisis.

The fall in sales was felt most acutely during the first half of 2009. Sales in the first half of 2009 were $30.3 billion, down 55% from the same period in 2008, while sales in the second half of the year were $34.8 billion, down 39% from the same period in 2008.

ArcelorMittal had steel shipments of 71.1 million tonnes for the year ended December 31, 2009, representing a 30% decrease from steel shipments of 101.7 million tonnes for the year ended December 31, 2008. Average steel selling price for the year ended December 31, 2009 decreased 27% compared to the year ended December 31, 2008. Steel shipments and average steel selling price were lower in all segments, reflecting the reduction in demand due to the global economic crisis.

Shipment volumes started to recover in the second half of the year but average steel selling prices, while gradually increasing, remained low as compared to the second half of 2008 due to the gradual and uncertain nature of the economic recovery, high selling prices that had prevailed through the third quarter of 2008 and a time lag effect resulting from pricing terms in certain sales contracts. Shipments were 32.9 million tonnes in the first half of 2009, down 44% from the same period in 2008, while shipments in the second half of the year were 38.1 million tonnes, down 11% from the same period in 2008. Average steel selling price in the first half of 2009 was down 23% from the same period in 2008, while average steel selling price in the second half of the year was down 32% from the same period in 2008.

Flat Carbon Americas

Sales in the Flat Carbon Americas segment were $13.3 billion for the year ended December 31, 2009, representing 20% of the Company's total consolidated sales for 2009, a decrease of 51% as compared to $27.0 billion, or 22% of total consolidated sales, for the year ended December 31, 2008. Sales fell primarily due to a 38% fall in steel shipments and a 24% fall in average steel selling prices. The fall in sales in this segment was felt most acutely during the first half of the year. Sales in the first half of 2009 were $6.0 billion, down 57% from the same period in 2008, while sales in the second half of the year were $7.4 billion, down 44% from the same period in 2008.

Total steel shipments were 16.1 million tonnes for the year ended December 31, 2009, a decrease of 38% from shipments for the year ended December 31, 2008. Shipments were 7.1 million tonnes in the first half of 2009, down 53% from the same period in 2008, while shipments in the second half of the year were 9.0 million tonnes, down 17% from the same period in 2008.

Average steel selling price decreased 24% for the year ended December 31, 2009 as compared to the year ended December 31, 2008. Average steel selling price in the first half of 2009 was down 13% from the same period in 2008, while average steel selling price in the second half of the year was down 36% from the same period in 2008.

Flat Carbon Europe

Sales in the Flat Carbon Europe segment were $20.0 billion for the year ended December 31, 2009, representing 31% of the Company's total consolidated sales for 2009, a decrease of 48% as compared to $38.3 billion, or 31% of the total consolidated sales, for the year ended December 31, 2008. The decrease was primarily due to a 35% fall in steel shipments and a 22% decrease in average steel selling price. The fall in sales in this segment was felt most acutely during the first half of the year. Sales in the first half of 2009 were $9.2 billion, down 57% from the same period in 2008, while sales in the second half of the year were $10.8 billion, down 37% from the same period in 2008.

Total steel shipments reached 21.8 million tonnes for the year ended December 31, 2009, a decline of 35% from steel shipments for the year ended December 31, 2008. Shipments were 9.8 million tonnes in the first half of 2009, down 49% from the same period in 2008, while shipments in the second half of the year were 12.0 million tonnes, down 16% from the same period in 2008.

Average steel selling price fell 22% for the year ended December 31, 2009 as compared to the year ended December 31, 2008. Average steel selling price in the first half of 2009 was down 18% from the same period in 2008, while average steel selling price in the second half of the year was down 26% from the same period in 2008.

Long Carbon Americas and Europe

In the Long Carbon Americas and Europe segment, sales were $16.8 billion for the year ended December 31, 2009, representing 26% of the Company's total consolidated sales for 2009, a decrease of 48% from sales of $32.3 billion, or 26% of the total consolidated sales, for the year ended December 31, 2008. The decrease was primarily due to a 26% fall in steel shipments and a 30% decrease in average steel selling price. The fall in sales in this segment was felt most acutely during the first half of the year. Sales in the first half of 2009 were $7.9 billion, down 55% from the same period in 2008, while sales in the second half of the year were $8.9 billion, down 39% from the same period in 2008.

Total steel shipments were 19.9 million tonnes for the year ended December 31, 2009, a decrease of 26% from steel shipments for the year ended December 31, 2008. Shipments were 9.7 million tonnes in the first half of 2009, down 39% from the same period in 2008, while shipments in the second half of the year were 10.3 million tonnes, down 9% from the same period in 2008.

Average steel selling price decreased 30% for the year ended December 31, 2009 as compared to the year ended December 31, 2008. Average steel selling price in the first half of 2009 was down 25% from the same period in 2008, while average steel selling price in the second half of the year was down 35% from the same period in 2008.

AACIS

In the AACIS segment, sales were $7.6 billion for the year ended December 31, 2009, representing 12% of the Company's total consolidated sales in 2009, a decrease of 42% over sales of $13.1 billion, or 11% of total consolidated sales, for the year ended December 31, 2008. The decrease was due to an 11% fall in steel shipments and, especially, a 37% decrease in average steel selling price. The fall in sales in this segment was felt most acutely during the first half of the year. Sales in the first half of 2009 were $3.4 billion, down 51% from the same period in 2008, while sales in the second half of the year were $4.3 billion, down 32% from the same period in 2008.

Total steel shipments reached 11.8 million tonnes for the year ended December 31, 2009, a decrease of 11% from steel shipments for the year ended December 31, 2008. Shipments were 5.7 million tonnes in the first half of 2009, down 27% from the same period in 2008, while shipments in the second half of the year were 6.1 million tonnes, up 11% from the same period in 2008, mainly reflecting the sharp decline that had occurred in the CIS region starting in the second half of 2008.

Average steel selling price decreased 37% for the year ended December 31, 2009, as compared to the year ended December 31, 2008. Average steel selling price in the first half of 2009 was down 35% from the same period in 2008, while average steel selling price in the second half of the year was down 41% from the same period in 2008.

Stainless Steel

Sales in the Stainless Steel segment were $4.2 billion for the year ended December 31, 2009, representing 7% of the Company's total consolidated sales in 2009, a decrease of 49% over sales of $8.3 billion, or 7% of total consolidated sales, for the year ended December 31, 2008. This decrease was primarily due to a 26% fall in shipments and 31% fall in average steel selling price. The fall in sales in this segment was felt most acutely during the first half of the year. Sales in the first half of 2009 were $1.9 billion, down 61% from the same period in 2008, while sales in the second half of the year were $2.3 billion, down 31% from the same period in 2008.

Total steel shipments reached 1.4 million tonnes for the year ended December 31, 2009, a decrease of 26% from steel shipments for the year ended December 31, 2008. Shipments were 0.7 million tonnes in the first half of 2009, down 39% from the same period in 2008, while shipments in the second half of the year were 0.8 million tonnes, down 10% from the same period in 2008.

Average steel selling price decreased 31% for the year ended December 31, 2009 as compared to the year ended December 31, 2008. Average steel selling price in the first half of 2009 was down 37% from the same period in 2008, while average steel selling price in the second half of the year was down 22% from the same period in 2008.

Steel Solutions and Services

In the Steel Solutions and Services segment, sales were $13.5 billion for the year ended December 31, 2009, representing 21% of the Company's total consolidated sales for 2009, a decrease of 42% over sales of $23.1 billion, or 19% of the total consolidated sales, for the year ended December 31, 2008. This decrease was primarily due to a 12% fall in shipments and 34% fall in average steel selling price. The fall in sales in this segment was felt most acutely during the first half of the year. Sales in the first half of 2009 were $6.8 billion, down 47% from the same period in 2008, while sales in the second half of the year were $6.7, down 35% from the same period in 2008.

Total steel shipments reached 16.8 million tonnes for the year ended December 31, 2009, a decrease of 12% from steel shipments for the year ended December 31, 2008. Shipments were 8.4 million tonnes in the first half of 2009, down 25% from the same period in 2008, while shipments in the second half of the year were 8.4 million tonnes, up 5% from the same period in 2008.

Average steel selling price fell 34% for the year ended December 31, 2009 as compared to the year ended December 31, 2008. Average steel selling price in the first half of 2009 was down 30% from the same period in 2008, while average steel selling price in the second half of the year was down 38% from the same period in 2008.

Segments[1]	Operating Income Year ended December 31, 2008[2] (in $ millions)	2009 (in $ millions)	Operating Margin 2008[2] (%)	2009 (%)
Flat Carbon Americas	2,638	(757)	10	(6)
Flat Carbon Europe	2,773	(540)	7	(3)
Long Carbon Americas and Europe	4,154	(29)	13	—
AACIS	3,145	265	24	3
Stainless Steel	383	(172)	5	(4)
Steel Solutions and Services	181	(286)	1	(2)

Operating Income

The table above provides a summary of the operating income and operating margin of ArcelorMittal for the year ended December 31, 2009, as compared with the operating income and operating margin for the year ended December 31, 2008.

ArcelorMittal's operating loss for the year ended December 31, 2009 amounted to $1.7 billion, compared to operating income of $12.3 billion for the year ended December 31, 2008. The overall operating loss and the sharp deterioration across each segment were due to lower sales, lower average steel selling prices and lower shipment volumes as described above which reflected the impact of the global economic crisis.

Operating losses of $2.7 billion were recorded during the first half of the year, and were partially offset by operating income during the second half of the year of $989 million.

Contributing substantially to the operating loss were $2.4 billion of pre-tax expenses that ArcelorMittal recorded in the first half of the year, also resulting from the ongoing weak steel market conditions. These consisted of write-downs of inventory (approximately $2.1 billion) and provisions for workforce reductions, including voluntary separation programs (approximately $0.3 billion).

Further details of these expenses are set out below:

- *Write-downs of inventory.* On each reporting date, inventories are measured and valued at the lower of cost and net realizable value. Due to the rapid and sharp decline in demand for, and prices of, steel products, the net realizable value of certain inventories of finished steel products, works-in-process and raw materials, in particular iron ore and coking coal, (assuming the processing of these raw materials or works-in-process into steel products) were lower than their cost, resulting in write-downs. See Note 6 to ArcelorMittal's consolidated financial statements.
- *Provision for onerous raw material supply contracts.* ArcelorMittal sources a portion of its raw materials requirements under contracts whereby it has a firm commitment to purchase specified quantities at a set price over a set period. Due to the ongoing decline in steel selling prices in the first half of 2009, the Company recorded provisions with respect to raw materials sourced under these contracts because the net realizable value of such raw materials (assuming their processing into steel products at year-end) was expected to be lower than their cost and to result in write-downs. See Note 19 to ArcelorMittal's consolidated financial statements.
- *Provision for workforce reduction (including voluntary separation programs).* This provision taken in the first quarter of 2009 relates to costs (including severance costs) expected to be incurred in connection with the voluntary separation programs that ArcelorMittal implemented in response to the economic crisis and the sharp drop in steel demand. The provision was in addition to a $0.9 billion provision for workforce reduction recorded at the end of 2008, and relates to an expansion of the voluntary separation program that was announced during the first quarter of 2009. See Note 19 to ArcelorMittal's consolidated financial statements.

[1] *Amounts are prior to intra-company eliminations and include non-steel sales.*
[2] *As required by IFRS, the 2008 information has been adjusted retrospectively for the finalization in 2009 of the allocation of purchase price of acquisitions made in 2008 (see Note 3 to ArcelorMittal's consolidated financial statements).*

Operating income for the year ended December 31, 2009 was also reduced by impairment expenses amounting to $564 million consisting primarily of $237 million on various idled assets (including $92 million relating to an impairment on coke oven assets of ArcelorMittal Galati and $65 million at ArcelorMittal Las Truchas), $122 million impairment on various tubular product operations (primarily $65 million in ArcelorMittal Roman), $172 million on other impairments (including $117 million at ArcelorMittal Construction France). In determining these expenses, the Company analyzed the recoverable amount of these facilities based on their value in use and determined that the recoverable amount from these facilities was less than their carrying amount. These impairment losses compared to impairment losses for the twelve months ended December 31, 2008 of $1.1 billion, consisting of asset impairments of $499 million, goodwill impairment of $131 million and reduction of goodwill of $429 million.

Conversely, operating income increased by $979 million in 2009 due to the recycling in the statement of operations of a gain recorded to equity at year-end 2008 in connection with the unwind of a U.S. dollar denominated raw material purchases hedged transaction until 2012. In addition, during the fourth quarter of 2009 the Company recorded an exceptional gain of $0.4 billion relating to the write-back of a litigation provision previously recorded in the fourth quarter of 2008, following the Paris Court of Appeals decision to reduce the fine imposed on certain French distribution subsidiaries of ArcelorMittal by the French Competition Authority from €302 million ($441 million) to €42 million ($61 million). Operating income in the fourth quarter of 2009 also included a gain of $108 million recorded on the sale of carbon dioxide credits purchased since 2007.

Flat Carbon Americas

Operating loss for the Flat Carbon Americas segment amounted to $0.8 billion for the year ended December 31, 2009, compared to operating income of $2.6 billion for the year ended December 31, 2008. This operating loss reflected lower sales, steel shipments and selling prices resulting from the global economic crisis, and also included charges of $0.7 billion related to write-downs of inventory, provision for workforce reductions and provisions for onerous raw material supply contracts. The operating loss for the segment amounted to $1.0 billion for the first half of the year, and was partially offset by operating income during the second half of the year of $0.3 billion, reflecting the gradual improvement in market conditions.

Flat Carbon Europe

Operating loss for the Flat Carbon Europe segment for the year ended December 31, 2009 was $0.5 billion compared to operating income of $2.8 billion for the year ended December 31, 2008. This operating loss reflected the lower sales, steel shipments and selling prices resulting from the global economic crisis, and also included expenses of $0.9 billion related to write-downs of inventory and provision for workforce reductions. Operating results were also affected by impairment expenses of $0.1 billion primarily related to the impairment of coke oven assets at ArcelorMittal Galati. The operating loss for the segment amounted to $0.6 billion for the first half of the year, and was partially offset by operating income during the second of the year of $0.1 billion reflecting the gradual improvement in market conditions. Operating income in the fourth quarter of 2009 also included a gain of $108 million recorded on the sale of carbon dioxide credits bought in 2007 and 2008.

Long Carbon Americas and Europe

Operating loss for the Long Carbon Americas and Europe segment for the year ended December 31, 2009 was $29 million compared to operating income of $4.2 billion for the year ended December 31, 2008. This operating loss reflected the lower sales, steel shipments and selling prices resulting from the deteriorating global economy, and also included charges of $0.3 billion related to write-downs of inventory and provision for workforce reductions. Operating income was affected by impairment expenses of $0.3 billion for asset impairments in the segment's tubular business and idled assets (including $0.1 billion at ArcelorMittal Roman and ArcelorMittal Las Truchas). The operating loss for the segment amounted to $0.2 billion for the first half of the year, and was partially offset by operating income during the second of the year of $0.2 billion, reflecting the gradual improvement in market conditions.

AACIS

Operating income for the AACIS segment for the year ended December 31, 2009 was $0.3 billion, compared to operating income of $3.1 billion for the year ended December 31, 2008. This sharply lower operating income reflected the lower sales, steel shipments and selling prices resulting from the global economic crisis, and also included charges of $0.2 billion primarily related to write-downs of inventory. The operating income for the segment amounted to $2 million for the first half of the year, and improved during the second half of the year to $0.2 billion, reflecting the gradual improvement in market conditions.

Stainless Steel

Operating loss for the Stainless Steel segment for the year ended December 31, 2009 was $0.2 billion, compared to operating income of $0.4 billion for the year ended December 31, 2008. This operating loss reflected the lower sales, steel shipments and selling prices resulting from the global economic crisis, and also included charges of $0.1 billion primarily related to write-downs of inventory. The operating loss for the segment amounted to $0.2 billion for the first half of the year, and was partially offset by operating income during the second half of the year of $0.1 billion, reflecting the gradual improvement in market conditions.

Notwithstanding the difficult market conditions of 2008 and 2009, ArcelorMittal's management believes that there will be strong global steel demand growth in the medium to long term. The Company will continue to invest opportunistically in expanding the production capacity of its existing facilities depending on market conditions and projected global and regional demand trends.

Steel Solutions and Services

Operating loss for the Steel Solutions and Services segment for the year ended December 31, 2009 was $0.3 billion, compared to operating income of $0.2 billion for the year ended December 31, 2008. The operating loss reflected the lower sales, steel shipments and selling prices resulting from the global economic crisis, and also included charges of $0.2 billion primarily related to write-downs of inventory. Operating income was affected by impairment expenses of $0.1 billion at ArcelorMittal Construction France for the year ended December 31, 2009. The operating loss for the segment amounted to $0.5 billion for the first half of the year, and was partially offset by operating income during the second half of the year of $0.2 billion, reflecting the gradual improvement in market conditions and an exceptional gain of $0.4 billion relating to the write-back of a litigation provision recorded in the fourth quarter of 2008.

Income from Investment in Associates and Joint Ventures

ArcelorMittal recorded income of $0.1 billion from investments accounted for using the equity method for the year ended December 31, 2009, as compared with income from equity method investments of $1.7 billion for the twelve months ended December 31, 2008. The decrease was due to lower income from the Company's investments due to the global economic crisis, as well as the gain recorded in 2008 from the sale of a stake in DHS.

Financing Costs

Net financing costs include net interest expense, revaluation of financial instruments, net foreign exchange income/expense (i.e., the net effects of transactions in a foreign currency other than the functional currency of a subsidiary) and other financing costs. Net financing costs were 20% higher for the year ended December 31, 2009, at $2.8 billion, as compared with $2.4 billion for the year ended December 31, 2008.

Net interest expense (interest expense less interest income) was flat at $1.5 billion for the year ended December 31, 2009 as compared to the year ended December 31, 2008. Interest expense decreased to $1.7 billion for the year ended December 31, 2009, compared to interest expense of $2.0 billion for the year ended December 31, 2008, due to a decrease in gross debt, partially offset by higher interest rates on its 2009 bond issuances. Interest income for the year ended December 31, 2009 decreased to $0.2 billion compared to interest income of $0.5 billion for the year ended December 31, 2008, due to a decrease in interest rates as well as an overall lower cash balance during the year.

Foreign exchange and other net financing costs (which include bank fees, interest on pensions and impairments of financial instruments) for the year ended December 31, 2009 amounted to costs of $0.4 billion, as compared to costs of $0.6 billion for the year ended December 31, 2008.

Other financing costs for the year ended December 31, 2009 also included a loss of $0.9 billion as a result of mark-to-market adjustments on the conversion options embedded in its convertible bonds issued in the second quarter of 2009. On April 1, 2009 and May 6, 2009, the Company issued approximately $2.5 billion of bonds (approximately $1.7 billion denominated in euro and balance $0.8 billion denominated in U.S. dollars) which are convertible into shares at the option of the bondholders. Under the terms of the bonds the Company has the option to settle the bonds for shares or for an amount equivalent to the cash value of the shares at the date of the settlement. The Company has determined that the convertible bonds are hybrid instruments as defined by IFRS as the conversion option gives the bondholder the right to put the bond back to the Company. In addition, the Company identified certain components of the contract to be embedded derivatives in accordance with IAS 39. Therefore, the Company separated the embedded derivatives and recorded their fair value at inception ($597 million) as liabilities (out of the net financial debt). At each reporting period, changes in the fair value of the embedded derivatives are recorded to the statement of operations. As from October 28, 2009 noteholders of the ArcelorMittal $800 million convertible bonds due 2014 were notified that ArcelorMittal has decided to irrevocably waive the option to deliver the cash value of the shares upon conversion. As a result of this waiver, the embedded derivative recorded as a liability in the amount of $279 million was transferred to equity and hence will no longer affect the statement of operations going forward.

Losses related to the fair value of derivative instruments for the year ended December 31, 2009 amounted to $28 million, as compared with loss of $177 million for the year ended December 31, 2008.

See Note 17 to ArcelorMittal's consolidated financial statements.

Income Tax

ArcelorMittal recorded a consolidated income tax benefit of $4.5 billion for the year ended December 31, 2009, compared to a consolidated income tax expense of $1.1 billion for the year ended December 31, 2008. The income tax benefit for the year is primarily due to ArcelorMittal's 2009 loss as compared with 2008 profit, and its geographical mix. For additional information related to ArcelorMittal's income taxes, see Note 18 to ArcelorMittal's consolidated financial statements.

Non-Controlling Interest

Loss from non-controlling interest (referred to in previous years as 'Minority Interest') was $43 million for the year ended December 31, 2009, as compared with a profit of $1 billion for the year ended December 31, 2008. The decrease relates to lower income in subsidiaries with non-controlling interest due to the global economic crisis.

Net Income Attributable to Equity Holders of the Parent

ArcelorMittal's net income attributable to equity holders of the parent for the year ended December 31, 2009 decreased to $0.1 billion from a net income of $9.4 billion for the year ended December 31, 2008, for the reasons discussed above.

ArcelorMittal remains optimistic about the industry's medium-term growth prospects, and is reinitiating cautiously some projects to capture growth in key emerging markets as deleveraging is completed.

Liquidity

ArcelorMittal's principal sources of liquidity are cash generated from its operations, its credit facilities at the corporate level and various working capital credit lines at its operating subsidiaries.

In management's opinion, ArcelorMittal's credit facilities are adequate for its present requirements. Because ArcelorMittal is a holding company, it is dependent upon the earnings and cash flows of, and dividends and distributions from, its operating subsidiaries to pay expenses and meet its debt service obligations. 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.

As of December 31, 2009, ArcelorMittal's cash and cash equivalents, including restricted cash and short-term investments, amounted to $6.0 billion, as compared to $7.6 billion as of December 31, 2008. In addition, ArcelorMittal had available borrowing capacity of $11.2 billion under its existing credit facilities as of December 31, 2009, as compared to $5.8 billion as of December 31, 2008. ArcelorMittal also has a €3.0 billion (approximately $4.3 billion) commercial paper program (of which approximately $1.5 billion was outstanding as of December 31, 2009) and its policy has been to maintain availability under its credit facilities as back-up for its commercial paper program.

As of December 31, 2009, ArcelorMittal's total debt, which includes long-term debt and short-term debt was $24.8 billion (compared to $34.1 billion as of December 31, 2008). Net debt (defined as long-term debt plus short-term debt less cash and cash equivalents and restricted cash) was $18.8 billion as of December 31, 2009, down from $26.5 billion at December 31, 2008. Most of the external debt is borrowed by the parent company on an unsecured basis and bears interest at varying levels based on a combination of fixed and variable interest rates. Gearing (defined as net debt divided by total equity) at December 31, 2009 was 29% as compared to 45% at December 31, 2008. Total debt and net debt decreased year-on-year primarily due to various debt reduction measures taken by the Company in 2009, including reduced costs and dividends, increased cash generation from working capital, and issuances of equity and convertible bonds (part of the latter being accounted for as derivatives or non-controlling interest rather than debt).

ArcelorMittal's principal financing facilities, which are the €17 billion (approximately $25 billion) comprising €12 billion term loan facility (as of December 31, 2009, €2.4 billion outstanding) and a €5 billion revolving credit facility initially entered into on November 30, 2006 and subsequently amended and restated (the '€17 Billion Facility'), the $4 billion revolving credit facility initially entered into on May 13, 2008 and subsequently amended (the '$4 Billion Facility'), and the $800 million committed multi-currency letter of credit facility initially entered into on December 30, 2005 and subsequently amended (the 'Letter of Credit 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 the ability of ArcelorMittal and its subsidiaries to dispose of assets in certain circumstances. These agreements also require compliance with financial covenants, as summarized below.

The €17 Billion Facility, the $4 Billion Facility and the Letter of Credit Facility, as well as certain other smaller facilities, have the following financial covenant: the Company must ensure that the ratio of 'Consolidated Total Net Borrowings' (consolidated total borrowings less consolidated cash and cash equivalents) to 'Consolidated EBITDA' (the consolidated net pre-taxation profits of the ArcelorMittal group for a Measurement Period, subject to certain adjustments as set out in the facilities) does not, at the end of each 'Measurement Period' (each period of 12 months ending on the last day of a financial half-year or a financial year of the Company), exceed a certain ratio, initially agreed to be 3.5 to one. The Company refers to this ratio as the 'Leverage Ratio'. As of December 31, 2009, the Leverage Ratio stood at approximately 3.2 to one, up from 1.7 to one as of June 30, 2009, and 1.1 to one as of December 31, 2008.

In August 2009, the Company signed agreements with its creditors under the €17 Billion Facility and the €4 Billion Facility to amend the Leverage Ratio from 3.5to one as originally provided, to 4.5 to one as of December 31, 2009, to 4.0 to one as of June 30, 2010, and reverting to 3.5 to one as of December 31, 2010. Although the Company incurred fees in connection with the covenant amendment, the Company's ongoing borrowing costs under the facilities will not increase unless its Leverage Ratio becomes greater than 3.5 to one for a Measurement Period that is subject to the amendment. Since the Leverage Ratio remained below 3.5 to one as of December 31, 2009, this will not apply unless the Leverage Ratio rises above 3.5 to one as of the Measurement Period ending on June 30, 2010. In such a case, the Company will also be subject to certain additional non-financial restrictive covenants, including in relation to restrictions on dividends and share reductions, acquisitions, capital expenditure and the giving of loans and guarantees. By the end of 2009, the Company had reached similar agreements to amend each of its smaller facilities that are subject to this covenant, or in certain cases simply prepaid such smaller facilities. In December 2009, the Company also amended the Letter of Credit Facility to replace the interest coverage ratio covenant that previously applied under that facility with the same Leverage Ratio covenant as described above.

ArcelorMittal's principal sources of liquidity are cash generated from its operations, its credit facilities at the corporate level and various working capital credit lines at its operating subsidiaries.

The Company prepaid a total of $3.4 billion of debt in the third quarter of 2009 in respect of debt due in the fourth quarter of 2009 and the first half of 2010, and cancelled a $3.2 billion term and revolving facility entered into in 2005.

Non-compliance with the covenants in the facilities described above would entitle the lenders under such facilities to accelerate ArcelorMittal's repayment obligations.

ArcelorMittal raised approximately $13.1 billion in 2009 through several capital markets transactions described below, the proceeds of which have been used principally to refinance maturing debt and reduce overall indebtedness.

The following table summarizes the repayment schedule of ArcelorMittal's outstanding indebtedness, which includes short-term and long-term debt, as of December 31, 2009 (after giving effect to the Forward Start facility).

	Repayments amount per year (in billions of $)						
Type of Indebtedness	2010	2011	2012	2013	2014	>2014	Total
Term loan repayments							
– Under €12bn syndicated credit facility		3.5					3.5
Convertible Bonds[1]		0.1			2.0		2.1
Bonds	0.9			3.6	1.8	6.1	12.4
Subtotal	0.9	3.6	—	3.6	3.8	6.1	18.0
Long-term revolving credit lines							
– €5bn syndicated credit facility							—
– $4bn syndicated credit facility							—
Commercial paper[2]	1.5						1.5
Other loans	1.7	0.7	1.5	0.5	0.2	0.7	5.3
Total Debt	**4.1**	**4.3**	**1.5**	**4.1**	**4.0**	**6.8**	**24.8**

The following table summarizes the amount of credit available as of December 31, 2009 under ArcelorMittal's principal credit facilities:

Credit lines available (in billions of $)	Initial Facility Amount	Drawn	Available
€5bn syndicated credit facility[3]	$7.2	$0.0	$7.2
$4bn syndicated credit facility	4.0	0.0	4.0
Total committed lines	**$11.2**	**$0.0**	**$11.2**

[1] On April 1, 2009 and May 6, 2009, the Company issued approximately $2.5 billion of convertible bonds which are convertible into shares at the option of the bondholders. Under the terms of the bonds, the Company has the option to settle the bonds for shares or for an amount equivalent to the cash value of the shares at the date of the settlement. The Company has determined that the convertible bonds are hybrid instruments as defined by IFRS as the conversion option gives the bondholder the right to put the bond back to the Company. In addition, the Company identified certain components of the contract to be embedded derivatives in accordance with IAS 39. Therefore, the Company separated the embedded derivatives and recorded their fair value at inception ($597 million) as liabilities (out of the net financial debt). At each reporting period, changes in the fair value of the embedded derivatives are recorded to the statement of operations. Holders of the ArcelorMittal U.S. dollar-denominated convertible bonds due 2014 were notified that ArcelorMittal has decided to irrevocably waive the option to deliver the cash value of the shares upon conversion as from October 28, 2009. On December 28, 2009, the Company issued a (privately placed) mandatorily convertible bond amounting to $750 million. The bond is convertible into preferred shares of a wholly-owned Luxembourg subsidiary. The Company determined that the bond met the definition of a compound financial instrument in accordance with IFRS. As such, the Company determined the fair value of the financial liability component of the bond was $55 million on the date of issuance. As of December 31, 2009, $55 million is included in debt and carried at amortized cost. The value of the equity component of $695 million ($684 million net of tax and fees) was determined based on the difference of the cash proceeds received from the issuance of the bond and the fair value of the financial liability component on the date of issuance.

[2] Commercial paper is expected to continue to be rolled over in the normal course of business.

[3] Euro denominated loans converted at the euro: $ exchange rate of 1.4406 as at December 31, 2009.

In August 2009, Forward Start commitments of $3.175 billion were reinstated in connection with $4 Billion Revolving Credit Facility, effectively extending its maturity (to the extent of $3.175 billion) to 2012.

In 2007 and 2008, ArcelorMittal Finance had entered into bilateral credit facilities totaling €800 million ($1.2 billion). During the year ended December 31, 2008, all of these facilities were transferred to ArcelorMittal. These credit facilities were canceled in the third quarter of 2009.

In 2009, ArcelorMittal completed several capital markets transactions, the proceeds of which, totaling approximately $13.1 billion were principally used to refinance existing indebtedness. The transactions consisted of:

- an offering of €1.25 billion (approximately $1.6 billion) of 7.25% bonds convertible into and/or exchangeable for new or existing ArcelorMittal shares (OCEANE) due 2014 which closed on April 1, 2009;
- an offering of 140,882,634 common shares for $3.2 billion which closed on May 6, 2009 (described in further detail below);
- an offering of 5% convertible notes due 2014 for $800 million that was made and closed simultaneously with the offering of common shares;
- an offering of two series of U.S. dollar denominated notes (9% Notes due 2015 and 9.85% Notes due 2019) totaling $2.25 billion which closed on May 20, 2009;
- an offering of two series of euro-denominated notes (8.25% Notes due 2013 and 9.375% Notes due 2016) totaling €2.5 billion ($ 3.5 billion) which closed on June 3, 2009;
- an offering of $1 billion of U.S. dollar denominated 7% notes due 2039 which closed on October 1, 2009; and
- a private placement of a $750 million, 17-month mandatorily convertible bond by a wholly-owned Luxembourg subsidiary of the Company to a Luxembourg affiliate of Calyon, with the proceeds invested in notes linked to shares of Erdemir of Turkey and Macarthur Coal Limited of Australia, both of which are publicly-listed companies in which ArcelorMittal holds a minority stake. In ArcelorMittal's consolidated financial statements for the year ended December 31, 2009, the mandatorily convertible bond was recorded as non-controlling interest of $695 million ($684 million net of fees and tax) and $55 million as debt.

The offering of 140,882,634 common shares was priced at €17.10 (or $22.77) per share. Ispat International Investments, S.L. ('Ispat'), a holding company beneficially owned by Mr. Lakshmi N. Mittal and Mrs. Usha Mittal, subscribed for 14,088,263 common shares (or 10%) in the offering on a deferred-delivery basis. The offering was settled by the Company on May 6, 2009 (except with respect to Ispat) with 98 million common shares borrowed from Ispat pursuant to a share lending agreement, with the remainder settled using shares held in treasury. The Company returned the borrowed shares to, and delivered the shares subscribed by Ispat on June 22, 2009, pursuant to the issuance by the Company of 112,088,263 shares following shareholder approval at an extraordinary general meeting held on June 17, 2009 of a resolution broadening the authorization of the Board of Directors to increase the Company's share capital.

The Company lengthened its overall debt maturity profile in 2009 as a result of debt repayments made with proceeds from the Company's capital markets transactions. These actions had the effect of significantly reducing near-term refinancing requirements and have increased the average debt maturity of the Company to 4.8 years as of December 31, 2009, as compared to 2.6 years as of December 31, 2008. As of December 31, 2009, the balance of indebtedness scheduled to mature within three years was $9.9 billion in the aggregate, reduced from a total of $20.4 billion as of December 2008. Notwithstanding the reduction in total debt, ArcelorMittal's financing costs have increased as a result of its 2009 bond issuances.

In September 2009, the Company also established new targets for maintaining its gearing and leverage going forward, establishing a target range for gearing of between 25% to 40%, and also setting goals for leverage levels (which it measures by dividing net debt by EBITDA based on a yearly average EBITDA from January 1, 2004) of between 0.5x to 1.8x.

Further information regarding ArcelorMittal's outstanding long-term indebtedness as of December 31, 2009 is set forth in Note 14 to ArcelorMittal's consolidated financial statements.

Credit Ratings

ArcelorMittal's long-term corporate credit rating is currently BBB according to Standard & Poor's Rating Services and Fitch Ratings, and Baa3 according to Moody's Investors' Service.

On May 20, 2009, Fitch Ratings and Moody's both lowered their ratings for ArcelorMittal by one notch, from BBB+ to BBB, and Baa2 to Baa3, respectively, and assigned a stable outlook. On June 5, 2009, Standard & Poor's lowered its rating for ArcelorMittal from BBB+ to BBB and assigned a negative outlook, subject to continuing review in light of the very difficult economic climate. On July 31, 2009, Fitch Rating revised its outlook from stable to negative.

Market Information

ArcelorMittal is listed on the stock exchanges of New York, Amsterdam, Paris, Brussels and Luxembourg (MT) and on the Spanish stock exchanges of Barcelona, Bilbao, Madrid and Valencia (MTS).

ArcelorMittal, with its diversified business model, strong cash-flow and cost leadership position, is well placed to weather the current challenging economic environment and has the ambition to develop and balance its shareholder base on the major listed markets and to attract new investors.

ArcelorMittal remains optimistic about the industry's medium-term growth prospects, and is reinitiating cautiously some projects to capture growth in key emerging markets as deleveraging is completed.

Share price performance

As a result of the Group's strong initiatives to react to the crisis and the end of the destocking in the different regions of the world, the price of the ArcelorMittal share increased by 86% in 2009 and by 33% since the creation of the Group. Compared to the highest share price in early June 2008, the ArcelorMittal share price decreased by approximately 56% and reflects the economic environment which remains challenging.

Indexes

ArcelorMittal is member of more than 120 indices including the following leading indices: DJ STOXX 50, DJ EURO STOXX 50, CAC40, AEX, FTSE Eurotop 100, MSCI Pan-Euro, DJ Stoxx 600, S&P Europe 500, Bloomberg World Index and NYSE Composite Index. Recognized for its commitment to Sustainable Development, the Group is also a member of the FTSE4Good index.

Dividend

Considering the exceptional global economic conditions, ArcelorMittal's Board of Directors has recommended to maintain the annual dividend per share at $0.75 for 2010, subject to the approval of the annual general meeting of shareholders on May 11, 2010. Once market conditions have normalized, the Board of Directors will review the dividend policy.

The dividend payments will occur on a quarterly basis for the full year 2010 (see financial calendar). Dividends are announced in $ and paid in $ for shares listed on the New York Stock Exchange and paid in euros for shares listed on the European stock exchanges (The Netherlands, France, Spain, Luxembourg and Belgium).

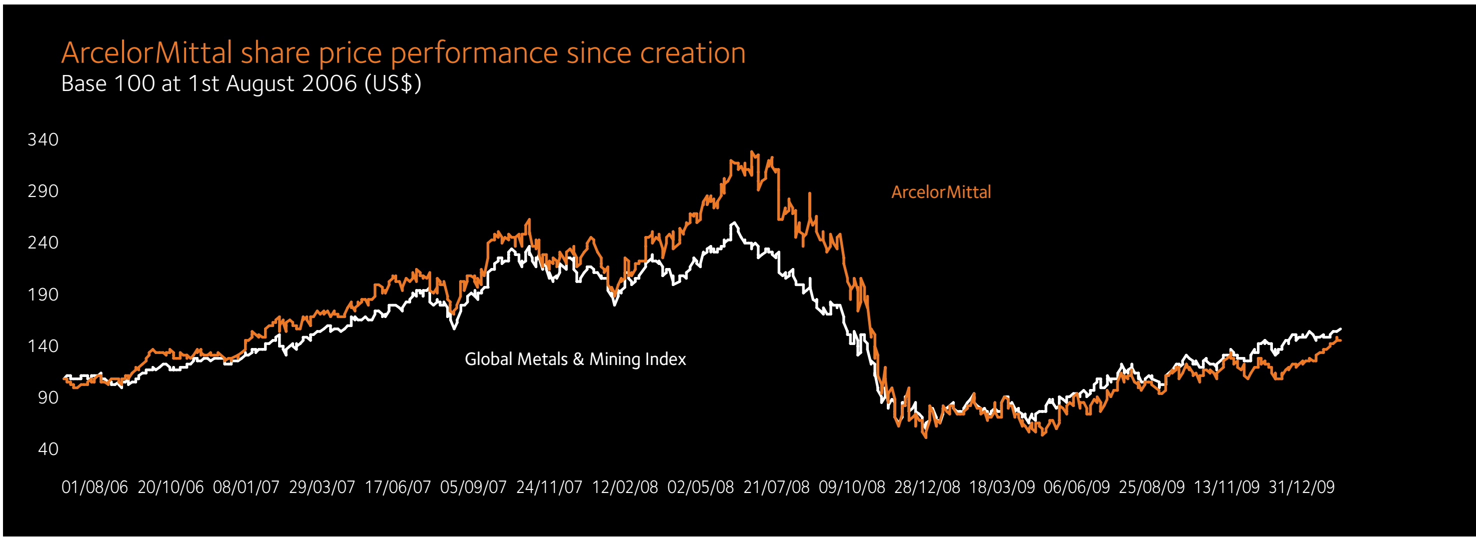
Investor Relations

By implementing high standards of financial information disclosure and providing clear, regular, transparent and even-handed information to all its shareholders, ArcelorMittal aims to be the first choice for investors in the sector.

To meet this objective and provide information to fit the needs of all parties, ArcelorMittal has decided to implement an active and broad communications policy: road shows with the financial community, conference calls, plant visits, meetings with individual investors, a virtual meeting and conference center on Second Life and a website featuring management comments on quarterly, half-year and full-year results.

Individual Investors

ArcelorMittal's senior management plans to meet individual investors and shareholder associations in road shows throughout 2010. In order to improve the communication and debate with its individual investors, ArcelorMittal has opened a virtual meeting and conference center on Second Life. The ArcelorMittal virtual meeting and conference center enables investors to have access to Group documentation, corporate videos, discuss in real time with Company representatives or other shareholders present on the location or leave questions in the dedicated question box. This is also the optimal location to arrange interactive Group presentations and courses. A dedicated toll free number for individual investors is available at 00800 4792 4792. Requests for information or meetings on the virtual meeting and conference center may also be sent to: *PrivateInvestors@arcelormittal.com*



Analysts and Investors

As the world's leading steel Company and major investment vehicle in the steel sector, ArcelorMittal constantly seeks to develop relationships with financial analysts and international investors. Depending on their geographical location, investors may use the following e-mails:
InstitutionalsAmericas@arcelormittal.com
InstitutionalsEurope@arcelormittal.com

Socially Responsible Investors

The Investor Relations team is also a privileged source of information the growing Socially Responsible Investment community. The team organizes special events on ArcelorMittal's Corporate Responsibility strategy and answers all requests for information sent to the Group (*SRI@arcelormittal.com*).

Credit and Fixed Income Investors

Credit, Fixed Income Investors and rating agency are followed by a dedicated team from Investor Relations (*CreditFixedIncome@arcelormittal.com*).

Financial Calendar

Financial Results*	
February 10, 2010	Results for 4th quarter 2009 and 12 months 2009
April 29, 2010	Results for 1st quarter 2010
July 28, 2010	Results for 2nd quarter 2010 and 6 months 2010
October 26, 2010	Results for 3rd quarter 2010 and 9 months 2010

** Earnings results are issued before the opening of the stock exchanges on which ArcelorMittal is listed.*

Dividend payment	
March 15, 2010	1st quarterly payment of base dividend (interim dividend)
June 14, 2010	2nd quarterly payment of base dividend**
September 13, 2010	3rd quarterly payment of base dividend**
December 15, 2010	4th quarterly payment of base dividend**

*** Subject to shareholder approval.*

Shareholder and investor meetings	
March 24 and 26, 2010	Plant tour with analysts and institutional investors
May 11, 2010	Annual shareholder meeting in Luxembourg
June 16, 2010	Individual investor event
September 15, 2010	Investor Day with Group Management Board members

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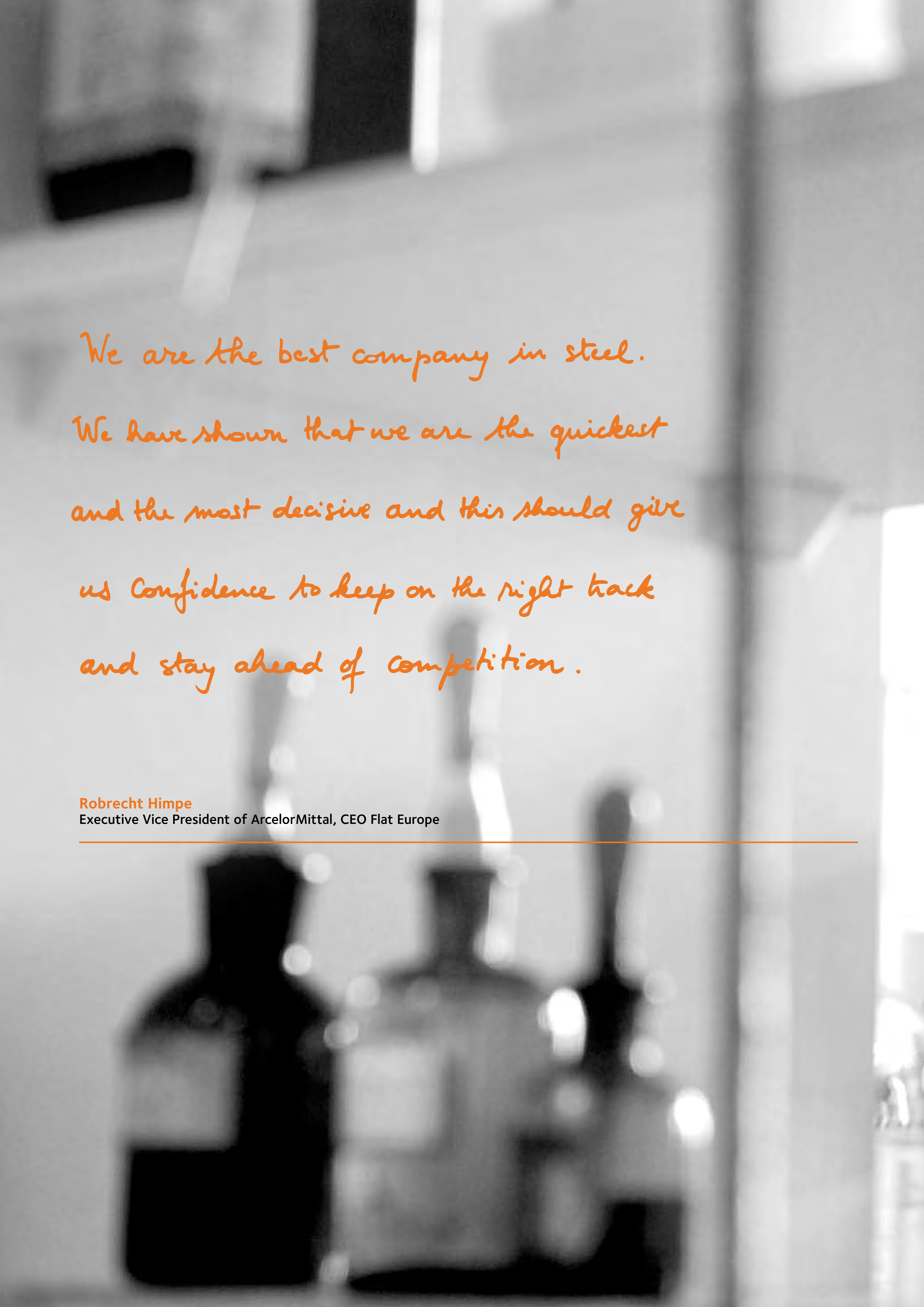


We are the best company in steel. We have shown that we are the quickest and the most decisive and this should give us confidence to keep on the right track and stay ahead of competition.

Robrecht Himpe
Executive Vice President of ArcelorMittal, CEO Flat Europe

Corporate Governance

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.

A number of corporate governance provisions in the Articles of Association of ArcelorMittal reflect provisions of the Memorandum of Understanding signed on June 25, 2006 (prior to Mittal Steel's acquisition of Arcelor), amended in April 2008, and which partly expired on August 1, 2009 (the 'MoU').

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. None of the members of the Board of Directors, except for the Chief Executive Officer, may hold an executive position or executive mandate within ArcelorMittal or any entity controlled by ArcelorMittal.

Mr. Lakshmi N. Mittal was elected Chairman of the Board of Directors on May 13, 2008. Mr. Mittal is also ArcelorMittal's Chief Executive Officer.

As of date hereof, the Board of Directors is comprised of 11 members in total: 10 non-executive directors and one executive director. The Chief Executive Officer of ArcelorMittal is the sole executive director.

Eight of the 11 members of the Board of Directors are independent. A director is considered 'independent' if (a) he or she is independent within the meaning of the Listed Company Manual of the New York Stock Exchange, as amended from time to time, or any successor manual or provisions, subject to the exemptions available for foreign private issuers (the 'NYSE standards'), (b) he or she is unaffiliated with any shareholder owning or controlling more than two percent of the total issued share capital of ArcelorMittal, and (c) the Board of Directors makes an affirmative determination to this effect. 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 of the Company.

The Articles of Association provide that directors are elected and removed by the general meeting of shareholders by a simple majority of votes cast. No shareholder has any specific right to nominate, elect or remove directors. Directors are elected by the general meeting of shareholders for three-year terms. In the event that a vacancy arises on the Board of Directors for any reason, the remaining members of the Board of Directors may, by a simple majority elect a new director to temporarily fulfill the duties attaching to the vacant post until the next general meeting of the shareholders.

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

General

Luxembourg law permits the Board of Directors to engage the services of external experts or advisers, as well as to take all actions necessary or useful to implement the Company's corporate purpose.

Meetings

The Board of Directors meets when convened by the Chairman of the Board or two members of the Board of Directors. The Board of Directors holds physical meetings at least on a quarterly basis as five regular meetings are scheduled per year. The Board of Directors holds additional meetings if and when circumstances require, in person or by teleconference. The Board of Directors held seven meetings in 2009. The average attendance rate of the directors at the Board of Directors' meetings held in 2009 was 86%.

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. In the absence of the Chairman, the Board of Directors will appoint by majority vote a chairman 'pro tempore' for the meeting in question. 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. For any meeting of the Board of Directors, a director may designate another director to represent him or her and vote in his or her name, provided that the director so designated may not represent more than one of his or her colleagues at any time.

Votes

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 validly constituted meeting.

Lead Independent Director

In April 2008, the Board of Directors created the role of Lead Independent Director. The Lead Independent Director replaces the 'President' of the Board of Directors as previously provided by the MoU and his or 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 of Directors 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.

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.

Board of Directors Self-Evaluation and Continuing Education Program

The Board of Directors decided in 2008 to conduct an annual self-evaluation of its functioning in order to identify potential areas for improvement. The first self-evaluation process was carried out in early 2009. The self-evaluation process was implemented through a questionnaire addressed to each director and a different questionnaire addressed to each member of the Board's Committees. The process is coordinated by the Company Secretary under the supervision of the Chairman and the Lead Independent Director. Its findings are examined by the Appointments, Remuneration and Corporate Governance Committee and presented with recommendations to the Board of Directors for implementation. The second self-evaluation began in December 2009 and is currently in progress.

The Board of Directors believes that its members have the appropriate range of skills, knowledge and experience necessary to enable them to effectively govern the Company's business.

To further bolster these skills, the Board of Directors launched in 2009 a continuous education program for its members. The topics to be addressed through the program include areas of importance for the future growth and development of the Company (e.g., strategy, marketing, human resources, industrial development, corporate governance, legal and regulatory). Additional topics may be added at the request of the members of the Board of Directors. The education program usually consists of an introduction by recognized experts in the relevant fields, who may be practitioners or academics, followed by a facilitated discussion between the presenter and the Board of Directors. The members of the Board of Directors also have the opportunity to participate in specific programs designed for directors of publicly listed companies at reputable academic institutions and business schools. The Board of Directors has a yearly budget dedicated to the continuing education program.

Separate Meetings of Independent Directors

The independent members of the Board of Directors may schedule meetings outside the presence of non-independent directors. Five meetings of the independent directors outside the presence of management and non-independent directors were held in 2009.

Board of Directors Committees

The Board of Directors has three committees: the Audit Committee, the Appointments, Remuneration and Corporate Governance Committee and the Risk Management Committee. The creation of the Risk Management Committee was announced on June 5, 2009.

Audit Committee

The Audit Committee must be composed solely of independent members of the Board of Directors. The members are appointed by the Board of Directors each year after the annual general meeting. The members must be independent as defined in Rule 10A-3 of the U.S. Securities Exchange Act of 1934, as amended. 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 senior 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 four members of the Audit Committee are Messrs. Narayanan Vaghul, José Ramón Álvarez Rendueles, Wilbur L. Ross and Antoine Spillmann, each of whom is an independent director according to the NYSE standards and the 10 Principles of Corporate Governance of the Luxembourg Stock Exchange. The Chairman of the Audit Committee is Mr. Vaghul, who has significant experience and financial expertise. Mr. Vaghul was until April 2009 the non-executive chairman of ICICI Bank Ltd., a major Indian commercial bank also listed on the NYSE. He is also a former chairman of the Mumbai (Bombay) Stock Exchange. Mr. Álvarez Rendueles, a former Governor of the Banco de España, former President of the Banco Zaragozano and former chairman of Aceralia (which after a three-way merger in 2002 became part of Arcelor) also has significant experience and financial expertise. Mr. Ross was the Chairman of International Steel Group (ISG) from its creation until its acquisition by ArcelorMittal in 2005. He is the Chairman of a number of international companies including the International Auto Components Group 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. Mr. Spillmann also has significant financial expertise, having worked for several major banks, mainly in the United Kingdom, and is currently an executive partner at Bruellan, an asset management firm in Geneva, Switzerland.

The Committee may also seek the advice of outside experts. According to its charter, the Audit Committee is required to meet at least four times a year. During 2009, the Audit Committee met seven times. The average attendance rate of the directors at the Audit Committee meetings held in 2009 was 75%.

Appointments, Remuneration and Corporate Governance Committee

The Appointments, Remuneration and Corporate Governance Committee (the 'ARCG Committee') is comprised of three directors, each of whom is independent under the NYSE standards and the 10 Principles of Corporate Governance of the Luxembourg Stock Exchange. The members are appointed by the Board of Directors each year after the annual general meeting of shareholders. The ARCG Committee makes decisions by a simple majority with no member having a casting vote.

The Board of Directors has established the ARCG Committee to:

- determine, on its behalf and on behalf of the shareholders within agreed terms of reference ArcelorMittal's compensation framework, including the 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 Directors' self-assessment process; and
- develop, monitor and review corporate governance principles applicable to ArcelorMittal.

The ARCG 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 ARCG Committee may seek the advice of outside experts. The three members of the ARCG Committee are Lewis B. Kaden, HRH Prince Guillaume of Luxembourg and Narayanan Vaghul, each of whom is independent in accordance with the NYSE standards and the 10 Principles of Corporate Governance of the Luxembourg Stock Exchange. The Chairman of the ARCG Committee is Mr. Kaden.

The ARCG Committee is required to meet at least twice a year. During 2009, this committee met five times. The average attendance rate at the ARCG Committee meetings held in 2009 was 77%.

Risk Management Committee

As announced on June 5, 2009, the Board of Directors created a Risk Management Committee to assist it with risk management, in line with recent developments in corporate governance best practices and in parallel with the creation of a Group Risk Management Committee ('GRMC') at the executive level.

The members are appointed by the Board of Directors each year after the annual general meeting of shareholders. The Risk Management Committee must be comprised of at least two members. At its creation, the Risk Management Committee had two members, Antoine Spillmann and Georges Schmit. Sudhir Maheshwari, a member of the Group Management Board who chairs the GRMC, is an invitee to the meetings of the Risk Management Committee. At least half of the members of the Risk Management Committee must be independent under the NYSE standards and the 10 Principles of Corporate Governance of the Luxembourg Stock Exchange. Mr. Schmit resigned from the Board of Directors effective December 31, 2009. His replacement on the Risk Management Committee is Jeannot Krecké, effective February 10, 2010.

The Risk Management Committee met for the first time on July 28, 2009 and had a total of two meetings in 2009. According to its charter, it is required to meet at least four times per year on a quarterly basis or more frequently if circumstances so require. The average attendance rate at the Risk Management Committee meetings held in 2009 was 100%.

The members of the Risk Management Committee may decide to appoint a Chairman by majority vote. Mr. Spillmann was designated as Chairman. The Chairman of the GRMC will be an invitee to the Risk Management Committee and, in addition, it may invite any other member of the GRMC or any other expert from within the ArcelorMittal group to participate in a meeting. The Risk Management Committee may also seek the advice of outside experts.

Decisions and recommendations of the Risk Management Committee are adopted at a simple majority. In case of deadlock, any Committee member may bring the matter before the Board of Directors. The Chairman or, in the absence of the Chairman, any other member of the Risk Management Committee, will report to the Board of Directors at each of the latter's quarterly meetings or more frequently if circumstances so require. The Risk Management Committee will conduct an annual self-evaluation of its own performance, its interaction with the GRMC and the Board of Directors as well as of its effectiveness and compliance with its charter.

The purpose of the Risk Management Committee is to support the Board of Directors in fulfilling its corporate governance and oversight responsibilities by assisting with the monitoring and review of the risk management framework and process of ArcelorMittal. Its main responsibilities and duties are to assist the Board of Directors by developing recommendations regarding the following matters:

- The oversight, development and implementation of a risk identification and management process and the review and reporting on the same in a consistent manner throughout the ArcelorMittal Group;
- The review of the effectiveness of the Group-wide risk management framework, policies and process at Corporate, Segment and Business Unit levels, and the proposing of improvements, with the aim of ensuring that the Group's management is supported by an effective risk management system;
- The promotion of constructive and open exchanges on risk identification and management among senior management (through the GRMC), the Board of Directors, the Internal Assurance department, the Legal Department and other relevant departments within the ArcelorMittal Group;
- The review of proposals for assessing, defining and reviewing the risk appetite/ tolerance level of the Group and ensuring that appropriate risk limits/tolerance levels are in place, with the aim of helping to define the Group's risk management strategy;
- The review of the Group's internal and external audit plans to ensure that they include a review of the major risks facing the ArcelorMittal Group; and
- Making recommendations within the scope of its charter to ArcelorMittal's senior management and to the Board of Directors about senior management's proposals concerning risk management.

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 and 15 other senior executive officers. 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.

Succession Planning

Succession management at ArcelorMittal is a systematic and deliberate process for identifying and preparing employees with potential to fill key organizational positions should the current incumbent's term expire. This process applies to all ArcelorMittal executives up to and including the Group Management Board. Succession management aims to ensure the continued effective performance of the organization by providing for the availability of experienced and capable employees who are prepared to assume these roles as they become available. For each position, candidates are identified based on performance and potential and their 'years to readiness' and development needs are discussed and confirmed. Regular reviews of succession plans are conducted to ensure that they are accurate and up to date. Succession management is a necessary process to reduce risk, create a pipeline of future leaders, ensure smooth business continuity and improve employee motivation. Although ArcelorMittal's predecessor companies each had certain succession planning processes in place, the process has been reinforced, widened and made more systematic since 2006.

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 Company N.V., which was at that time the parent company of the combined ArcelorMittal Group.

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 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*

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 Anti-Fraud Policy and 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 Anti-Fraud and Whistleblower Policy, concerns with regard to possible fraud or 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 Anti-Fraud Policy and Code of Business Conduct are also available in each of the main working languages used within the Group.

During 2009, 126 total complaints were referred to the Company's Internal Assurance team (described below). Following review, none of these complaints was found to be significant.

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 IDR's most recent version 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. ArcelorMittal maintains a list of insiders as required by the Luxembourg market manipulation (*abus de marché*) law of May 9, 2006. 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 cooperate.

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 Company 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.

Compensation

Board of Directors

The total annual compensation of the members of ArcelorMittal's Board of Directors paid in 2008 and 2009 was as follows:

(Amounts in $ thousands except option information)	Year ended December 31, 2008	Year ended December 31, 2009
Base salary and/or directors fees	$5,569	$4,290
Short-term performance-related bonus	2,200	2,115
Long-term incentives (number of options)	60,000	60,000

The annual compensation paid to the members of ArcelorMittal's Board of Directors for services in all capacities in 2008 and 2009 was as follows:

(Amounts in $ thousands except option information)	2008[1]	2009[1]	2008 Short-term Performance Related	2009 Short-term Performance Related	2008 Long-term Number of Options	2009 Long-term Number of Options
Lakshmi N. Mittal	$1,916	$1,492	$2,200	$2,115	60,000	60,000
Vanisha Mittal Bhatia	199	164	—	—	—	—
Narayanan Vaghul	240	200	—	—	—	—
Malay Mukherjee[2]	—	154	—	—	—	—
Wilbur L. Ross, Jr.	224	177	—	—	—	—
Lewis B. Kaden	221	246	—	—	—	—
François Pinault	176	144	—	—	—	—
Joseph Kinsch[3]	368	99	—	—	—	—
José Ramón Álvarez Rendueles	227	184	—	—	—	—
Sergio Silva de Freitas[4]	206	168	—	—	—	—
Georges Schmit[5]	196	164	—	—	—	—
Edmond Pachura[6]	227	67	—	—	—	—
Michel Angel Marti[7]	199	164	—	—	—	—
Manuel Fernández López[8]	187	56	—	—	—	—
Jean-Pierre Hansen[9]	199	151	—	—	—	—
John Castegnaro	199	164	—	—	—	—
Antoine Spillmann[10]	196	164	—	—	—	—
HRH Prince Guillaume de Luxembourg	199	161	—	—	—	—
Romain Zaleski[11]	190	27	—	—	—	—
Ignacio Fernández Toxo[12]	—	144	—	—	—	—
Total	**5,569**	**4,290**	**2,200**	**2,115**	**60,000**	**60,000**

1 *Represents actual payments made to directors in a calendar year. Compensation with respect to 2007 (paid after shareholder approval at the annual general meeting held on May 13, 2008), and attendance fees for 2007 amounting to approximately $0.4 million (paid in February 2008) are included in the 2008 column. Compensation with respect to 2008 (paid after shareholder approval at the annual general meeting held on May 12, 2009) and attendance fees for 2008 amounting to approximately $0.4 million (paid in February 2009) are included in the 2009 column. Compensation and attendance fees with respect to 2009 will be paid in 2010 and are not included in the 2009 column.*

2 *Mr. Mukherjee was elected to ArcelorMittal's Board of Directors on May 13, 2008, prior to which he was a Member of the Group Management Board, responsible for Asia, Africa, Mining and CIS. Mr. Mukherjee was compensated as a member of senior management in 2008 until his appointment to the Board, and as a Director thereafter. The table above relates solely to compensation received by Mr. Mukherjee while a Director. Mr. Mukherjee resigned effective as of September 1, 2009.*

3 *The mandate of Mr. Kinsch ended on May 13, 2008.*

4 *The mandate of Mr. Silva de Freitas ended on May 12, 2009.*

5 *Mr. Schmit resigned effective as of December 31, 2009.*

6 *The mandate of Mr. Pachura ended on May 13, 2008.*

7 *The mandate of Mr. Marti ended on May 12, 2009.*

8 *Mr. Fernández López resigned on May 13, 2008.*

9 *The mandate of Mr. Hansen ended on May 12, 2009.*

10 *Mr. Spillmann was elected to ArcelorMittal's Board of Directors on May 13, 2008, replacing Corporación JMAC. Mr. Spillmann had been the representative of Corporación JMAC on the Board before May 13, 2008. Compensation received by Mr. Spillmann both as a representative of Corporación JMAC and as a Director in his own right is included in this table.*

11 *Mr. Zaleski resigned on March 5, 2008.*

12 *Mr. Fernández Toxo was elected to ArcelorMittal's Board of Directors on May 13, 2008. Mr. Fernández Toxo resigned effective as of May 12, 2009.*

On February 10, 2009, the Board of Directors decided that it would propose to the next annual general meeting of shareholders to reduce the annual compensation of board members (including that of the Chairman and Chief Executive Officer) by 15% as compared to the previous year as an additional measure in light of prevailing difficult conditions in the steel industry and to show leadership and solidarity with the Company's employees affected by redundancies and temporary lay-offs. The proposal was approved by the annual general meeting held on May 12, 2009.

As of December 31, 2008 and 2009, ArcelorMittal did not have outstanding any loans or advances to members of its Board of Directors and, as of December 31, 2009, ArcelorMittal had not given any guarantees for the benefit of any member of its Board of Directors.

The following table provides a summary of the options outstanding and the exercise price of the options granted to ArcelorMittal's Board of Directors as of December 31, 2009 (in 2001, 2003 and 2004, no options were granted to members of ArcelorMittal's Board of Directors):

	Granted in 2000	Granted in 2002	Granted in 2005	Granted in 2006	Granted in 2007	Granted in 2008	Granted in 2009	Total	Weighted Average Exercise Price
Lakshmi N. Mittal	80,000	80,000	100,000	100,000	60,000	60,000	60,000	540,000	$33.75
Vanisha Mittal Bhatia	—	—	—	—	—	—	—	—	—
Narayanan Vaghul	—	—	—	—	—	—	—	—	—
Malay Mukherjee[13]	—	—	—	—	—	—	—	—	—
Wilbur L. Ross	—	—	—	—	—	—	—	—	—
Lewis B. Kaden	—	—	—	—	—	—	—	—	—
François Pinault	—	—	—	—	—	—	—	—	—
José Ramón Álvarez Rendueles	—	—	—	—	—	—	—	—	—
Sergio Silva de Freitas[14]	—	—	—	—	—	—	—	—	—
Georges Schmit[15]	—	—	—	—	—	—	—	—	—
Michel Angel Marti[16]	—	—	—	—	—	—	—	—	—
Jean-Pierre Hansen[17]	—	—	—	—	—	—	—	—	—
John Castegnaro	—	—	—	—	—	—	—	—	—
Antoine Spillmann	—	—	—	—	—	—	—	—	—
HRH Prince Guillaume de Luxembourg	—	—	—	—	—	—	—	—	—
Ignacio Fernández Toxo[18]	—	—	—	—	—	—	—	—	—
Total	**80,000**	**80,000**	**100,000**	**100,000**	**60,000**	**60,000**	**60,000**	**540,000**	**—**
Exercise price	$8.57	$2.26	$28.75	$33.76	$64.30	$82.57	$38.30	—	$33.75
Term (in years)	10	10	10	10	10	10	10	—	—
Expiration date	Jun. 1, 2010	Apr. 5, 2012	Aug. 23, 2015	Sep. 1, 2016	Aug. 2, 2017	Aug. 5, 2018	Aug. 4, 2019	—	—

Senior Management

The total compensation paid in 2009 to members of ArcelorMittal's senior management (including Lakshmi N. Mittal in his capacity as CEO) was $15.4 million in base salary (including various allowances paid in cash) and $18.1 million in short-term performance related variable pay, which included a bonus linked to 2008 results and the first part of a bonus linked to 2009 results that was paid partly with cash and partly with share-based compensation. As of December 31, 2009, approximately $1.2 million was accrued by ArcelorMittal to provide pension benefits to its senior management.

In connection with the Board of Directors' decision in February 2009 to reduce its compensation in light of conditions in the steel market, Group Management Board members voluntarily decided to reduce their salary by 12%, and the members of the Management Committee voluntarily decided to reduce their salary by 10%, as compared to the previous year.

No loans or advances to ArcelorMittal's senior management were made during 2009 and no such loans or advances were outstanding as of December 31, 2009.

[13] Mr. Mukherjee was elected to ArcelorMittal's Board of Directors on May 13, 2008, prior to which point he was a member of the Group Management Board responsible for Asia, Africa, Mining and CIS. Mr. Mukherjee was compensated as a member of senior management in 2007 and in 2008 until his appointment to the Board of Directors on May 13, 2008, and as a director since then. Mr. Mukherjee resigned from the Board of Directors effective as of September 1, 2009.

[14] The mandate of Mr. Silva de Freitas ended on May 12, 2009.

[15] Mr. Schmit resigned effective as of December 31, 2009.

[16] The mandate of Mr. Marti ended on May 12, 2009.

[17] The mandate of Mr. Hansen ended on May 12, 2009.

[18] Mr. Fernández Toxo resigned effective as of May 12, 2009.

Board of Directors and Senior Management Compensation Policy

Philosophy

The ArcelorMittal Compensation Policy for executives is based on the following principles:

- Provide total compensation competitive with executive compensation levels of industrial companies of a similar size and scope;
- Promote internal equity and market median base pay levels for our executives, combined with 'pay for performance';
- Motivate managers towards the achievement of Group-wide and personal goals, including efficiency and growth; and
- Retain individuals who consistently perform at expected levels and contribute to the success of the organization.

Governance Principles

The Appointments, Remuneration and Corporate Governance Committee of ArcelorMittal draws up proposals annually for the Board of Directors on ArcelorMittal's executive compensation. The Committee also prepares proposals on the fees to be paid annually to the members of the Board of Directors. Such proposals relating to executive compensation comprise the following elements:

- Fixed annual salary;
- Short-term incentives, e.g., performance-related bonus; and
- Long-term incentives, e.g., stock options.

They apply to the following group of senior executives:

- the Chief Executive Officer;
- the members of the Group Management Board; and
- the members of the Management Committee.

Decisions on short- and long-term incentive plans may apply to a larger group of employees. The Appointments, Remuneration and Corporate Governance Committee receives updates about the application of these plans on a regular basis.

Fixed Annual Salary

The size of the fixed annual salary is targeted to the median salary level of the peer group of companies, i.e., industrial companies of a similar size and scope. The base salary levels are reviewed annually to ensure that ArcelorMittal remains competitive.

Short-Term Incentives: Performance-Related Bonus

ArcelorMittal has a discretionary bonus plan. The performance of the ArcelorMittal Group as a whole, the performance of the relevant business units, the achievement of specific objectives and the individual's overall performance and potential determine the outcome of the bonus calculation. This bonus plan, called the Global Performance Bonus Plan, is applicable to more than 2,000 executives and managers worldwide.

The bonus is calculated as a percentage of the individual's base salary. Different percentage ranges are used depending on the hierarchical level of the individual. Performance-related bonuses are paid only if certain minimum performance thresholds are exceeded by the ArcelorMittal Group as a whole and/or the relevant business segment.

In 2009, the Global Performance Bonus was divided into two parts, with 30% related to the Company's objectives during the first six months of the year in order to focus management on the short-term and rapid actions required in response to the economic crisis. Wherever possible, 40% of the 2008 Global Performance Bonus and 2009 Global Performance Bonus were paid in shares as per the resolution approved by the annual general meeting of May 12, 2009.

Long-Term Incentives: Stock Options

The Chief Executive Officer, the Group Management Board members and the Management Committee members benefit from the Global Stock Option Plan. This plan also applies to a larger group of employees. The overall cap on options available for grants during a year is approved by the shareholders at the annual general meeting.

Other Benefits

In addition to the main compensation elements described above, other benefits may be provided to executives, such as company cars and contributions to pension plans and insurance policies.

Stock Option Plan

In 1999, the Company established the ArcelorMittal Global Stock Option Plan, known as 'ArcelorMittalShares' with a duration of 10 years. As the initial plan reached expiration, a new 'ArcelorMittal Global Stock Option Plan 2009-2018' was adopted by the annual general meeting shareholders on May 12, 2009 and took effect as of May 15, 2009. Under the terms of this new stock option plan, ArcelorMittal may grant options to purchase common stock to senior management of ArcelorMittal and its associates for up to 100,000,000 shares of common stock. The exercise price of each option equals not less than the fair market value of ArcelorMittal stock on the grant date, with a maximum term of 10 years. Options are granted at the discretion of ArcelorMittal's Appointments, Remuneration and Corporate Governance Committee, or its delegate. The options vest either ratably upon each of the first three anniversaries of the grant date, or, in total, upon the death, disability or retirement of the participant.

On August 5, November 10 and December 15, 2008, ArcelorMittal granted 7,255,950, 20,585 and 48,000 options, respectively, under the ArcelorMittalShares plan to a group of key employees at an exercise price of $82.57, $22.25 and $23.75, respectively. The options expire on August 5, November 10 and December 15, 2018, respectively.

On August 4, 2009, ArcelorMittal granted 6,128,900 options under the new ArcelorMittal Global Stock Option Plan 2009-2018 to a group of key employees at an exercise price of $38.30. The options expire on August 4, 2019.

The Company determines the fair value of the options at the date of grant using the Black-Scholes option pricing model. The fair values for options and other share-based compensation are recorded as expenses in the consolidated statement of operations over the relevant vesting or service periods, adjusted to reflect actual and expected levels of vesting.

The fair value of each option grant to purchase ArcelorMittal common shares is estimated on the date of the grant using the Black-Scholes option pricing model with the following weighted average assumptions (based on the year of the grant):

	2008	2009
Exercise Price	$82.57–22.25	$38.30
Dividend yield	1.82%–6.74%	1.96%
Expected annualized volatility	45%–57%	62%
Discount rate – bond equivalent yield	4.02%–2.52%	3.69%
Weighted average share price	$82.57–22.25	$38.30
Expected life in years	6	6
Fair value of options (per share)	$34–9	$20

The expected life of the options is estimated by observing general option holder behavior and actual historical lives of ArcelorMittal stock option plans. In addition, the expected annualized volatility has been set by reference to the implied volatility of options available on ArcelorMittal shares in the open market, as well as historical patterns of volatility.

The compensation expense recognized for stock option plans was $228 million and $176 million for the years ended December 31, 2008, and 2009, respectively.

Option activity with respect to ArcelorMittalShares is summarized below as of and for the years ended December 31, 2008, and 2009:

	Number of Options	Range of Exercise Prices (per option)	Weighted Average Exercise Price (per option)
Outstanding, December 31, 2007	13,579,438	$2.26–74.54	$46.15
Granted	7,324,535	22.25–82.57	82.01
Exercised	(954,844)	2.26–64.30	31.88
Canceled	(347,034)	2.26–82.57	51.28
Forfeitures	(43,629)	28.75–64.30	43.35
Outstanding, December 31, 2008	19,558,466	2.26–82.57	60.01
Granted	6,128,900	38.30	38.30
Exercised	(456,251)	2.26–33.76	24.56
Canceled	(539,023)	33.76–82.57	70.02
Forfeitures	(644,712)	2.26–82.57	52.20
Outstanding, December 31, 2009	**24,047,380**	**2.26–82.57**	**55.22**
Exercisable, December 31, 2009	11,777,703	2.26–82.57	52.46
Exercisable, December 31, 2008	6,011,214	2.26–82.57	39.75
Exercisable, December 31, 2007	2,595,164	2.26–64.30	24.49

The following table summarizes certain information regarding total stock options of the Company outstanding as of December 31, 2009:

	Options Outstanding		
Exercise Prices (per option)	Number of options	Weighted average contractual life (in years)	Options exercisable (number of options)
82.57	6,831,783	8.60	2,379,762
74.54	13,000	7.95	8,666
64.30	5,244,202	7.59	3,571,929
43.40	1,394,326	3.50	1,394,326
38.30	6,121,900	9.60	27,000
33.76	2,425,857	6.67	2,425,434
28.75	1,552,547	5.65	1,552,547
23.75	48,000	8.96	15,998
22.25	20,585	8.87	6,861
20.38	11,429	2.50	11,429
16.53	29,373	1.50	29,373
8.57	150,200	0.42	150,200
2.26	204,178	2.26	204,178
$2.26 – 82.57	**24,047,380**	**7.84**	**11,777,703**

Share Ownership

As of December 31, 2009, the aggregate beneficial share ownership of ArcelorMittal directors and senior management (31 individuals) totaled 1,887,008 ArcelorMittal shares (excluding shares owned by ArcelorMittal's Significant shareholder and including options to acquire 1,013,386 ArcelorMittal common shares that are exercisable within 60 days of December 31, 2009), representing 0.12% of the total issued share capital of ArcelorMittal. Excluding options to acquire ArcelorMittal common shares, these 31 individuals beneficially own 873,622 ArcelorMittal common shares.

Other than the Significant shareholder, each director and member of senior management beneficially owns less than 1% of ArcelorMittal's shares. The percentage of total common shares (including treasury stock) in the possession of the Significant shareholder decreased from 44.79% prior to November 13, 2007 to 43.05% after that date as a result of the second step of the merger of Mittal Steel and Arcelor. In 2009 the percentage of total common shares (including treasury stock) in the possession of the Significant shareholder decreased further to 40.84% as a result of the offering of 140,882,634 shares, of which the Significant shareholder acquired 10%. To close this offering, 112,088,263 new shares were offered and 28,794,371 shares were taken from treasury. In 2008, the number of ArcelorMittal options granted to directors and then-senior management (including the Significant shareholder) was 693,000 at an exercise price of $82.57. In 2009, the number of ArcelorMittal options granted to directors and senior management (including the Significant shareholder) was 761,500 at an exercise price of $38.30. The Mittal Steel and ArcelorMittal options vest either ratably upon each of the first three anniversaries of the grant date (or in total upon the death, disability or retirement of the grantee) and expire ten years after the grant date.

In 2001, 2003 and 2004, no options were granted to members of Mittal Steel's senior management.

In accordance with the Luxembourg Stock Exchange's Ten Principles of Corporate Governance, independent non-executive members of ArcelorMittal's Board of Directors do not receive share options.

Employee Share Purchase Plan (ESPP)

At the Annual General Shareholders' meeting held on May 12, 2009, the shareholders adopted an Employee Share Purchase Plan as part of a global employee engagement and participation policy. As with the previous Employee Share Purchase Plan implemented in 2008, the plan's goal was to strengthen the link between the Group and its employees and to align the interests of ArcelorMittal employees and shareholders. The main features of the plan, which was implemented in November 2009, were the following:

The plan was offered to 204,072 employees in 22 jurisdictions. ArcelorMittal offered a maximum total number of 2,500,000 shares (0.2% of the current issued shares on a fully diluted basis). A total of 392,282 shares were subscribed, 1,300 of which were subscribed by Members of the Group Management Board and the Management Committee of the Company. The subscription price was $36.56 before discounts. The subscription ran from November 10, 2009 until November 19, 2009 and was settled with treasury shares on January 21, 2010.

Pursuant to the plan, eligible employees could apply to purchase a number of shares not exceeding that number of whole shares equal to the lower of (1) 200 shares and (2) the number of whole shares that may be purchased for $15,000 (rounded down to the nearest whole number of shares).

The purchase price was equal to the average of the opening and the closing prices of the ArcelorMittal shares trading on the NYSE on the exchange day immediately preceding the opening of the subscription period, which is referred to as the 'reference price,' less a discount equal to:

(a) 15% of the reference price for a purchase order not exceeding the lower of (1) 100 shares, and (2) the number of shares (rounded down to the nearest whole number) corresponding to an investment of $7,500 (the first cap); and thereafter;

(b) 10% of the reference price for any additional acquisition of shares up to a number of shares (including those in the first cap) not exceeding the lower of (x) 200 shares, and (y) the number of shares (rounded down to the nearest whole number) corresponding to an investment of $15,000 (the second cap).

All shares purchased under the ESPP are currently held in custody for the benefit of the employees in global accounts opened by BNP Paribas Securities Services, except for shares purchased by Canadian and U.S. employees, which are held in custody in one global account maintained by Mellon Investors LLC Services.

Shares purchased under the plan are subject to a three-year lock-up period as from the settlement date, except for the following early exit events: permanent disability of the employee, termination of the employee's employment or death of the employee. At the end of this lock-up period, the employees will have a choice either to sell their shares (subject to compliance with ArcelorMittal's insider dealing regulations) or keep their shares and have them delivered to their personal securities account or make no election, in which case shares will be automatically sold. Shares may be sold or released within the lock-up period in the case of early exit events.

During this period, and subject to the early exit events, dividends paid on shares are held for the employee's account and accrue interest. Employee shareholders are entitled to any dividends paid by ArcelorMittal after the settlement date and they are entitled to vote their shares.

The following table summarizes outstanding share options, as of December 31, 2009, granted to the members of senior management of ArcelorMittal (or its predecessor company Mittal Steel, depending on the year):

	Year of Grant 2000	Year of Grant 2002	Year of Grant 2005	Year of Grant 2006	Year of Grant 2007	Year of Grant 2008	Year of Grant 2009	Total*	Average weighted Exercise price*
Senior Managers** (including Significant shareholder)	87,500	105,000	255,346	348,539	609,001	693,000	761,500	2,891,886	
Exercise price	$8.57	$2.26	$28.75	$33.76	$64.30	$82.57	$38.30		$59.39
Term (in years)	10	10	10	10	10	10	10	—	—
Expiration date	Jun. 1, 2010	Apr. 5, 2012	Aug. 23, 2015	Sep. 1, 2016	Aug. 2, 2017	Aug. 5, 2018	Aug. 4, 2019	—	—

** The options granted by Arcelor (noted above) have been included in the total number of options and the average weighted exercise price (at a conversion rate of 1 euro = 1.3705 U.S. dollars) and 32,000 options granted on December 15, 2008 at an exercise price of $23.75.*

*** Includes options granted to Mr. Malay Mukherjee, all of which were received in his capacity as a member of senior management. Mr. Mukherjee was elected to ArcelorMittal's Board of Directors on May 13, 2008, prior to which point he was a Member of the Group Management Board, responsible for Asia, Africa, Mining and CIS, and resigned from ArcelorMittal's Board of Directors effective as of September 1, 2009.*

Share Capital and Voting Rights

Share Capital

As of December 31, 2009, the authorized share capital of ArcelorMittal consisted of 1,617,000,000 common shares without nominal value. At December 31, 2009, 1,560,914,610 common shares, compared to 1,448,826,347 common shares at December 31, 2008, were issued and 1,509,541,518 common shares, compared to 1,366,002,278 common shares at December 31, 2008, were outstanding.

The following table sets forth information as of December 31, 2009 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]	637,944,863	40.87
Treasury Stock[3]	49,919,706	3.20
Other public shareholders	873,050,041	55.93
Total	**1,560,914,610**	**100.00**
Directors and Senior Management[4,5]	1,887,008	0.12

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, or (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 in 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, 2009, there were 2,824 shareholders other than the Significant shareholder holding an aggregate of 41,662,061 ArcelorMittal common shares registered in ArcelorMittal's shareholder register, representing approximately 3% of the common shares issued (including treasury shares).

At December 31, 2009, there were 160 U.S. shareholders holding an aggregate of 49,348,870 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, 2009, there were 832,885,242 ArcelorMittal common shares being held through the Euroclear/Iberclear clearing system in The Netherlands, France, Luxembourg and Spain.

Voting Rights

As of December 31, 2009, ArcelorMittal's Significant shareholder owned directly and indirectly through holding companies 637,504,863 ArcelorMittal common shares, representing approximately 40.84% of the combined voting interest in ArcelorMittal. In the merger between ArcelorMittal and Arcelor, 31,619,094 ArcelorMittal shares were issued on November 13, 2007. After closing of the third offer period for Arcelor shares on November 17, 2006, a total of 679,416,607 shares had been issued to the shareholders of Arcelor since July 31, 2006, as partial payment for Arcelor (the other part was paid in cash). Prior to closing of the third offer period for Arcelor shares on November 17, 2006, Mittal Steel's Significant shareholder owned directly and indirectly through holding companies 165,794,790 Mittal Steel class A common shares (approximately 67% of the issued and outstanding class (except for class A common shares held in treasury)) and 457,490,210 Mittal Steel class B common shares (100% of the issued and outstanding class), representing approximately 98% of the combined voting interest in Mittal Steel. Upon completion of the merger with ISG on April 15, 2005, 60,891,883 shares were issued to the former shareholders of ISG as partial payment for ISG (the other part was paid in cash). Prior to the merger with ISG, Mittal Steel's Significant shareholder owned directly and indirectly through holding companies 165,794,790 Mittal Steel class A common shares (approximately 89.5% of the issued and outstanding class (except for class A common shares held in treasury)) and 457,490,210 Mittal Steel class B common shares (100% of the issued and outstanding class), representing approximately 99.6% of the combined voting interest in Mittal Steel.
On completion of the acquisition of LNM Holdings on December 17, 2004, 139,659,790 Mittal Steel class A common shares and 385,340,210 Mittal Steel class B common shares were issued to an intermediate holding company owned by the Significant shareholder. Prior to the completion of the acquisition of LNM Holdings, the Significant shareholder owned 26,135,000 Mittal Steel class A common shares (approximately 57.5% of the then issued and outstanding class (save for class A common shares held in treasury)) and 72,150,000 Mittal Steel class B common shares (100% of the then issued and outstanding class), representing approximately 97.5% of the combined voting interest in Mittal Steel.

[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, 2009 upon exercise of vested portions of stock options. The first-third of the stock options granted on August 5, 2008 and the first- and second-thirds of the stock options granted on August 2, 2007 vested on August 5, 2009, and August 2, 2009, respectively, and all stock options of the previous grants have vested. None of the stock options granted on August 4, 2009 has vested; the first-third of such options, however, will vest on August 4, 2010.*

[2] *Mr. Lakshmi 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 112,338,263 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 141,600 ArcelorMittal common shares and holds options to acquire an additional 540,000 ArcelorMittal common shares, of which 420,000 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 25,000 ArcelorMittal common shares and holds options to acquire an additional 20,000 ArcelorMittal common shares, of which all 20,000 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 637,899,863 ArcelorMittal common shares and Mrs. Mittal is the beneficial owner of 637,383,263 common shares. Excluding options, Mr. Lakshmi Mittal and Mrs. Usha Mittal together, directly and indirectly through intermediate holding companies, own 637,504,863 ArcelorMittal common shares.*

[3] *Represents ArcelorMittal common shares repurchased pursuant to share repurchase programs in prior years and fractional shares returned in various transactions and excludes (1) 28,794,371 treasury shares to settle the common stock offering on May 6, 2009; (2) 801,890 shares awarded to senior management as bonus shares in respect of 2008 and 123,766 shares awarded to senior management as bonus shares in respect of 2009; (3) 1,119,165 shares contributed to the ArcelorMittal USA Pension Trust; (4) shares used to settle purchases under the ESPP offering that closed on January 21, 2010; (5) 456,251 options that were exercised, during the January 1, 2009—December 31, 2009 period and (6) 1,013,386 stock options that can be exercised by directors and senior management (other than the Significant shareholder), and 440,000 stock options that can be exercised by the Significant shareholder, in each case within 60 days of December 31, 2009. Holders of these stock options are deemed to beneficially own ArcelorMittal common shares for the purposes of this table due to the fact that such options are exercisable within 60 days.*

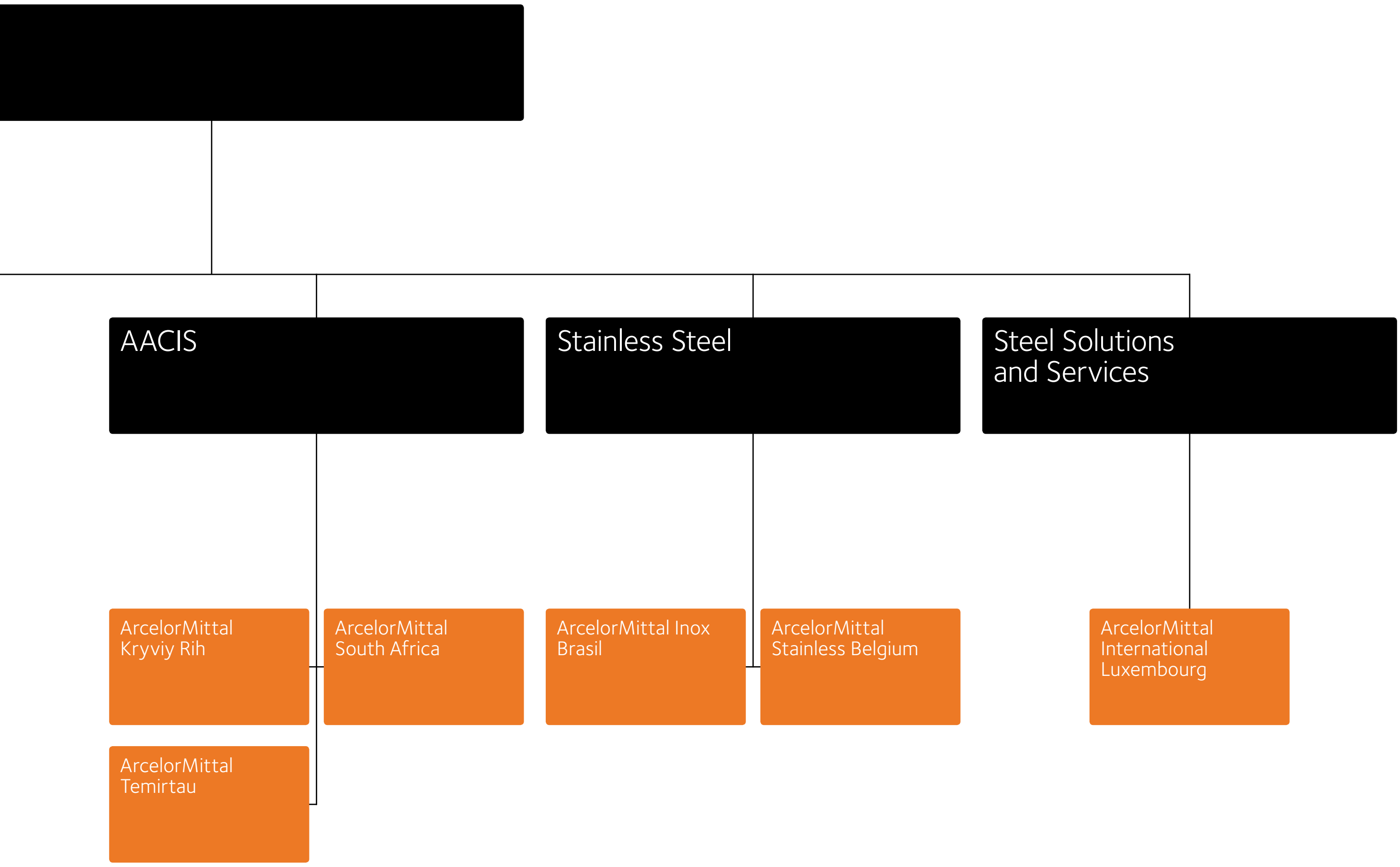
[4] *Excludes shares beneficially owned by the Significant shareholder.*

[5] *These 1,887,008 ArcelorMittal common shares are included in shares owned by the public shareholders indicated above.*

Group Structure

ArcelorMittal

- Flat Carbon Americas
  - ArcelorMittal Brasil
  - ArcelorMittal Mines Canada
  - ArcelorMittal Lázaro Cárdenas
  - ArcelorMittal Dofasco
  - ArcelorMittal USA
- Flat Carbon Europe
  - ArcelorMittal Atlantique & Lorraine
  - ArcelorMittal Belgium
  - ArcelorMittal España
  - ArcelorMittal Flat Carbon Europe
  - ArcelorMittal Galati
  - ArcelorMittal Poland
  - Industeel Belgium
  - Industeel France
- Long Carbon Americas and Europe
  - Acindar
  - ArcelorMittal Belval & Differdange
  - ArcelorMittal Brasil
  - ArcelorMittal Hamburg
  - ArcelorMittal Hochfeld
  - ArcelorMittal Las Truchas
  - ArcelorMittal Madrid
  - ArcelorMittal Montreal
  - ArcelorMittal Gipuzkoa, S.L.
  - ArcelorMittal Ostrava
  - ArcelorMittal Point Lisas
  - ArcelorMittal Poland
  - ArcelorMittal Ruhrort
  - Sonasid



ArcelorMittal S.A. is a holding company with no business operations of its own. All of its significant operating subsidiaries are indirectly owned by ArcelorMittal through intermediate holding companies. The following chart represents the current operational structure of the Company, including its significant operating subsidiaries, and not its legal or ownership structure. For a list of ArcelorMittal's significant operating subsidiaries by reportable segment, please refer to Note 13 to the consolidated financial statements.

Additional Information about ArcelorMittal

ArcelorMittal as Parent Company

ArcelorMittal, a *société anonyme* incorporated under the laws of Luxembourg, is the parent company of the Group and is expected to continue this role over the coming years. The Company has no branch offices and generated a loss of $507 million in 2009.

Group Companies Listed on the Luxembourg Stock Exchange

ArcelorMittal's securities are traded on several exchanges, including the Luxembourg Stock Exchange, and its primary stock exchange regulator is the Luxembourg CSSF (*Commission de Surveillance du Secteur Financier*). ArcelorMittal's CSSF issuer number is E-0001.

In addition to ArcelorMittal, the securities of two other ArcelorMittal Group companies are listed on the Luxembourg Stock Exchange.

ArcelorMittal Finance S.C.A. is a *société en commandite par actions* with registered office address at 19, avenue de la Liberté, L-2930 Luxembourg, Grand-Duchy of Luxembourg, registered with the *Registre du Commerce et des Sociétés Luxembourg* under number B 13.244. ArcelorMittal Finance is indirectly 100% owned by ArcelorMittal. ArcelorMittal Finance was, until June 18, 2008, the principal finance vehicle of the Group and, in this connection, it issued a number of bonds listed on the Luxembourg Stock Exchange. ArcelorMittal Finance's CSSF issuer number is E-0225.

ArcelorMittal Rodange & Schifflange S.A. is a *société anonyme* with registered office address at 2, rue de l'Industrie, L- 4823 Rodange, Grand-Duchy of Luxembourg, registered with the *Registre du Commerce et des Sociétés Luxembourg* under number B 10.643. The share capital of ArcelorMittal Rodange & Schifflange is approximately 78.63% owned indirectly by ArcelorMittal and its shares are listed on the Luxembourg Stock Exchange. Its CSSF issuer number is E-0003.

Minority Shareholders Litigation

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. The claimants filed their conclusions on January 5, 2010. Hearing and judgment in the first instance are not expected before the end of 2010.

Photography: ArcelorMittal Photo Library; ArcelorMittal University; Liu Chao from Sohu; istockphoto;
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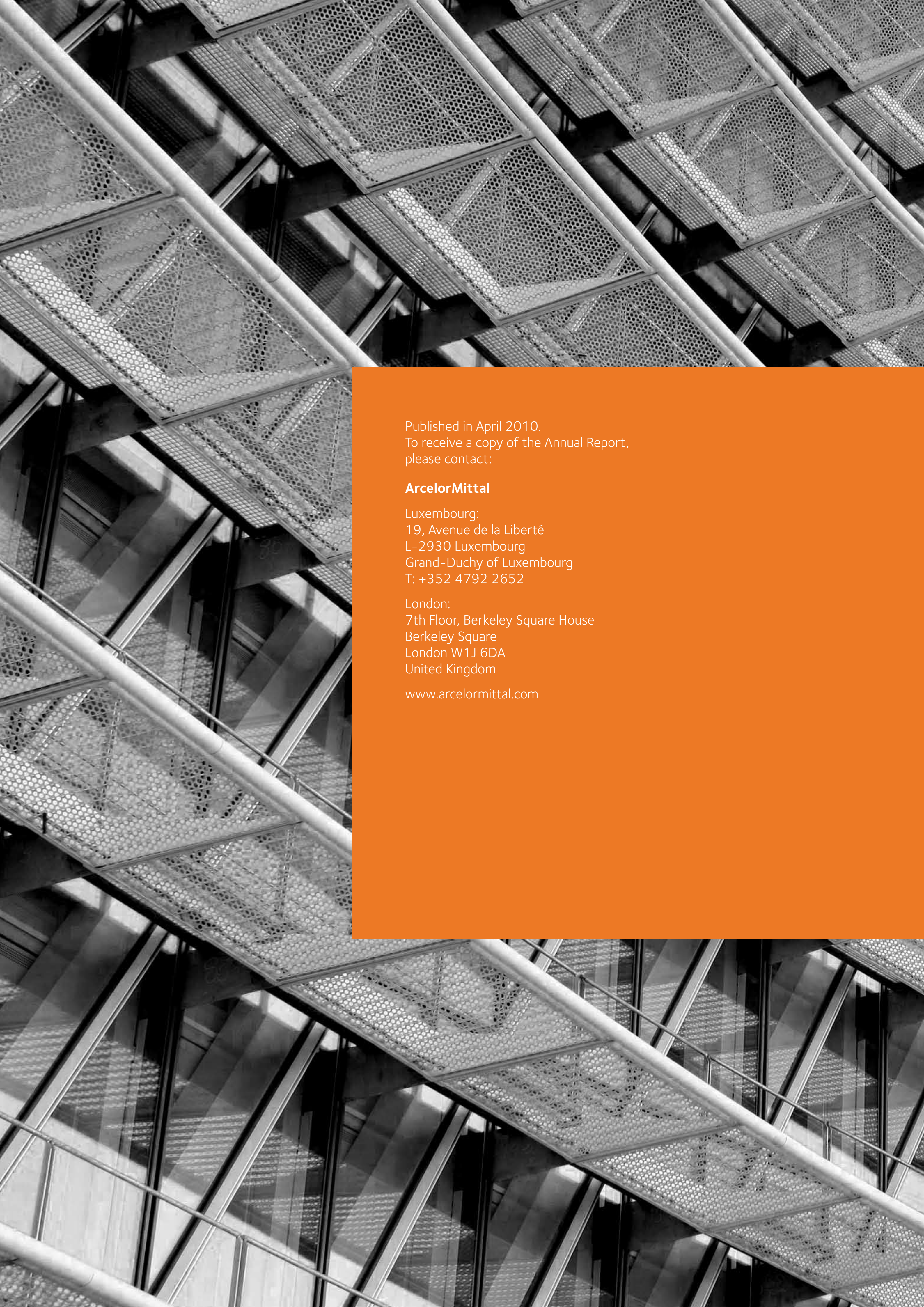
Designed and produced by www.thoburns.com (United Kingdom).
Printed by Royle Print, London.



Published in April 2010.
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